

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

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

Our business involves significant risks, some of which are described below. You should carefully consider the risks and uncertainties described below, together with all the other information in this Report, including the section titled “ Management’s Discussion and Analysis of Financial Condition and Results of Operations ” and the consolidated financial statements and the related notes before making a decision to invest in our Class A Common Stock. The risks and uncertainties described below may not be the only ones we face. If any of the following risks actually occur, our business, reputation, financial condition, results of operations, and future prospects could be seriously harmed. In addition, you should consider the interrelationship and compounding effects of two or more risks occurring simultaneously. Unless otherwise indicated, references to our business being harmed in these risk factors will include harm to our business, reputation, financial condition, results of operations, and future prospects. In that event, the market price of our Class A Common Stock could decline, and you could lose part or all of your investment.

**Risk Factor Summary** Our business operations are subject to numerous risks and uncertainties, including those outside of our control, that could cause our business to be harmed, including risks regarding the following: **Risks Related to Our Business and Industry** • We have a history of net losses and may not be able to achieve or maintain profitability in the future. • Any delay, disruption or quality control problems experienced by our third- party suppliers, manufacturers, and partners, could cause us to lose market share and our results of operations may suffer. • We rely on a limited number of third- party suppliers and manufacturers for our products, and a loss of any one of them could negatively affect our business. • **We may not be able to successfully manage any the transition of our recent leadership to or our new Chief Executive Officer future acquisitions and integrations of businesses, which our results of operations may be materially and adversely affected.** • **The occurrence of health epidemics, pandemics and similar outbreaks, such as the COVID-19 pandemic, could have an adverse affect our business impact on us.** **Risks Related to Legal and Regulatory Matters** • We are subject to legal obligations and laws and regulations related to privacy and cybersecurity, and any actual or perceived failure to meet those obligations could harm our business. • If there is any breach of security controls; unauthorized or inadvertent access to customer, residential, or other data; or unauthorized control or view of systems, our products and solutions may be perceived as insecure, our business may be harmed, and we may incur significant liabilities. • Design and manufacturing defects in our products and services could subject us to personal injury, property damage, product liability, warranty, and other claims, which could adversely affect our business and result in harm to our business. **Risks Related to Ownership of Our Class A Common Stock** • If securities analysts issue unfavorable commentary about us or our industry or downgrade our Class A Common Stock, the price of our Class A Common Stock could decline. • Our management has limited experience operating a public company. We experienced net losses in each year since inception, including a net loss of \$ **96.3 million for 2022 and \$ 34.6 million for 2023 and \$ 33.6 million for 2024**. We believe we will continue to incur operating losses and negative cash flow in the near- term as we continue to invest significantly in our business. We expect to continue to devote significant resources to our future growth, including making meaningful investments in our customer acquisition teams, building out our technological capabilities, including internal business systems and tools, and exploring strategic acquisition opportunities. We may continue to incur losses and will have to generate and sustain increased revenues to achieve future profitability. Achieving profitability will require us to increase revenues, manage our cost structure, and avoid significant liabilities. Revenue growth may slow, revenues may decline or grow at a slower rate relative to increasing costs, or we may incur significant losses in the future for a number of possible reasons, including general macroeconomic conditions, decreasing demand for our products, slow down in construction, increasing competition (including competitive pricing pressures), a decrease in the growth of the markets in which we compete, and our failure to capitalize on growth opportunities. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, and quality problems, and other unknown factors that may result in losses in future periods. If these losses exceed our expectations or our revenue growth expectations are not met in future periods, our business will be harmed and our stock price could decline. We have limited control over our suppliers, manufacturers, and partners, which may subject us to significant risks, including the potential inability to produce, obtain or provide quality products and services on a timely basis or in sufficient quantity. If these third- party suppliers, manufacturers, and partners experience any delay, disruption or quality control problems in their operations, we could lose market share and our results of operations may suffer. We have limited control over our suppliers, manufacturers, and partners. These suppliers, manufacturers, and partners may operate in a way which harms our business. In addition, these suppliers, manufacturers, and partners may experience delay, disruption, or lapse in the quality of their operations, which would subject us to risks, including the following: • inability to satisfy demand for our products; • reduced control over delivery timing and product reliability; • reduced ability to monitor the manufacturing process and components used in our products; • limited ability to develop comprehensive manufacturing specifications that take into account any materials or components shortages or substitutions; • variance in the manufacturing capability of our third- party manufacturers; • price increases; • failure of a significant supplier, manufacturer, or partner to perform its obligations to us for technical, market, or other reasons; • insolvency, bankruptcy or liquidation of a significant supplier, manufacturer, or partner; • difficulties in establishing additional supplier, manufacturer, or partner relationships if we experience difficulties with our existing suppliers, manufacturers, or partners; • shortages of materials or components; • disagreements with suppliers, manufacturers, or logistics partners as to quality control, leading to a surplus of ineffective products; • **the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, duties, tariffs, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of**

**funds;** • misappropriation of our intellectual property; • geopolitical uncertainty and instability, such as the ongoing geopolitical tensions related to conflicts in and around Ukraine, Israel and other areas of the world, or potential conflicts in the region surrounding the Taiwan Strait, which may lead to changes in U. S. or foreign trade policies and general economic conditions that impact our business; • foreign subsidiaries may operate in a way which harms our business including the violation of labor, environmental or other laws, or failure to follow ethical business practices; • exposure to natural catastrophes, political unrest, terrorism, labor disputes, and economic instability resulting in the disruption of manufacturing operations in or trade from foreign countries in which our products are manufactured or the components thereof are sourced; • changes in local economic conditions in the jurisdictions where our suppliers, manufacturers, and partners are located; ~~• the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, duties, tariffs, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds;~~ and • insufficient warranties and indemnities on components supplied to our manufacturers or performance by our partners. The occurrence of any of these risks, especially during periods of peak demand, could cause us to experience a significant disruption in our ability to produce and deliver our products to our customers. For example, in prior periods, the increased demand for electronics as a result of the COVID- 19 pandemic, U. S. trade relations with China and certain other factors led to a global shortage of semiconductors, including Z - wave chips, which are a central component of our Hub Devices. Due to this shortage in prior periods, we experienced Hub Device production delays, which affected our ability to meet scheduled installations and facilitate customer upgrades to our higher- margin Hub Devices. The semiconductor supply chain is complex, with capacity constraints occurring throughout. We must compete with other industries to satisfy current and near- term requirements for semiconductors, and those allocations are not within our control even though we attempt various mitigating actions. An ongoing shortage of semiconductors or other key components can disrupt our production schedule and have an adverse effect on our business, profitability and results of operations. Certain of our products are currently subject to tariffs, changes in trade policies ; ~~additional tariffs,~~ or labor shortages , **which** could make delivery of supplies more expensive ~~and time consuming~~ . **For example , leading the new U. S. presidential administration has imposed additional tariffs on imports into the United States from Canada, China and Mexico, which could lead** to increased expenses and delays in shipments. These potential delays and cost increases could have an adverse effect on our business, financial condition, and ~~operations-~~ **operating** results. We depend on third- party suppliers and manufacturers and partners for our products and services. A loss of any of our suppliers, manufacturers, and partners could negatively affect our business. We rely on a limited number of suppliers to manufacture and transport our products, including in some cases only a single supplier for some of our products and components. Our reliance on a limited number of manufacturers for our products increases our risks, since we do not currently have alternative or replacement manufacturers beyond these key parties. In the event of interruption from any of our manufacturers, we may not be able to increase capacity from other sources or develop alternate or secondary sources without incurring material additional costs and substantial delays. Furthermore, many of these manufacturers' primary facilities are located in Europe or Asia. Thus, our business could be adversely affected if one or more of our suppliers is impacted by a natural disaster, geopolitical instability, such as the ongoing geopolitical tensions related to conflicts in and around Ukraine, Israel and other areas of the world, or other interruptions at a particular location. In particular, we rely on an exclusive manufacturer of Z- wave chips, which facilitate the Z- wave communication protocol used for communication between our Hub Devices and all other smart devices. The replacement of the Z- wave communication protocol would require the replacement or modification of all of our devices, resulting in production and deployment delays, thus negatively impacting our business. We also rely exclusively on a single source to supply the main central processing unit used in our Hub Devices. A change in the central processing unit would necessitate an extensive printed circuit board redesign, also resulting in production and deployment delays. If we experience a significant increase in demand for our products, or if we need to replace an existing supplier or partner, we may be unable to supplement or replace them on terms that are acceptable to us, which may undermine our ability to deliver our products to customers in a timely manner. For example, it may take a significant amount of time to identify a manufacturer that has the capability and resources to build our products to our specifications in sufficient volume. Identifying suitable suppliers, manufacturers, and partners is an extensive process that requires us to become satisfied with their quality control, technical capabilities, responsiveness and service, financial stability, regulatory compliance, and labor and other ethical practices. Accordingly, a loss of any of our significant suppliers, manufactures, or logistics partners could have an adverse effect on our business, financial condition, and operating results. The loss of one or more key members of our management team or personnel, or our failure to attract, integrate and retain additional personnel in the future, could harm our business and negatively affect our ability to successfully grow our business. We are highly dependent upon the continued service and performance of the key members of our management team and other personnel. The loss of any of these individuals, each of whom is " at will " and may terminate his or her employment relationship with us at any time, could disrupt our operations, harm our business, and significantly delay or prevent the achievement of our business objectives. We believe that our future success will also depend in part on our continued ability to identify, hire **and integrate** , train, and motivate qualified personnel. We may be unable to attract and retain suitably qualified individuals who are capable of meeting our growing operational, managerial and other requirements, or we may be required to pay increased compensation in order to do so. Our failure to attract, hire, integrate, and retain qualified personnel could impair our ability to achieve our business objectives. **On February 24, 2025, Michael Shane Paladin became our new Chief Executive Officer. Our new Chief Executive Officer will be critical to executing on our evolving business strategy. Our success will depend, in part, on the effectiveness of this transition, including the successful integration into his role and the continuity of leadership among the larger workforce. If we do not successfully manage this transition, it could be viewed negatively by our customers, employees, investors, and other third- party partners and could have an adverse impact on our business, results of operations, or our stock price. If Mr. Paladin is unsuccessful at leading the management team or is unable to articulate and execute our strategy and vision, we may not be able to**

**achieve our financial and operational goals, which could adversely affect our business and results of operations.** We make estimates relating to customer demand and errors in our estimates may have negative effects on our inventory levels, revenues, and results of operations. We have historically entered into agreements to place firm orders for products from our suppliers to ensure that we are able to meet our customers' demands. Our sales process requires us to estimate the expected customer demand and place firm product orders accordingly. If we overestimate customer demand, we may allocate resources to products that we may not be able to sell when we expect or at all. As a result, we may have excess inventory which could increase our net losses. Conversely, if we underestimate customer demand, we may lose revenue opportunities and market share and may damage our customer relationships. We rely on assumptions and estimates to calculate certain of our key operating metrics, and real or perceived inaccuracies in such metrics could adversely affect our reputation and our business. We rely on assumptions and estimates to calculate certain of our key operating metrics, such as Units Deployed and New Units Deployed, Units Booked, and ARR. Our key operating metrics are not based on any standardized industry methodology and are not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies. Similarly, our key operating metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. The numbers that we use to calculate Units Deployed and New Units Deployed, Units Booked, and ARR are based on internal data. While these numbers are based on what we believe to be reasonable judgments and estimates for the applicable period of measurement, there are inherent challenges in measuring usage. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy. If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our business would be harmed.

~~Our ability to use net operating loss carryforwards may be subject to limitations. As of December 31, 2023, we had approximately \$ 204.6 million of gross federal net operating loss carryforwards available to reduce future taxable income. Realization of any tax benefit from our carryforwards is dependent on our ability to generate future taxable income and the absence of certain "ownership changes." An "ownership change," as defined in the applicable federal income tax rules, could place significant limitations, on an annual basis, on the amount of our future taxable income that may be offset by our carryforwards. Such limitations could effectively eliminate our ability to utilize a substantial portion of our carryforwards. We have not conducted a study to determine whether an "ownership change" has occurred since December 31, 2021 or if (i) the Business Combination resulted in~~

If we are unable to develop new products and solutions, adapt to technological change, sell our products and solutions into new markets, or further penetrate our existing markets, our revenue may not grow as expected. Our ability to increase sales will depend, in large part, on our ability to enhance and improve our products and solutions, introduce new products, solutions, software, features, or services and in a timely manner, sell into new markets and further penetrate our existing markets. The success of any enhancement or new product or solution depends on several factors, including the timely completion, introduction and market acceptance of enhanced or new products and solutions, the ability to maintain and develop relationships with partners and vendors, the ability to attract, retain and effectively train sales and marketing personnel, the effectiveness of our marketing programs, and the ability of our products and solutions to maintain compatibility with a wide range of connected devices.

**. Because we derive a significant portion of our revenue from Hardware and Hosted Services, any material decline in Hardware sales, such as sales of our Hub Devices, or material decline in customers with subscriptions to our Hosted Services, would have a pronounced impact on our future revenue and operating results.** Any new product or solution we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate significant revenue. Any new markets into which we attempt to sell our products and solutions, including new vertical markets (e. g., commercial office) and new countries or regions, may not be receptive. Our ability to further penetrate our existing markets depends on the quality, availability and reliability of our products and solutions and our ability to design our products and solutions to meet customer demand. Similarly, if any of our potential competitors implement new technologies before we are able to implement ours, those competitors may be able to provide more effective products or solutions, possibly at lower prices. Any delay or failure in the introduction of new or enhanced products or solutions could harm our business. If the smart home technology industry does not grow as we expect, or if we cannot expand our products and solutions to meet the demands of this market, our revenue may decline, fail to grow or fail to grow at an accelerated rate, and we may incur operating losses. The market for smart home solutions is in an early stage of development, and it is uncertain how rapidly or how consistently this market will develop and the degree to which our products and solutions will be accepted into the single- family and multifamily rental markets in which we operate. Some residents, owners, or operators may be reluctant or unwilling to use our solutions for a number of reasons, including satisfaction with traditional solutions, concerns about additional costs, concerns about data privacy, and lack of awareness of the benefits of our solutions. In addition, macroeconomic conditions (including, for example, higher interest rates or fear of recession) may cause delays or reductions in the capital expenditures by our customers. Further, new regulations may cause our customers and potential customers to redirect capital expenditures to meet the requirements of such regulations. For example, some of our customers have indicated that they are delaying the deployment of our solutions in certain communities and are directing more of their capital expenditures to solar systems to meet ~~Environmental, Social, and Governance ("ESG ")~~ requirements- thus reducing our short- term revenue expectations. Our ability to expand the sales of our products and solutions into this market and new markets depends on several factors, including the reputation and recognition of our products and solutions, the timely completion, introduction and market acceptance of our products and solutions, the ability to attract, retain and effectively train sales and marketing personnel, the effectiveness of our marketing programs, the costs of our products and solutions and the success of our competitors. If we are unsuccessful in developing and marketing our products and solutions into new markets, or if customers do not perceive or value the benefits of our products and solutions, the market for our products and solutions might not continue to develop or might develop more slowly than we expect, either of which would harm our revenue and growth prospects. Our operating results and financial condition may fluctuate from period to period. Our operating results

and financial condition fluctuate from quarter- to- quarter and year- to- year and are likely to continue to vary due to a number of factors, many of which will not be within our control. Both our business and the smart building technology industry are evolving rapidly, and our historical operating results may not be useful in predicting our future operating results. If our operating results do not meet the guidance that we provide to the market or the expectations of securities analysts or investors, our stock price will likely decline. Fluctuations in our operating results and financial condition may arise due to a number of factors, including:

- the proportion of our revenue attributable to SaaS, versus hardware and other revenues;
- fluctuations in demand for our platform and solutions;
- changes in our business and pricing policies or those of our competitors;
- the ability of our hardware vendors to continue to manufacture high- quality products and to supply sufficient products to meet our demands;
- the timing and success of introductions of new solutions, products or upgrades by us or our competitors;
- our ability to control costs, including our operating expenses, the costs of the hardware we purchase or manufacture, the cost of the labor required to provide our professional services and the costs required to provide subscriptions for use of the Company' s software;
- changes in business or macroeconomic conditions, including global supply chain issues, housing affordability, inflation, foreign currency exchange rate fluctuations, changing interest rates, recessionary conditions, political instability, volatility in the credit markets, regulatory requirements or market conditions in our industry;
- the ability to accurately forecast revenue;
- competition, including entry into the industry by new competitors and new offerings by existing competitors;
- our ability to successfully manage any future acquisitions and integrations of businesses;
- issues related to introductions of new or improved products, such as shortages of prior generation products or short- term decreased demand for next generation products;
- the amount and timing of expenditures, including those related to expanding our operations, increasing research and development, introducing new solutions or paying litigation expenses;
- the ability to effectively manage growth within existing and new markets domestically and internationally;
- changes in the payment terms for our platform and solutions;
- restrictions on international trade, such as tariffs and other controls on imports or exports of goods, technology or data; and
- the impact of other events or factors, including those resulting from natural disasters, pandemics, war, including due to the war in Ukraine and Israel- Hamas conflict, acts of terrorism, or responses to these events.

Due to the foregoing factors, and the other risks discussed in this Report, you should not rely on quarter- over- quarter and year- over- year comparisons of our operating results as an indicator of our future performance. Our limited operating history, ~~recent growth~~ and the quickly changing markets in which we operate make evaluating our current business and future prospects difficult, which may increase the risk of investing in our Class A Common Stock. ~~We have experienced rapid growth since our formation. For example, our revenue in 2023 was more than 40 % higher than 2022.~~ We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing markets. If our assumptions regarding these uncertainties are incorrect or change in reaction to changes in our markets, or if we do not manage or address these risks successfully, our results of operations could differ materially from our expectations, and our business could suffer. ~~We~~ **Our growth has placed and may continue to place significant demands on our management, and our operational and financial infrastructure. As our operations grow in size, scope, and complexity, we will need to increase our sales and marketing efforts and add additional sales and marketing personnel and senior management in various regions worldwide and improve and upgrade our systems and infrastructure to attract, service, and retain an increasing number of customers. For example, we plan to extend our offerings to current customers by introducing new software, services, and products and may explore opportunities for international expansion. The expansion of our systems and infrastructure will require us to commit substantial financial, operational, and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Any such capital investments will increase our cost base. Product liability, warranty, personal injury, property damage and recall claims may materially affect our financial condition and damage our reputation. Our business exposes us to claims for product liability and warranty claims in the event our products actually or allegedly fail to perform as expected or the use of our products results, or is alleged to result, in property damage, personal injury or death. For example, in 2020 and 2021 we identified a deficiency with batteries contained in certain hardware sold which we acquired from a supplier. As of December 31, 2023 we have accrued \$ 864, 000 in hardware cost of goods sold on the Consolidated Statements of Operations related to the battery deficiencies. **During the year ended December 31, 2024, we determined the battery replacements were complete and released the remaining warranty accrual of \$ 864, 000 related to the battery deficiency.** Although we maintain product and general liability insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all such potential claims. Because our products are installed in homes, there is an elevated risk of property damage, personal injury, or death in the event of a product malfunction, such as a smart lock failing, our Hub Device overheating or catching fire, or leak sensor defects. Any judgment or settlement for property damage, personal injury, or wrongful death could prove expensive to contest. We may experience legal claims in excess of our insurance coverage or claims that are not covered by insurance, either of which could adversely affect our business, financial condition and results of operations. Adverse determination of material product liability and warranty claims made against us could have a material adverse effect on our financial condition and harm our business. In addition, if any of our products or components in our products are, or are alleged to be, defective, we may be required to participate in a recall of that product or component if the defect or alleged defect relates to safety. Any such recall and other claims could be costly to us and require substantial management attention. We may be unable to attract new customers and maintain customer satisfaction, which could have an adverse effect on our business and growth. We have experienced significant customer growth over the past several years and now have **593 over 650** customers as of December 31, **2023-2024**. Our continued business and revenue growth are dependent on our ability to continuously attract and retain customers, and we cannot be sure that we will be successful in these efforts, or that customer retention levels will not materially decline. There are a number of factors that could lead to a decline in customer levels or that could prevent us from increasing our customer levels, including: • our failure to introduce new features, software, products, or solutions that customers find engaging or our introduction of new products or solutions, or changes to existing products and solutions that are not favorably received; • harm to our brand and reputation; •**

pricing and perceived value of our offerings; • our inability to deliver quality products and solutions in a timely manner; • our customers engaging with competitive software, services, products, and solutions; • technical or other problems preventing customers or their residents from using our products and solutions in a rapid and reliable manner or otherwise affecting the customer experience; • deterioration of the apartment or real estate industry, including declining levels of multifamily and single-family rental buildings and reduced spending in the apartment industry; • unsatisfactory experiences with the delivery, installation, or products or solutions; and • deteriorating general economic conditions or a change in customer or consumer spending preferences or buying trends. Additionally, expansion into international markets will create new challenges in attracting and retaining customers that we may not successfully address. As a result of these factors, we cannot be sure that our customer levels will be adequate to maintain or permit the expansion of our operations. A decline in customer levels and demand for our solutions from existing customers could have an adverse effect on our business, financial condition, and operating results. Potential customer turnover in the future, or costs we incur to retain and upsell our customers, could materially and adversely affect our financial performance. Our customers have no obligation to renew their contracts for our software services after the expiration of the initial term. Our **recurring revenue** contract terms range from one month to **eight ten** years; and **our the weighted average length of our recurring revenue contract contracts** term is **1-4 . 6-4** years. In the event that these customers do renew their contracts, they may choose to renew for fewer units, shorter contract lengths, or for less expensive subscriptions. We cannot predict the renewal rates for customers that have entered into software contracts with us. Customer attrition, as well as reductions in the number of units for which a customer subscribes, each could have a significant impact on our results of operations, as does the cost we incur in our efforts to retain our customers and encourage them to upgrade their services and increase the number of their units that use our software, services, and products. Our attrition rate could increase in the future if customers are not satisfied with our products and solutions, the **support we provide related to our solutions, the** value proposition of our solutions or our ability to otherwise meet their needs and expectations. Customer attrition and reductions in the number of units may also increase due to factors beyond our control, including the failure or unwillingness of customers to pay for our products and solutions due to financial constraints and the impact of a slowing economy or higher interest rates. If a significant number of customers terminate, reduce, or fail to renew their contracts, we may be required to incur significantly higher sales and marketing expenditures than we currently anticipate in order to increase the number of new customers or to upsell existing customers, and such additional sales and marketing expenditures could harm our business. Our future success also depends in part on our ability to sell additional solutions to our current customers and to sell into our customers' future projects. This may require increasingly sophisticated and more costly sales efforts, technologies, tools and a longer sales cycle. Any increase in the costs necessary to upgrade, expand and retain existing customers could materially and adversely affect our financial performance. If our efforts to sell customers additional units and, in the future, to purchase additional solutions are not successful, our business may suffer. In addition, such increased costs could cause us to increase our rates, which could increase our attrition rate. The markets in which we participate could become more competitive as many companies, including large technology companies, managed service providers **and internet service, security** and WiFi providers, may target the markets in which we do business. If we are unable to compete effectively with these potential competitors and sustain pricing levels for our products and solutions, our revenue and profitability could be adversely affected. The smart home technology industry in which we participate may become more competitive and competition may intensify in the future. Our ability to compete depends on a number of factors, including: • our product and solution functionality, performance, ease of use, reliability, availability, and cost effectiveness relative to that of our competitors' products and solutions; • our success in utilizing new technologies to offer solutions and features previously not available in the marketplace • our success in identifying new markets, applications and technologies such as our Community WiFi solution; • our ability to attract and retain partners; • our name recognition and reputation; • our ability to recruit software engineers and sales and marketing personnel; and • our ability to protect our intellectual property. Customers may prefer to purchase from their existing suppliers rather than a new supplier regardless of product performance or features. In the event a customer decides to evaluate a smart home solution, the customer may be more inclined to select one of our competitors if such competitor's product offerings are broader or at a better price point than those that we offer. We face, and may in the future face, competition from large technology providers, managed service providers and WiFi providers, that may have greater capital and resources than we do. Competitors that are larger in scale and have greater resources may benefit from greater economies of scale and other lower costs that permit them to offer more favorable terms to consumers (including lower service costs) than we offer, causing such consumers to choose to enter into contracts with such competitors. For instance, cable and telecommunications companies are expanding into the smart home and security industries and are bundling their existing offerings with automation and monitored security services. In some instances, it appears that certain components of such bundled offerings are significantly underpriced and, in effect, subsidized by the rates charged for the other product or services offered by these companies. These bundled pricing alternatives may influence customers' desire to use our services at rates and fees we consider appropriate. These competitors may also benefit from greater name recognition and superior advertising, marketing, promotional and other resources. To the extent that such competitors utilize any competitive advantages in markets where our business is more highly concentrated, the negative impact on our business may increase over time. In addition to potentially reducing the number of new customers we are able to acquire, increased competition could also result in increased customer acquisition costs and higher attrition rates that would negatively impact us over time. The benefit offered to larger competitors from economies of scale and other lower costs may be magnified by an economic downturn in which customers put a greater emphasis on lower cost products or services. In addition, we face competition from regional competitors that concentrate their capital and other resources in targeting local markets. Cable and telecommunications companies actively targeting the smart home market and large technology companies expanding into the smart home market could result in pricing pressure, a shift in customer preferences towards the services of these companies and a reduction in our market share. Continued pricing pressure from these competitors

or failure to achieve pricing based on the competitive advantages previously identified above could prevent us from maintaining competitive price points for our products and services, resulting in lost subscribers or in our inability to attract new subscribers and have an adverse effect on our business, financial condition, results of operations, and cash flows. If we are unable to sustain pricing levels for our products and solutions whether due to competitive pressure or otherwise, our gross margins could be significantly reduced. Further, our decisions around the development of new products or solutions are grounded in assumptions about eventual pricing levels. If there is price compression in the market after these decisions are made, it could have a negative effect on our business. If we fail to continue to develop our brand or our reputation is harmed, our business may suffer. We believe that continuing to strengthen our current brand will be critical to achieving widespread acceptance of our products and solutions and will require continued focus on active marketing efforts. We have established a reputation and brand as a leader in the smart home technology industry and trusted technology provider. We believe our brand is important to attracting new customers and expanding across our current customer portfolios. The demand for and cost of online and traditional advertising have been increasing and may continue to increase. Accordingly, we may need to increase our investment in, and devote greater resources to, advertising, marketing, and other efforts to create and maintain brand loyalty among our customers. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in building our brand. In addition, if we do not handle customer or resident complaints effectively, our brand and reputation may suffer, we may lose our customers' confidence, and they may choose to terminate, reduce or not to renew their contracts. Many of our customers and their residents also participate in social media and online blogs about smart home technology solutions, including our products, and our success depends in part on our ability to minimize negative and generate positive feedback through such online channels where existing and potential customers seek and share information. If we fail to promote and maintain our brand, our business could be materially and adversely affected. **The loss of one or more key..... beginning on the ownership change date.** Interruptions to, or other problems with, our website and interactive user interface, information technology systems, manufacturing processes or other operations could damage our reputation and brand and substantially harm our business. Our operations substantially rely on Amazon Web Services ("AWS") for the provision of hosting services for our websites, the operational infrastructure supporting our products and certain managerial, customer service, sales, and marketing tools. Although a considerable portion of our operations and services are concentrated within a single AWS region, this does not encompass all our applications, with some operating beyond this regional constraint. This reliance on AWS' s infrastructure and service capabilities subjects a significant segment of our operational capacity to the potential for service interruptions, data security vulnerabilities, regulatory compliance challenges, and unforeseen cost escalations inherent in cloud- based service models. To date, we have not implemented alternative hosting solutions or established comprehensive redundancy strategies across multiple cloud regions, which may limit our ability to effectively mitigate these risks. The continuity and performance of AWS services are critical to maintaining our operational functions. Any lapses in AWS service levels or infrastructure issues have the potential to materially impact our ability to address and remediate operational disruptions in a timely manner. Such dependencies introduce risks that are largely outside our direct control and could adversely affect our operational continuity and financial performance. We have scripted parts of our operational infrastructure for efficiency reasons; this delivery allows us to decrease the time needed to deliver a new operational infrastructure in a new AWS region during a disaster. While this increase in operational infrastructure automation generally makes our services more reliable and robust, if portions of this automation or scripting were to fail, it could increase the disruption time. The satisfactory performance, reliability, consistency, security and availability of our website and interactive user interface, information technology systems, manufacturing processes and other operations are critical to our reputation and brand, and to our ability to effectively provide our smart home services to customers and their residents. Any interruptions or other problems that cause our website, interactive user interface or information technology systems to malfunction or be unavailable may damage our reputation and brand, result in lost revenue, cause us to incur significant costs seeking to remedy the problem, and otherwise substantially harm our business. A number of factors or events could cause such interruptions or problems, including among others, human and software errors, design faults, challenges associated with upgrades, changes or new facets of our business, power loss, telecommunication failures, fire, flood, extreme weather, political instability, acts of terrorism, war, break- ins and security breaches, contract disputes, labor strikes and other workforce- related issues, and other similar events. These risks are augmented by the fact that our customers and their residents use our products and solutions to operate their lights, locks, HVAC controls and other aspects of their living spaces. Moreover, the business interruption insurance that we carry may not be sufficient to compensate us for the potentially significant losses, including the potential harm to the future growth of our business that may result from interruptions in our product lines as a result of system failures. **Our ability to use net operating loss carryforwards may be subject to limitations. As of December 31, 2024, we had approximately \$ 222.9 million of gross federal net operating loss carryforwards available to reduce future taxable income. Realization of any tax benefit from our carryforwards is dependent on our ability to generate future taxable income and the absence of certain " ownership changes. " An " ownership change, " as defined in the applicable federal income tax rules, could place significant limitations, on an annual basis, on the amount of our future taxable income that may be offset by our carryforwards. Such limitations could effectively eliminate our ability to utilize a substantial portion of our carryforwards. We have conducted an analysis under Section 382 of the Code to determine whether there would be any limitation on our ability to utilize our tax attributes. We have not experienced any limitations on the ability to use these tax attributes as the result of our analysis. Other issuances of shares of our Class A Common Stock which could cause an " ownership change " include the issuance of shares of common stock upon future conversion or exercise of outstanding options and warrants or future common stock offerings. We continue to analyze any shifts in ownership which may limit our ability to use these tax attributes in the future. Changes in tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions. We are subject to tax laws, regulations and policies of**

**several taxing jurisdictions. Changes in tax laws, as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates and otherwise adversely affect our tax positions and results of our operations. For example, in August 2022 the United States enacted a 1 % excise tax on stock buybacks, which could impact our share repurchase program, and a 15 % alternative minimum tax on adjusted financial statement income as part of the Inflation Reduction Act of 2022. Furthermore, beginning in 2022, the Code eliminates the right to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize U. S. and foreign research and development expenditures over five and fifteen tax years, respectively. We have accounted for such changes in accordance with our understanding of guidance available as of the date of this filing as described in more detail in our financial statements. Many countries, as well as organizations such as the Organization for Economic Cooperation and Development, have enacted or proposed changes to existing tax laws, including a proposed 15 % global minimum tax. Any of these developments or changes in U. S. federal, state or international tax laws or tax rulings could adversely affect our effective tax rate and our operating results. There can be no assurance that our effective tax rates, tax payments or tax credits and incentives will not be adversely affected by these or other developments or changes in law.**

We may expand through acquisitions of, or investments in, other companies, each of which may divert our management's attention, result in additional dilution to our stockholders, increase expenses, disrupt our operations and harm our business. Our business strategy may, from time to time, include acquiring or investing in complementary services, technologies or businesses. On ~~December 31, 2021~~, we purchased all of the outstanding equity interests of iQueue LLC ("iQueue"), and on March 21, 2022, we purchased all of the outstanding equity interests of SightPlan Holdings, Inc. ("SightPlan"). We cannot assure you that we will successfully identify suitable acquisition candidates, integrate or manage disparate technologies, lines of business, personnel and corporate cultures, realize our business strategy or the expected return on our investment, or manage a geographically dispersed company. Any such acquisition or investment could materially and adversely affect our results of operations. Acquisitions and other strategic investments involve significant risks and uncertainties, including: • the potential failure to achieve the expected benefits of the combination or acquisition; • unanticipated costs and liabilities; • difficulties in integrating new products, solutions, software, features, services, businesses, operations and technology infrastructure in an efficient and effective manner; • the potential loss of key employees of the acquired businesses; • difficulties in maintaining customer relations; • the diversion of the attention of our senior management from the operation of our daily business; • the potential adverse effect on our cash position to the extent that we use cash for the purchase price or for unanticipated costs and liabilities; • the potential significant increase of our interest expense, leverage, and debt service requirements if we incur debt to pay for an acquisition; • the potential issuance of securities that would dilute our stockholders' percentage ownership; • the potential to incur large and immediate write-offs and restructuring and other related expenses; and • the inability to maintain uniform standards, controls, policies and procedures. Any acquisition or investment could expose us to unknown liabilities. Moreover, we cannot assure you that we will realize the anticipated benefits of any acquisition or investment. In addition, our inability to successfully operate and integrate newly acquired businesses appropriately, effectively, and in a timely manner could impair our ability to take advantage of future growth opportunities and other advances in technology, as well as on our revenues, gross margins and expenses. We may require additional capital to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances. If capital is not available to us, our business, results of operations, and financial condition may be adversely affected. To date, our operations and capital expenditures have been primarily funded by the net proceeds we received through the private issuance of our convertible SmartRent preferred stock, the net proceeds received as a result of the Business Combination, and payments collected from sales to our customers.

**. During the year ended December 31, 2024, the Board committed to a strategic investment of \$ 10 million over the next year to accelerate our momentum and deliver the results of our strategic initiatives more quickly.**

We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, including the need to develop new products or software or enhance our existing products and software, enhance our operating infrastructure, and acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. However, additional funds may not be available when we need them on terms, including interest rates, that are acceptable to us, or at all. Any debt 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. In addition, the restrictive covenants in credit facilities we may secure in the future may restrict us from being able to conduct our operations in a manner required for our business and may restrict our growth, which could have an adverse effect on our business, financial condition, or results of operations. We cannot assure you that we will be able to comply with any such restrictive covenants. In the event that we are unable to comply with these covenants in the future, we would seek an amendment or waiver of the covenants. We cannot assure you that any such waiver or amendment would be granted. In such an event, we may be required to repay any or all of our existing borrowings, and we cannot assure you that we will be able to borrow under our existing credit agreements, or obtain alternative funding arrangements on commercially reasonable terms, or at all. In addition, volatility in the credit markets may have an adverse effect on our ability to obtain debt financing. Any future issuances of equity or convertible debt securities could result in significant dilution to our existing stockholders, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, 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 materially and adversely affected. Failure to adequately protect our intellectual property, technology, processes and confidential information could reduce our competitiveness and harm our business. Our intellectual property, including our trademarks, copyrights, trade secrets and other rights, constitutes a significant part of our value. Our success depends, in part, on our ability to protect our technology, brands, processes and other intellectual property

against dilution, infringement, misappropriation and competitive pressure by defending our intellectual property rights. To protect our intellectual property rights, we rely on a combination of trademark, copyright and trade secret laws of the U. S. and a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. We own **one-four** issued U. S. **patent patents**, have **three-five** pending U. S. patent applications, and **three-two** pending **provisional-international** patent applications that relate to smart home, security and wireless Internet technologies utilized in our business. We may file additional patent applications in the future in the U. S. and internationally. The process of obtaining patent protection is expensive and time- consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may choose not to seek patent protection for certain innovations and may choose not to pursue patent protection in certain jurisdictions. In addition, issuance of a patent does not guarantee that we have an absolute right to practice the patented invention. If we fail to adequately protect or assert our intellectual property rights, competitors may dilute our brands or manufacture and market similar products, solutions, software, services, or convert our customers, which could adversely affect our market share and results of operations. Our competitors may challenge, invalidate or avoid the application of our existing or future intellectual property rights that we obtain or license. The loss of protection for our intellectual property rights could reduce the market value of our brands and our products and solutions, reduce new customer originations or upgrade sales to existing customers, lower our profits, and could have a material adverse effect on our business, financial condition, cash flows, or results of operations. Our policy is to require our employees that were hired and contractors that were engaged to develop material intellectual property included in our products to execute written agreements in which they assign to us their rights in potential inventions and other intellectual property created within the scope of their employment (or, with respect to consultants and service providers, their engagement to develop such intellectual property), but we cannot assure you that we have adequately protected our rights in every such agreement or that we have executed an agreement with every such party. Finally, in order to benefit from the protection of intellectual property rights, we must monitor and detect infringement, misappropriation or other violations of our intellectual property rights and pursue infringement, misappropriation or other claims in certain circumstances in relevant jurisdictions, all of which are costly and time- consuming. As a result, we may not be able to obtain adequate protection or to effectively enforce our intellectual property rights. In addition to registered trademarks, we rely on trade secret rights, copyrights and other rights to protect our unpatented intellectual property and technology. Despite our efforts to protect our technologies and our intellectual property rights, unauthorized parties, including our employees, consultants, service providers, or subscribers may attempt to copy aspects of our products or obtain and use our trade secrets or other confidential information. We generally enter into confidentiality agreements with our employees and third parties that have access to our material confidential information, and generally limit access to and distribution of our information and technology through certain procedural safeguards. These agreements may not effectively prevent unauthorized use or disclosure of our intellectual property or technology, could be breached or otherwise may not provide meaningful protection for our trade secrets and know- how related to the design, manufacture or operation of our products and solutions, and may not provide an adequate remedy in the event of unauthorized use or disclosure. We cannot assure you that the steps taken by us will prevent misappropriation of our intellectual property or technology or infringement of our intellectual property rights. Competitors may independently develop technologies, products, or solutions that are substantially equivalent or superior to our products and solutions or that inappropriately incorporate our technology into their products or they may hire our former employees who may misappropriate our technology or misuse our confidential information. In addition, if we expand the geography of our service offerings, the laws of some foreign countries where we may do business in the future may not protect intellectual property rights and technology to the same extent as the laws of the U. S., and these countries may not enforce these laws as diligently as government agencies and private parties in the U. S. From time to time, legal action by us may be necessary to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the intellectual property rights of others, or to defend against claims of infringement, misappropriation, or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect our business, operating results and financial condition. If we are unable to protect our intellectual property and technology, we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time and effort required to create the innovative products that have enabled us to be successful to date. Accusations of infringement of third- party intellectual property rights could materially and adversely affect our business. There has been substantial litigation in the smart home technology industry regarding intellectual property rights and we may be sued for infringement from time to time in the future. Also, in some instances, we have agreed to indemnify our customers for expenses and liability resulting from claimed intellectual property infringement by our products and solutions. From time to time, we may receive requests for indemnification in connection with allegations of intellectual property infringement and we may choose, or be required, to assume the defense and / or reimburse our customers for their expenses, settlement and / or liability. We cannot assure you that we will be able to settle any future claims or, if we are able to settle any such claims, that the settlement will be on terms favorable to us. As we continue to expand our **software and** hardware ~~and software~~ technology offerings, the likelihood that third parties will claim that we, or our customers, infringe their intellectual property rights may increase. We have in the past received, and may in the future receive, notices of allegations of infringement, misappropriation or misuse of other parties' proprietary rights. Furthermore, regardless of their merits, accusations and lawsuits like these, may require significant time and expense to defend, may negatively affect customer relationships, may divert management' s attention away from other aspects of our operations and, upon resolution, may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Certain technology necessary for us to provide our products and solutions may, in fact, be patented by other parties either now or in the future. If such technology were validly patented by another person, we would have to negotiate a license for the use of that technology. We may not be able to negotiate such a license at a price that is acceptable to us or at all. The existence of such a patent, or our inability to negotiate a license for any such technology on acceptable terms, could force us

to cease using the technology and cease offering subscriptions incorporating the technology, which could materially and adversely affect our business and results of operations. If we, or any of our products or solutions, were found to be infringing on the intellectual property rights of any third party, we could be subject to liability for such infringement, which could be material. We could also be prohibited from using or selling certain subscriptions, prohibited from using certain processes, or required to redesign certain products, each of which could have a material adverse effect on our business and results of operations. These and other outcomes may: • result in the loss of a substantial number of existing customers or prohibit the acquisition of new customers; • cause us to pay license fees for intellectual property we are deemed to have infringed; • cause us to incur costs and devote valuable technical resources to redesigning our products or solutions; • cause our cost of revenues to increase; • cause us to accelerate expenditures to preserve existing revenues; • materially and adversely affect our brand in the marketplace and cause a substantial loss of goodwill; • cause us to change our business methods; and • require us to cease certain business operations or offering certain products or features. Some of our products and solutions contain open- source software, which may pose particular risks to our software, technologies, products, and solutions in a manner that could harm our business. We use open- source software in our products and solutions and anticipate using open- source software in the future. Some open- source software licenses require those who distribute open- source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open- source code on unfavorable terms or at no cost. The terms of many open- source licenses to which we are subject have not been interpreted by U. S. or foreign courts, and there is a risk that open- source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, the open- source software or derivative works that we developed using such software, which could include our source code, or otherwise seeking to enforce the terms of the applicable open- source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license, or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re- engineering process could require us to expend significant additional research and development resources, and we cannot guarantee that we will be successful. Additionally, the use of certain open- source software can lead to greater risks than use of third- party commercial software, as open- source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open- source software, and we cannot ensure that the authors of such open- source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open- source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have processes to help alleviate these risks, including a review process for screening change requests from our developers, but we cannot be sure that all open- source software is identified or submitted for approval prior to use in our products and services. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have an adverse effect on our business, financial condition, and operating results. Downturns in or uncertainties about general economic and market conditions and reductions in spending may reduce demand for our products and solutions, which could harm our business. Our revenue, results of operations and cash flows depend on the overall demand for our products and solutions. Adverse macroeconomic conditions, including inflation, slower growth or recession, barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment, currency fluctuations, regulatory requirements and other events beyond our control, such as economic sanctions, natural disasters, pandemics, including the COVID- 19 pandemic, epidemics, political instability, armed conflicts and wars, including the Russia- Ukraine war and Israel- Hamas war, can materially adversely affect demand for our products and solutions. In addition, consumer spending and activities can be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy shortages and cost increases, labor and healthcare costs and other economic factors, all of which may have a negative effect on our business and results of operations. Additionally, uncertainty about, or a decline in, global or regional economic conditions can have a significant impact on our suppliers, manufacturers, logistics providers, distributors, and other partners. Potential effects on our suppliers and partners include financial instability, inability to obtain credit to finance operations, and insolvency. A downturn in the economic environment can also lead to increased credit and collectability risk on our trade receivables, the failure of derivative counterparties and other financial institutions, limitations on our ability to issue new debt, reduced liquidity, and declines in the fair value of our financial instruments. These and other economic factors can materially adversely affect our business, results of operations, financial condition and stock price. During weak or uncertain economic times, the available pool of potential customers and the amount of capital expenditures that our existing customers deploy may decline as the prospects for residential building renovation projects and new multifamily apartment and single- family rental construction diminish, which may have a corresponding impact on our growth prospects. In addition, there is an increased risk during these periods that an increased percentage of property developers will file for bankruptcy protection, which may harm our business. In addition, we may determine that the cost of pursuing any claim may outweigh the recovery potential of such claim. Prolonged economic slowdowns and reductions in renovation projects and new residential and commercial building construction have resulted and may continue to result in diminished sales of our software, services and products. Further worsening, broadening or protracted extension of an economic downturn could have a negative impact on our business, revenue, results of operations and cash flows. Additionally, regulatory requirements may cause our customers to decrease the amount of capital expenditure directed to purchase our products and solutions. For example, some of our customers have indicated that they are delaying the deployment of our solutions in certain communities and are directing more of their capital expenditures budget to purchase solar systems to meet ESG requirements- thus having an adverse impact on our short- term revenue expectations. Uncertain commercial banking conditions could materially adversely affect our results of operations and financial condition. Actual events involving limited

liquidity, defaults, non-performance or other adverse developments that affect financial institutions, other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems, which may in turn effect our financial condition. For example, we have a banking relationship with Silicon Valley Bank ("SVB") and also are a party with SVB to the \$ 75,000 Senior Revolving facility with a five-year term (the "Senior Revolving Facility"). On March 10, 2023, SVB was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. On March 12, 2023, the U. S. Treasury, Federal Reserve, and the FDIC announced that SVB depositors would have access to all of their money starting March 13, 2023. SVB's closure did not have a material impact on our operations, and we did not experience any losses. Although we assess our banking relationships as we believe necessary or appropriate, our access to cash in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect the financial institutions with which we have banking relationships, and in turn, us. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could also include factors involving financial markets or the financial services industry generally. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. Insurance policies may not cover all of our operating risks and a casualty loss beyond the limits of our coverage could negatively impact our business. We are subject to all of the operating hazards, such as damaged or stolen inventory, and risks normally incidental to the provision of our products and solutions and business operations. In addition to contractual provisions limiting our liability to customers and third parties, we maintain insurance policies in such amounts and with such coverage and deductibles as required by law and that we believe are reasonable and prudent. Nevertheless, such insurance may not be adequate to protect us from all the liabilities and expenses that may arise from claims for personal injury, death, or property damage arising in the ordinary course of our business and current levels of insurance may not be able to be maintained or may not be available at economical prices. If a significant liability claim is brought against us that is not covered by insurance, then we may have to pay the claim with our own funds, which could have a material adverse effect on our business, financial condition, cash flows or results of operations. Changes in effective tax rates, or adverse outcomes resulting from examination of our income or other tax returns, could adversely affect our results of operations and financial condition. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including: • changes in the valuation of our deferred tax assets and liabilities; • expiration or non-utilization of net operating loss carryforwards; • tax effects of share-based compensation; • expansion into new jurisdictions; • potential challenges to and costs related to implementation and ongoing operation of our intercompany arrangements; • increases in U.S. state or federal statutory tax rates on corporate income; • changes in tax laws and regulations and accounting principles, or interpretations or applications thereof; and • certain non-deductible expenses as a result of acquisitions. Any changes in our effective tax rate could adversely affect our results of operations. Our business is subject to the risk of earthquakes, fires, power outages, floods, pandemics and other health events and other catastrophic events, and to interruption by manmade problems such as terrorism. Our business is vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins, and similar events. The third-party systems and operations and manufacturers we rely on are subject to similar risks. For example, a significant natural disaster, such as an earthquake, fire, or flood, could have an adverse effect on our business, financial condition and operating results, and our insurance coverage may be insufficient to compensate us for losses that may occur. Acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas, or geopolitical unrest or armed conflict, such as the war in Ukraine and the Israel-Hamas conflict, could also cause disruptions in our or our suppliers' and manufacturers' businesses or the economy as a whole. Our suppliers and manufacturers in China may be reactive to pandemics and other health events, resulting in restrictions on shipping or manufacturing. If our suppliers or manufacturers are impacted by such events, it could adversely affect our ability to manufacture product and meet demand. We may not have sufficient protection or recovery plans in some circumstances, such as natural disasters affecting locations that store significant inventory of our products or that house our servers. As we rely heavily on our computer and communications systems, and the internet to conduct our business and provide high-quality customer service, these disruptions could negatively impact our ability to run our business and either directly or indirectly disrupt suppliers' and manufacturers' businesses, which could have an adverse effect on our business, financial condition, and operating results. We collect, store, use, and otherwise process personal information of our customers and their residents, and of our employees, service providers, and others, which subjects us to laws, regulations, and legal and contractual obligations related to privacy, data protection, and cybersecurity, and any actual or perceived failure to meet those obligations could harm our business. We collect, store, use, and otherwise process a wide variety of data from current and prospective customers and their residents, including personal information, such as home addresses and geolocation. Federal, state, and international laws and regulations governing privacy, data protection, and e-commerce transactions require us to safeguard our customers' personal information. The scope of laws and regulations relating to privacy and cybersecurity is **evolving** rapidly ~~changing~~. We also maintain privacy policies and other notices, and are subject to contractual obligations to third parties, related to privacy, data protection, and cybersecurity. We strive to comply with applicable laws, regulations, policies, and other legal obligations relating to privacy, data protection, and cybersecurity. However, the regulatory framework for privacy, data protection, and information security is, and is likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other ~~rules~~ **actual or alleged obligations** or our practices. We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and cybersecurity

proposed and enacted in various jurisdictions. Various states throughout the U. S. are increasingly adopting or revising privacy, information security, and data protection laws and regulations that could have a significant impact on our current and planned privacy, data protection, and cybersecurity- related practices, our collection, use, sharing, retention, safeguarding, and processing of customer, consumer, resident, employee, or any other third- party information we receive, and some of our current or planned business activities. For example, California enacted the CCPA, which affords California resident consumers expanded privacy protections and control over the collection, use and sharing of their personal information. The CCPA went into effect on January 1, 2020 and **, among other things,** gives California residents 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 used. The CCPA also provides for a private right of action for data breaches that may increase data breach litigation. The CPRA, which significantly ~~amends~~ **amended and supplemented** the CCPA, was adopted by California voters in 2020. The CPRA imposes additional privacy obligations on covered companies doing business in California, including additional consumer rights processes and opt outs for certain uses of sensitive data. It also creates a new California agency ~~specifically~~ tasked to enforce the law, which ~~would is~~ likely **to** result in increased regulatory scrutiny of California businesses in the areas of privacy and cybersecurity. The CPRA’ s primary substantive requirements went into effect on January 1, 2023. Following enactment of the CCPA, many other states have adopted or considered privacy legislation, many of which are comprehensive laws similar to the CCPA and CPRA. For example, Virginia, Colorado, Utah, and Connecticut have adopted such legislation that became effective in 2023, Texas, Montana, Oregon, and Florida have adopted such legislation that **became effective in 2024, Delaware, Iowa, Maryland, Minnesota, Nebraska, New Hampshire, New Jersey and Tennessee have adopted such legislation that has or** will become effective in **2024-2025**, ~~Delaware, Iowa, and Tennessee~~ **Indiana, Kentucky, and Rhode Island** have adopted such legislation that will become effective in **2025-2026** . **Numerous U. S. states also have considered** , and ~~Indiana has adopted~~ **in certain cases enacted, legislation addressing particular subject matter** such **legislation that will become effective in 2026 as biometrics and health- related information** . Broad federal privacy legislation has also been proposed. These and other new and evolving laws and regulations relating to privacy in the U. S. could increase our potential liability and adversely affect our business. Additionally, interpretations of federal and state consumer protection laws relating to online collection, use, dissemination, security, and other processing of personal information adopted by the FTC, state attorneys general, private plaintiffs, and courts have evolved, and may continue to evolve, over time. For example, consumer protection laws require us to publish statements that describe how we handle personal information and related choices individuals may have. If such information that we publish is considered untrue or deceptive, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Furthermore, according to the FTC, violating consumers’ privacy rights or failing to take appropriate steps to keep consumers’ personal information secure may constitute unfair acts or practices in or affecting commerce, thus violating the FTC Act. With **laws and regulations addressing privacy, data privacy- protection,** and ~~security- cybersecurity laws and regulations~~ **security- cybersecurity** imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, we may face challenges in addressing their requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in an effort to do so. Any failure or perceived failure by us to comply with our ~~privacy- relevant~~ **privacy- relevant** policies, our obligations to our customers, or any of our other actual or asserted legal or contractual obligations relating to privacy, data protection, or ~~security- cybersecurity~~ **security- cybersecurity** may result in governmental investigations or enforcement actions, claims, demands, and litigation by private parties, claims or public statements against us by consumer advocacy groups or others, and could result in significant fines, penalties, and other liabilities, loss of relationships with key third parties, or cause our customers to lose trust in us, which could lead to a loss of customers and difficulties attracting new customers, all of which could have an adverse effect on our reputation, business, financial condition, and operating results. Furthermore, we may be required to disclose personal data pursuant to demands from individuals, privacy advocates, regulators, government agencies, and law enforcement agencies in various jurisdictions with conflicting privacy and security laws. This disclosure or refusal to disclose personal data may result in a breach of privacy and data protection policies, notices, laws, rules, court orders, and regulations and could result in proceedings or actions against us in the same or other jurisdictions, damage to our reputation and brand, and inability to provide our products and services to customers in certain jurisdictions. Additionally, changes in the laws and regulations that govern our collection, use, and disclosure of customer data could impose additional requirements with respect to the retention and security of customer data, could limit our marketing activities, and have an adverse effect on our business, financial condition, and operating results. If there is any breach of security controls or any security incident, any unauthorized or inadvertent access to customer, residential, or other data, or any unauthorized control or view of systems, our products and solutions may be perceived as insecure, our business may be harmed, and we may incur significant liabilities. Use of our solutions involves the storage, transmission, and processing of personal, payment, credit, and other confidential and private information of our customers and their residents, and may in certain cases permit access to our customers’ vacant and rented property or help secure them. We also maintain and process confidential information in our business, including our employees’ and contractors’ personal information and confidential business information. We rely on our own and commercially available systems, software, tools and monitoring to protect against unauthorized use of or access to the information we process and maintain. Our solutions and the networks and information systems we utilize in our business are at risk for security breaches and **other** incidents as a result of third- party action, employee or partner error , **technical outages and errors** , malfeasance, or other factors. We have enabled certain employees to work remotely which may make us more vulnerable to cyber- attacks and may create operational or other challenges, any of which could result in disruption or harm to our systems and harm to our business. We also continue to incorporate artificial intelligence (“ AI ”) technologies into our solutions and otherwise in our business, which may result in security incidents or otherwise increase cybersecurity risks. Further, AI technologies may be used in connection with certain cybersecurity attacks, resulting in heightened risks of security breaches

and incidents. Although we have taken precautionary measures to prepare for these threats and challenges, there is no guarantee that our precautions will fully protect our systems or the data maintained or otherwise processed in our business. Although we have established security procedures designed to protect **our information systems and our** customers and their resident information, our or our partners' security and testing measures may not prevent security breaches or **other** incidents. Further, advances in computer capabilities, new discoveries in the field of cryptography, inadequate facility security, or other developments may result in a compromise or breach of the technology we use to protect customer data, and may result in a security breach or incident. Any compromise of our security, any security breach or incident, or any breach of our customers' or their residents' privacy could harm our reputation or financial condition and, therefore, our business. Criminals and other nefarious actors are using increasingly sophisticated methods, including cyber- attacks, phishing and other forms of social engineering, and other illicit acts to capture, access, or alter various types of information, to engage in illegal activities such as fraud and identity theft, and to expose and exploit potential security and privacy vulnerabilities in corporate systems and websites. Unauthorized intrusion into the portions of our systems and networks and data storage devices that store or otherwise process customer and resident confidential and private information, the loss, corruption, or unavailability of such information or the deployment of ransomware or other malware, or other harmful code, to our services or our networks or systems may result in negative consequences, including the actual or alleged malfunction of our products, software, or services. In addition, third parties, including our third- party partners and other third parties upon which we rely, could also be sources of security risks to us in the event of a failure of their own **technology**, security systems **and, or** infrastructure. We engage third- party service providers to store and otherwise process some of our and our customers' or their residents' data, including personal, confidential, sensitive, and other information relating to individuals, and for other purposes. Our service providers and other third parties upon which we rely have been the targets of cyber- attacks in the past, and may be the targets of cyber- attacks and other malicious activity. Security breaches, incidents, and other disruptions impacting these providers may impact their ability to provide services to us, or may otherwise impact our relationships with them. The threats we, our third- party partners, and other third parties on which we rely face continue to evolve and are difficult to predict due to advances in computer capabilities, new discoveries in the field of cryptography, and new and sophisticated methods used by criminals. There can be no assurances that our or any third- party defensive measures will prevent cyber- attacks or that we or they will detect network or system intrusions or other breaches or incidents on a timely basis or at all. We cannot be certain that we will not suffer a compromise or breach of, or incident impacting, the technology protecting the systems or networks that house or access our software, services and products or on which we or our partners or other third parties on which we rely store or otherwise process personal information or other sensitive information or data, any similar security incident, or that any such breach or other incident will not be believed or reported to have occurred. Any such actual or perceived compromises of or breaches to systems or other security incidents, or unauthorized access to, or unauthorized loss, unavailability, corruption, or other unauthorized use or processing of our customers' data, products, software or services, or acquisition or loss of data, whether suffered by us, our partners or other third parties, whether as a result of employee error or malfeasance or otherwise, could harm our business. They could, for example, cause system disruptions and unavailability, and other interruptions in our operations, unauthorized loss, corruption, unavailability, or other processing of data, loss of confidence in our products and solutions and damage to our reputation, and could limit the adoption of our products and solutions. They could also subject us to costs, regulatory investigations and other proceedings, fines, penalties, and orders, claims and litigation, contract damages, indemnity demands, and other liabilities, and materially and adversely affect our customer base, sales, revenues, and profits. Any of these could, in turn, have a material adverse impact on our business, financial condition, cash flows, or results of operations. Any such event, including any event resulting in unauthorized access to or loss, corruption, unavailability, misuse, or other unauthorized processing of any data subject to laws, regulations, or other actual or asserted obligations relating to privacy, data protection, or cybersecurity, then we could be subject to substantial fines by U. S. federal and state authorities, foreign data privacy authorities around the world and private claims by companies or individuals. A **cybersecurity incident** ~~cyber- attack~~ may cause additional costs, such as investigative and remediation costs, legal fees, and the costs of any additional fraud detection activities required by law, a court, or a third party. Any actual, potential or anticipated cyberattacks or other sources of security breaches or incidents also may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third- party experts and consultants. Depending on the nature of the information compromised, in the event of a security breach or incident or other unauthorized access to or processing of our customer data, we may also have obligations to notify individuals, data owner, or customers about the incident and we may need to provide some form of remedy to such customers or their residents, such as a subscription to a credit monitoring service for the individuals affected by the incident. A growing number of legislative and regulatory bodies have adopted consumer notification requirements in the event of unauthorized access to or acquisition of certain types of personal data. Such breach notification laws continue to evolve and may be inconsistent from one jurisdiction to another. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any incident that compromises, or is believed to have compromised, customer data or other personal information. Additionally, some of our customer contracts require us to indemnify customers from damages they may incur as a result of a breach of our systems. There can be no assurance that the limitation of liability provisions in our contracts would be enforceable or would otherwise protect us from any such liabilities or damages with respect to any particular claim. Further, if a high- profile security breach or incident occurs with respect to another provider of smart home solutions, our customers and potential customers or their residents may lose trust in the security of our products and solutions or in the smart home technology industry generally, which could adversely impact our ability to retain existing customers or attract new ones. Even in the absence of any security breach or incident, customer concerns about security, privacy or data protection may deter them from using our products and solutions. Our insurance policies covering errors and omissions and certain security and privacy damages and claim expenses may not be sufficient to compensate for all potential liability.

Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. If we are unable to successfully implement AI ~~to~~ **technology into** our SmartRent Solutions, our business could be harmed. We have incorporated and may continue to incorporate additional AI technology into certain of our SmartRent Solutions, and AI technology may become more important to our operations or to our future growth over time. We expect to rely on AI to help drive future growth in our business, but there can be no assurance that we will realize the desired or anticipated benefits from AI technology or at all. We may also fail to properly implement ~~or market our use of~~ AI technology **or to effectively promote our use of it**. Our competitors or other third parties may incorporate AI technology into their products, offerings, and solutions more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, our use of AI technology may expose us to additional claims, demands, and proceedings by private parties and regulatory authorities and subject us to legal liability as well as brand and reputational harm. For example, if the outputs that our AI technology assists in producing are or are alleged to be deficient, inaccurate, or biased, or if such outputs or their development or deployment, including the collection, use, or other processing of data used to train or ~~create~~ **develop** such AI technology, are held or alleged to infringe upon or to have misappropriated third-party intellectual property rights or to violate applicable laws, regulations, or other actual or asserted legal obligations to which we are or may become subject, our business, operating results, financial condition, and growth prospects could be adversely affected. The legal, regulatory, and policy environments around AI technology are evolving rapidly, and we may become subject to new and evolving legal and other obligations. These and other developments may require us to make significant changes to our use of AI technology, including by limiting or restricting our use of AI technology, and which may require us to make significant changes to our policies and practices, which may necessitate expenditure of significant time, expense, and other resources, the use of AI technology also presents emerging ethical issues that could harm our reputation and business if our use of AI technology becomes controversial. Our products and solutions may be affected from time to time by design and manufacturing defects that could subject us to personal injury, property damage, product liability, warranty, and other claims, which could adversely affect our business and result in harm to our reputation. We offer complex solutions involving advanced software and web-based interactive user interfaces and hardware products and services that can be affected by design and manufacturing defects. Sophisticated software, applications, and web-based interactive user interfaces, such as those offered by us, have issues that can unexpectedly interfere with the intended operation of hardware or software products. We manufacture Hub Devices, some of which include thermostat functionality, and sensors, which may be impacted by manufacturing defects. Defects may also exist in components and products that we source from third parties. Any such defects could cause our products and solutions to create a risk of property damage and personal injury, and subject us to the hazards and uncertainties of product liability claims and related litigation. In addition, from time to time, we may experience outages, service slowdowns, or errors that affect our software, applications, and web-based interactive user interfaces. As a result, our solutions may not perform as anticipated and may not meet customer expectations. There can be no assurance that we will be able to detect and fix all issues and defects in the hardware, software, and services we offer as part of our products and solutions. Failure to do so could result in widespread technical and performance issues affecting our products and solutions and could lead to claims against us. We maintain general liability insurance; however, design and manufacturing defects, and claims related thereto, may subject us to judgments or settlements that result in damages materially in excess of the limits of our insurance coverage. In addition, we may be exposed to recalls, product replacements or modifications, write-offs of inventory, property, plant and equipment, or intangible assets, and significant warranty and other expenses such as litigation costs and regulatory fines. If we cannot successfully defend any large claim, maintain our general liability insurance on acceptable terms, or maintain adequate coverage against potential claims, our financial results could be adversely impacted. Further, given that our customers deploy our products and solutions to provide a safe and secure living space to their residents, quality problems could subject us to substantial liability, adversely affect the experience for users of our products and solutions and result in harm to our reputation, loss of competitive advantage, poor market acceptance, reduced demand for our products and solutions, delay in new product and solution introductions, higher costs and lost revenue. For example, in 2020 and 2021 we identified a deficiency with batteries contained in certain hardware sold which we acquired from a supplier. As of December 31, 2023 we ~~have~~ accrued \$ 864, 000 in hardware cost of goods sold on the Consolidated Statements of Operations related to the battery deficiencies. **During the year ended December 31, 2024, we determined the battery replacements were complete and released the remaining warranty accrual of \$ 864, 000 related to the battery deficiency**. The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain senior management and qualified ~~board~~ **Board** members. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE, and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs, made some activities more difficult, time-consuming or costly and increased demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future or engage additional outside consultants, which will increase our costs and expenses. As a result, management's attention may be diverted from other business concerns, which could harm our business. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These

laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. Our failure to comply with these laws, regulations and standards could materially and adversely affect our business and results of operations. However, for as long as we remain an "emerging growth company" as defined in the JOBS Act, we have the ability to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, exemption from the requirement to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding stockholder advisory votes on executive compensation. We will take advantage of these reporting exemptions until we are no longer an "emerging growth company." Additionally, we are choosing to take advantage of the extended transition period for complying with new or revised accounting standards under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that have adopted the new or revised accounting standards. If investors find our Class A Common Stock less attractive as a result of exemptions and reduced disclosure requirements, there may be a less active trading market for our Class A Common Stock and our stock price may be more volatile or decrease. We will cease to be an "emerging growth company" upon the earliest of (i) the first fiscal year following the fifth anniversary of the initial public offering by FWAA (the "FWAA IPO"), which closed on February 9, 2021, (ii) the first fiscal year after our annual gross revenues are \$ 1.235 billion or more, (iii) the date on which we have, during the previous three-year period, issued more than \$ 1.0 billion in non-convertible debt securities or (iv) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded \$ 700.0 million as of the end of the second quarter of that fiscal year. New rules and regulations applicable to public companies may also make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of the ~~Company's Board of Directors ("Board")~~, particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in this Report and in filings required of a public company, our business and financial condition is more visible, which may result in more litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be materially and adversely affected, even if the claims do not result in litigation or are resolved in our favor. These claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially and adversely affect our business and results of operations. If we fail to maintain an effective system of internal controls, we may not be able to accurately report financial results or prevent fraud and the trading price of our stock could be negatively affected. As a public company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business. Any system of internal controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. For instance, we have in the past identified material weaknesses in our internal control over financial reporting related to the lack of adequate review of certain journal entries prior to their posting to the general ledger, and the need to provide formal controls over our information technology. Although such material weaknesses were fully remediated as of December 31, 2022, there can be no assurance that similar control issues will not be identified in the future. If we cannot conclude that we have effective internal control over our financial reporting, investors could lose confidence in the reliability of our financial statements, which could lead to a decline in our stock price. Failure to comply with reporting requirements could also subject us to sanctions and / or investigations by the SEC, the NYSE or other regulatory authorities. If we fail to remedy any deficiencies or maintain the adequacy of our internal controls, we could be subject to regulatory scrutiny, civil or criminal penalties or stockholder litigation. In addition, failure to maintain adequate internal controls could result in financial statements that do not accurately reflect our operating results or financial condition. Our smart home technology is subject to varying state and local regulations, which may be updated from time to time. Our smart home technology is subject to certain state and local regulations, which may be updated from time to time. For example, our products and solutions are subject to regulations relating to building and fire codes, public safety, and may eventually be subject to state and local regulation regarding access control systems. The regulations to which we are subject may change, additional regulations may be imposed, or existing regulations may be applied in a manner that creates special requirements for the implementation and operation of our products and solutions that may significantly impact or even eliminate some of our revenues or markets. In addition, we may incur material costs or liabilities in complying with any such regulations. Furthermore, some of our customers must comply with numerous laws and regulations, which may affect their willingness and ability to purchase our products and solutions. The modification of existing laws and regulations or interpretations thereof or the adoption of future laws and regulations could adversely affect our business, cause us to modify or alter our methods of operations and increase our costs and the price of our products and solutions. In addition, we cannot provide any assurance that we will be able, for financial or other reasons, to comply with all applicable laws and regulations. If we fail to comply with these laws and regulations, we could become subject to substantial penalties or restrictions that could materially and adversely affect our business. Increased regulation and increased scrutiny and changing expectations from investors, customers, employees, and others regarding environmental, social and governance matters, practices and reporting may result in

additional costs or risks. Companies across all industries are facing increasing scrutiny related to their ESG practices and reporting. Investors, customers, employees and other stakeholders have focused increasingly on ESG practices and placed increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices do not meet investor, customer, employee, or other stakeholder expectations, which continue to evolve, we may incur additional costs and our brand, ability to attract and retain qualified employees and business may be harmed. Failure of our global operations to comply with import and export, bribery, and money laundering laws, regulations and controls, could have an adverse impact on our financial condition. We conduct our business globally and source our products from Asia, Europe and the U. S. We are subject to regulation by various federal, state, local and foreign governmental agencies, including, but not limited to, agencies and regulatory bodies or authorities responsible for monitoring and enforcing product safety and consumer protection laws, data privacy and security laws and regulations, employment and labor laws, workplace safety laws and regulations, environmental laws and regulations, antitrust laws, federal securities laws, and tax laws and regulations. We are subject to the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Foreign Corrupt Practices Act of 1977, as amended, the U. S. Travel Act of 1961, and possibly other anti- bribery laws, including those that comply with the Organization for Economic Cooperation and Development, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and other international conventions. Anti- corruption laws are interpreted broadly and prohibit our company from authorizing, offering, or providing directly or indirectly improper payments or benefits to recipients in the public or private sector. Certain laws could also prohibit us from soliciting or accepting bribes or kickbacks. We can be held liable for the corrupt activities of our employees, representatives, contractors, partners, and agents, even if we did not explicitly authorize such activity. Although we have implemented policies and procedures designed to ensure compliance with anti- corruption laws, there can be no assurance that all of our employees, representatives, contractors, partners, and agents will comply with these laws and policies. Our operations require us to import from Asia and Europe, which geographically stretches our compliance obligations. We are also subject to anti- money laundering laws such as the USA PATRIOT Act of 2001 and may be subject to similar laws in other jurisdictions. Our products are subject to export control and import laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations, and various economic and trade sanctions regulations administered by the U. S. Department of the Treasury’ s (“ Treasury ”) Office of Foreign Assets Controls. We may also be subject to import / export laws and regulations in other jurisdictions in which we conduct business or source our products. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. Changes in laws that apply to us could result in increased regulatory requirements, tariff and compliance costs which could harm our business. In certain jurisdictions, regulatory requirements may be more stringent than in the U. S. Noncompliance with applicable regulations or requirements could subject us to whistleblower complaints, investigations, sanctions, settlements, mandatory product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions, suspension or debarment from contracting with certain governments or other customers, the loss of export privileges, multi- jurisdictional liability, reputational harm, and other collateral consequences. If any governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management’ s attention and resources and an increase in defense costs and other professional fees. Expanding our international operations subjects us to a variety of risks and uncertainties, including exposure to foreign currency exchange rate fluctuations, which could adversely affect our business and operating results. We had international operations in Canada and the United Kingdom, and we may grow our international presence in the future. The future success of our business will depend, in part, on our ability to expand our operations and customer base worldwide. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic, and political risks that are different from those in the U. S. Due to our lack of experience with international operations and developing and managing sales and distribution channels in international markets, our international expansion efforts may not be successful. In addition, we will face risks in doing business internationally that could materially and adversely affect our business, including: • our ability to comply with differing and evolving technical and environmental standards, telecommunications regulations, building and fire codes, and certification requirements outside the U. S.; • difficulties and costs associated with staffing and managing foreign operations; • our ability to effectively price our products and solutions in competitive international markets; • potentially greater difficulty collecting accounts receivable and longer payment cycles; • the need to adapt and localize our products and subscriptions for specific countries; • the need to offer customer care in various native languages; • reliance on third parties over which we have limited control; • availability of reliable network connectivity in targeted areas for expansion; • difficulties in understanding and complying with local laws, regulations, and customs in foreign jurisdictions; • restrictions on travel to or from countries in which we operate or inability to access certain areas; • changes in diplomatic and trade relationships, including tariffs and other non- tariff barriers, such as quotas and local content rules; • U. S. government trade restrictions, including those which may impose restrictions such as prohibitions, on the exportation, re- exportation, sale, shipment or other transfer of programming, technology, components, and / or services to foreign persons; • our ability to comply with different and evolving laws, rules, and regulations, including the European Union General Data Protection Regulation and other data privacy and data protection laws, rules and regulations; • compliance with various anti- bribery and anti- corruption laws such as the Foreign Corrupt Practices Act and U. K. Bribery Act of 2010; • more limited protection for intellectual property rights in some countries; • adverse tax consequences; • fluctuations in currency exchange rates; • exchange control regulations, which might restrict or prohibit our conversion of other currencies into U. S. Dollars and the transfer of currency from foreign jurisdictions to the U. S.; • new and different sources of competition; •

political and economic instability created by the United Kingdom's departure from the European Union; • deterioration of political relations between the U. S. and other countries in which we may operate; and • political or social unrest, economic instability, conflict or war in, including the war in Ukraine and the Israel- Hamas conflict, or sanctions implemented by the U. S. against countries in which we operate, all of which could have a material adverse effect on our operations. Our failure to successfully manage these risks could harm our international operations and have an adverse effect on our business, financial condition, and operating results. Fluctuations in foreign currencies in which we transact business also subject us to certain risks. While we have historically transacted in U. S. Dollars with the majority of our customers and suppliers, we have transacted in some foreign currencies, such as the Euro, the Canadian dollar, the Croatian Kuna and the Chinese Renminbi and may transact in more foreign currencies in the future. Accordingly, changes in the value of foreign currencies relative to the U. S. Dollar may affect our revenue and operating results. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and operating results. In addition, to the extent that fluctuations in currency exchange rates cause our operating results to differ from our expectations or the expectations of our investors, the trading price of our common stock could be lowered. From time to time, we may be subject to legal proceedings, regulatory disputes, and governmental inquiries that could cause us to incur significant expenses, divert our management's attention, and materially harm our business. **From time to time, we have been and continue to be** subject to claims, lawsuits, government investigations, and other proceedings involving products liability, competition and antitrust, intellectual property, privacy, consumer protection, securities, tax, labor and employment, commercial disputes, and other matters that could adversely affect our business operations and financial condition. As our business grows, we **may have seen** a rise in the number and significance of these disputes and inquiries. **For example, during the year ended December 31, 2024, we settled a dispute with a supplier and a collective action that was filed against us by two employees.** Litigation and regulatory proceedings **that we are currently facing or could face**, and particularly the intellectual property infringement matters that we could face, may be protracted and expensive, and the results are difficult to predict. Additionally, our litigation costs could be significant. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our products or services, make content unavailable, or require us to stop offering certain features, all of which could negatively affect our membership and revenue growth. The results of litigation, investigations, claims, and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business. Our Class A Common Stock price may be volatile or may decline regardless of our operating performance. The trading price of our Class A Common Stock may be volatile. The stock market has historically experienced extreme volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at an attractive price due to a number of factors such as those listed in “- Risks Related to Our Business and Industry” and the following: • our operating and financial performance and prospects; • our quarterly or annual earnings or those of other companies in our industry compared to market expectations; • conditions that impact demand for our products and / or services; • future announcements concerning our business, our customers' businesses or our competitors' businesses; • the public's reaction to our press releases, other public announcements and filings with the SEC; • the market's reaction to our reduced disclosure and other requirements as a result of being an “emerging growth company” under the JOBS Act; • the size of our public float; • coverage by or changes in financial estimates by securities analysts or failure to meet their expectations; • market and industry perception of our success, or lack thereof, in pursuing our business strategy; • strategic actions by us or our competitors, such as acquisitions or restructurings; • changes in laws or regulations which adversely affect our industry or us; • privacy and data protection laws, privacy or data breaches or incidents, or the loss or other unavailability of data; • the impact of pandemics or epidemics, such as the COVID- 19 pandemic, on our financial condition and the results of operations; • changes by the Financial Accounting Standards Board or other accounting regulatory bodies to generally accepted accounting principles, standards, guidance, interpretations or policies; • changes in senior management or key personnel; • issuances, exchanges, sales or purchases, or expected issuances, exchanges, sales or purchases of our capital stock; • changes in our dividend policy; • adverse resolution of new or pending litigation against us; and • changes in general market, economic and political conditions in the U. S. and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events. These broad market and industry factors may materially reduce the market price of our Class A Common Stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our Class A Common Stock is low. As a result, you may suffer a loss on your investment. In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation. We do not intend to pay dividends on our Class A Common Stock for the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, we do not anticipate declaring or paying any cash dividends on our Class A Common Stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, certain restrictions related to our indebtedness, industry trends and other factors that the Board may deem relevant. Any such decision will also be subject to compliance with contractual restrictions and covenants in the agreements governing our current and future indebtedness. In addition, we may incur additional indebtedness, the terms of which may further restrict or prevent us from paying dividends on our common stock. As a result, you may have to sell some or all of your Class A Common Stock after price appreciation in order to generate cash flow from your investment, which you may not be able to do. Our inability or decision not to pay

dividends, particularly when others in our industry have elected to do so, could also adversely affect the market price of our Class A Common Stock. The trading market for our Class A Common Stock depends in part on the research and reports that third-party securities analysts publish about us and the industries in which we operate. If any of the analysts that cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst that covers us ceases covering us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our securities to decline. Moreover, if one or more of the analysts who cover us downgrades our Class A Common Stock, or if our reporting results do not meet their expectations, the market price of our Class A Common Stock could decline. We may not realize the anticipated long-term stockholder value of our stock repurchase program, and any failure to repurchase our Class A common stock after we have announced our intention to do so may negatively impact our stock price. In March 2024, we announced that ~~our the board~~ **Board of directors** authorized the repurchase of up to \$ 50 million of our Class A common stock from time to time through a stock repurchase program. Under our stock repurchase program, we may make repurchases of stock through a variety of methods, including open share market purchases, privately negotiated purchases, entering into one or more confirmations or other contractual arrangements with a financial institution counterparty to effectuate one or more accelerated stock repurchase contracts, forward purchase contracts or similar derivative instruments, Dutch auction tender offers, or through a combination of any of the foregoing, in accordance with applicable federal securities laws. Our stock repurchase program does not obligate us to repurchase any specific number of shares, and may be suspended at any time at our discretion and without prior notice. The timing and amount of any repurchases, if any, will be subject to liquidity, stock price, market and economic conditions, compliance with applicable legal requirements such as Delaware surplus and solvency tests and other relevant factors. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price. The existence of our stock repurchase program could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Although our stock repurchase program is intended to enhance long-term stockholder value, there is no assurance that it will do so because the market price of our Class A common stock may decline below the levels at which we repurchase shares, and short-term stock price fluctuations could reduce the effectiveness of the program. Repurchasing our Class A common stock reduces the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate purposes, and we may fail to realize the anticipated long-term stockholder value of any stock repurchase program. Our issuance of additional shares of Class A Common Stock or convertible securities could make it difficult for another company to acquire us, may dilute your ownership of us and could adversely affect our stock price. ~~On October 29, 2021, we filed Form S-8 under the Securities Act to register 35,444,576 shares of our Class A Common Stock or securities convertible into or exchangeable for shares of our Class A Common Stock issued pursuant to our equity incentive plans. The Form S-8 registration statement automatically became effective upon filing. The shares registered under such registration statements are available for sale in the open market.~~ In the future, we may obtain financing to further increase our capital resources by issuing additional shares of our capital stock or offering debt or other equity securities, including senior or subordinated notes, debt securities convertible into equity, or shares of preferred stock. Issuing additional shares of our capital stock, other equity securities, or securities convertible into equity may dilute the economic and voting rights of our existing stockholders, reduce the market price of our Class A Common Stock, or both. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred stock, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing or nature of our future offerings. As a result, holders of our Class A Common Stock bear the risk that our future offerings may reduce the market price of our Class A Common Stock and dilute their percentage ownership. Future sales, or the perception of future sales, of our Class A Common Stock by us or our existing stockholders in the public market could cause the market price for our common stock to decline. **As We may issue additional securities in the future and from time to time. Future sales and issuances** ~~of December 31, 2023, we had 203,326,820 shares of our capital Class A Common Stock stock outstanding. The sale of~~ **or rights to purchase our capital stock, including pursuant to our equity incentive plans, could result in** ~~substantial~~ **dilution to** ~~amounts of shares of our~~ **stockholders, and such sales and issuances** ~~Class A Common Stock in the public market,~~ or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. In addition, the sale of a large number of shares by our stockholders could cause the prevailing market price of our Class A Common Stock to decline. As restrictions on resale end, the market price of shares of our Class A Common Stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Class A Common Stock or other securities. ~~In addition, the shares of our Class A Common Stock issued under the SmartRent, Inc. 2021 Equity Incentive Plan, (the "2021 Plan") are eligible for sale in the public market, subject to provisions relating to various vesting agreements, and in some cases, limitations on volume and manner of sale by affiliates under Rule 144, as applicable. The number of shares reserved for future issuance under the 2021 Plan equals 8,309,956 shares (all of which may be issued pursuant to the exercise of incentive stock options). We also have the ability to issue up to 5,401,824 additional shares of common stock under the Employee Stock Purchase Plan ("ESPP"), subject to annual increases effective as of January 1, 2022 and each subsequent January 1 through and including January 1, 2030 in an amount equal to the smallest of (i) 1% of the number of shares of the common stock outstanding as of the immediately preceding December 31, (ii) 2,000,000 shares or (iii)~~

~~such amount, if any, as the Board may determine.~~ Our management has limited experience in operating a public company. Our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage its transition to a public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. Our management's limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities, which would result in less time being devoted to our management of business operations. We may not have adequate personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices or internal controls over financial reporting required of public companies in the U. S. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the U. S. may require costs greater than expected. It is possible that we will be required to hire additional employees to support our operations as a public company, which would increase our operating costs in future periods. We could be negatively impacted by being a target of shareholder activists or short sellers, causing us to incur significant expense and hinder or disrupt the execution of our business strategy. While we value constructive input from our investors and regularly engage in dialogue with our shareholders regarding our business strategy and performance, shareholder activism, which takes many forms and arises in a variety of situations, has been increasingly prevalent among publicly traded companies. If we become the subject of certain forms of shareholder activism, such a concerted short squeeze, threatened or actual proxy contest or a hostile bid, the attention of our management and ~~our the board Board of directors~~ may be diverted from executing our strategy. Such shareholder activism could give rise to perceived uncertainties as to our future strategy, adversely affect our relationships with business partners and make it more difficult to attract and retain qualified personnel. Responding to a short selling campaign or other unwanted stockholder activism could also result in substantial costs, including significant legal fees and other expenses. Our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any shareholder activism.

**If we cannot meet the NYSE continued listing requirements, the NYSE may delist our Class A Common Stock. Our Class A Common Stock is currently listed on the NYSE. In the future, if we are not able to meet the continued listing requirements of the NYSE, our Class A Common Stock may be delisted. A delisting of our Class A Common Stock could negatively impact us by, among other things, reducing the liquidity and market price of our Class A Common Stock ; reducing the number of investors willing to hold or acquire our Class A Common Stock, which could negatively impact our ability to raise equity financing ; decreasing the amount of our news and analyst coverage ; and limiting our ability to issue additional securities or obtain additional financing in the future. In addition, delisting from the NYSE could have an adverse effect on our business, reputation, financial condition, and operating results.**

Anti- takeover provisions in our governing documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A Common Stock. Our third amended and restated certificate of incorporation (our " Charter ") and bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by the Board. Among other things, our Charter and / or bylaws include the following provisions: • a staggered board, which means that the Board is classified into three classes of directors, with staggered three- year terms and directors are only able to be removed from office for cause; • limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes; • a prohibition on stockholder action by written consent, which means that our stockholders are only able to take action at a meeting of stockholders and are not be able to take action by written consent for any matter; • a forum selection clause, which means certain litigation against us can only be brought in Delaware; • the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and • advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law (" DGCL"), which prevents interested stockholders, such as certain stockholders holding more than 15 % of our outstanding common stock, from engaging in certain business combinations unless (i) prior to the time such stockholder became an interested stockholder, the Board approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned at least 85 % of the common stock, or (iii) following ~~board Board~~ approval, such business combination receives the approval of the holders of at least two- thirds of our outstanding common stock not held by such interested stockholder at an annual or special meeting of stockholders. Any provision of our Charter or bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock. Our bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our Charter provides that, unless we consent in writing to the selection of an alternative forum, (i) the Court of Chancery of the State of Delaware (or, in the event that the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action, suit or proceeding brought on our behalf; (b) any action, suit or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors, officers, or stockholders to us or to our stockholders; (c) any action, suit or proceeding asserting a claim arising pursuant to the DGCL, our Charter or bylaws; or (d) any action, suit or proceeding asserting a claim governed by the internal affairs doctrine; and (ii) subject to the foregoing, the federal district courts of the U. S. shall be the exclusive forum for the

resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, such forum selection provisions shall not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the U. S. have exclusive jurisdiction. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business. Additionally, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As noted above, our Charter and bylaws provide that the federal district courts of the U. S. shall have jurisdiction over any action arising under the Securities Act. Accordingly, there is uncertainty as to whether a court would enforce such provision. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.