

## Risk Factors Comparison 2024-03-01 to 2023-03-15 Form: 10-K

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

Our business, operations and financial results are subject to various risks and uncertainties, including those described below, that could materially adversely affect our business, results of operations, financial condition, and the trading price of our Class A Common Stock. The following material factors, among others, could cause our actual results to differ materially from historical results and those expressed in forward- looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral statements. If any of the following risks, or others not specified below, materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our Class A Common Stock could decline, and you could lose all or part of your investment in our Class A Common Stock.

**Risks Related to Our Business and Industry** We have incurred net losses in each year since inception, and we may not be able to achieve profitability. We incurred net losses of \$ ( **528. 2** ) million, \$ ( 332. 1 ) million, **and** \$ ( 154. 6 ) million, **and** \$ ( 92. 3 ) million for the years ended December 31, **2023**, 2022, **and** 2021 ~~, and 2020~~, respectively. Historically, we have invested significantly in efforts to grow our homeowner base, both through our individual and portfolio strategies, as well as through strategic acquisitions, ~~and to grow our guest community~~. ~~We have increased our marketing spend, expanded our operations, hired additional employees, and enhanced to improve~~ our platform **technology**. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. ~~We also expect to incur expenses on an ongoing basis, including additional legal, accounting and other expenses as a result of being a public company~~. If our revenue does not increase to offset the expected increases in our operating expenses, we will not achieve profitability in future periods and our net losses may increase. Revenue growth may slow or revenue may decline for a number of possible reasons, many of which are beyond our control, including slowing demand for our offerings, listing growth constraints, increasing competition, **changing travel patterns** or any of the other factors discussed in this “ Risk Factors ” section. Certain types of homes and certain regions in which we operate result in listings with lower commission rates and / or lower service fees, which could have a materially negative impact on our overall operating margins. We have experienced, and in the future may experience, fluctuations and high volatility in operating costs **and** ~~and expenses~~ **expenses**. We incurred operating costs and expenses of \$ 1, **655. 3** million, \$ 1, 578. 9 million ~~, and~~ \$ 1, 014. 5 million **and** \$ 571. 2 million for the years ended December 31, **2023**, 2022, **and** 2021 ~~, and 2020~~, respectively. In addition, we have changed, and may in the future reduce, ~~our commission~~ **our commission** rates and service fees for strategic or competitive reasons. ~~Any failure~~ **Failure** to increase our revenue or manage the increase in our operating expenses could prevent us from achieving or sustaining profitability as measured by net income, operating income, or Adjusted EBITDA at all or on a consistent basis, which would cause our business, results of operations and financial condition to suffer and the market price of our Class A Common Stock to decline. Our business and operations have experienced rapid growth, and **if we have encountered difficulties managing such growth. If** we do not appropriately manage this growth and any future growth, or if we are unable to improve our systems, processes and controls, our business, results of operations, financial condition and prospects will be adversely affected. The **historical** growth and expansion of our business ~~has placed~~ **placed** a continuous and significant strain on our management, operational, financial and other resources. In order to manage ~~our such~~ **our such** growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our security and compliance requirements, our operating and administrative systems, our customer service and support capabilities, our relationships with various distribution partners and other third parties, and our ability to manage headcount and processes in an efficient manner. We may not be able to sustain the pace of improvements to our platform and services, or successfully develop and introduce new offerings or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage ~~the~~ growth of our business and to forecast our revenue, expenses, and net income (loss) accurately, or to prevent losses. As we continue to ~~expand~~ **improve** our ~~business systems, processes and controls~~, we may find it difficult to maintain our corporate culture while managing our workforce. Any failure to manage our workforce or organizational changes in a manner that preserves our culture could negatively impact future growth and achievement of our business objectives. Additionally, our productivity and the quality of our offerings may be adversely affected if we do not integrate and train our new employees quickly and effectively. Failure to manage our **historical** growth ~~to date~~, and any future growth, effectively could result in increased costs, negatively affect homeowner and guest satisfaction and adversely affect our business, results of operations, financial condition and growth prospects. Our ~~recent past~~ growth may not be indicative of our future growth, and ~~we may not be able to sustain a similar revenue growth rate~~ **may decrease** in the future. Our ~~recent~~ **historical** growth also makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful. Our ~~recent past~~ growth may not be indicative of our future growth, and ~~we may not be able to sustain a similar revenue growth rate~~ **may continue to decrease** in the future. Our ~~recent past~~ growth also makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful. Our total revenue for the years ended December 31, **2023**, 2022, **and** 2021 ~~, and 2020~~ was \$ 1, 188-118. 0 million, \$ 1, 188. 0 million, **and** \$ 889. 1 million, **and** \$ 491. 8 million, respectively, representing a **decrease in** year- over- year growth rate of **6 % during 2023 and an increase in year- over- year growth rate of 34 % during 2022**, **and 81 % during 2021** ~~the peak of the COVID- 19 pandemic~~. Our **ability to avoid further declines in our** revenue growth in any prior period is not an indication of our future performance. Our future revenue growth depends on **maintaining our existing homes on our platform**, the growth of supply of **new** homes for our platform and

demand for vacation rentals on our platform and the platforms of our distribution partners, and our platforms. Our business is also affected by general economic and business conditions worldwide, as well as trends in the global travel and hospitality industries, all of which can adversely impact our growth. In addition, we believe that our revenue growth depends upon a number of additional factors, including, among other things:

- our ability to retain and grow the number of guests and Nights Sold;
- our ability to retain and grow the number of homeowners and available listings on our platform, as well as the number of nights available to be booked;
- our ability to maintain effective operations and achieve salesforce efficiency, including through our new customer relationship management system for the sales team;
- our ability to maintain our relationships with our existing distribution partners and enter into relationships with additional distribution partners, and the availability of, and accessibility of our listings on, their platforms;
- our ability to consummate portfolio transactions and to effectively manage the risks associated with these transactions;
- our ability to successfully compete against established companies and new market entrants;
- our ability to price our offerings effectively and establish appropriate contract terms;
- the legal and regulatory landscape, including changes in the application of existing laws and regulations or the adoption of new laws and regulations that impact our business, homeowners, and / or guests, including changes in short-term occupancy and tax laws, and our ability to comply with applicable laws and regulations;
- the level of consumer awareness and perception of our brand;
- the level of spending on, and effectiveness of, brand, performance, and other marketing initiatives to attract homeowners and guests to our service;
- our ability to introduce and grow new offerings, and to deepen our presence in certain geographic regions;
- the timing, effectiveness, and costs of expansion and upgrades to our services, platform and infrastructure;
- our ability to hire, integrate, train and retain skilled personnel;
- our ability to determine the most appropriate investments for our limited resources;
- the occurrence of events beyond our control, such as the COVID-19 pandemic, any future pandemic, epidemic or outbreak of infectious disease and other health concerns and their impact on the travel and accommodations industries, increased or continuing restrictions on travel and immigration, trade disputes, economic downturns or recession, significant labor shortages, political, civil or social unrest (such as the conflict involving Russia and Ukraine), and the impact of climate change on travel (including fires, floods, severe weather and other natural disasters) and on seasonal destinations; and
- other risks described elsewhere in this Annual Report on Form 10-K.

A softening of demand for our offerings or our accommodations category, whether caused by events outside of our control, such as a COVID-19 or any other pandemic, epidemic or outbreak of infectious disease, changes in homeowner and guest preferences, any of the other factors described above, or elsewhere in this Annual Report on Form 10-K or otherwise, will may impair our ability to grow our revenue. If Furthermore, our revenue growth rate has declined in recent periods and, even if our revenue continues to increase decline, we expect our or revenue our growth rate rates do not meet expectations to decline in the future. If our revenue growth rate continues to decline, we may not achieve profitability, and our business, results of operations, and financial condition could be materially adversely affected. In addition, our recent historical growth has made and may continue to make it difficult to evaluate our current business and future prospects. Our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and may encounter in the future, risks and uncertainties frequently experienced by growing companies in changing industries that may prevent us from achieving the objectives discussed elsewhere in this Annual Report on Form 10-K. If we fail to achieve the necessary level of efficiency in our organization as it grows, or if we are not able to accurately forecast future growth, our business would be adversely affected. Moreover, if the assumptions that we use to plan our business are incorrect or change in reaction to changes in our industry and the markets in which we operate, or if we are unable to maintain consistent revenue or revenue growth, the market price of our Class A Common Stock could be volatile, and it may be difficult to achieve and maintain profitability. If we are unable to attract new..... condition would be materially adversely affected. The business and industry in which we participate are highly competitive, and we may be unable to compete successfully with our current or future competitors. We operate in a highly competitive environment and we face significant competition in attracting and retaining homeowners and guests. Homeowners primarily choose between self-managing their homes or using a local property vacation rental management business to list and care for their homes and in some cases adopt a hybrid approach using a third-party provider to help with guest demand generation, pricing, booking and support, while the owner takes care of the home. Homeowners who self-manage are able to list on third-party sites such as Airbnb, Booking.com, Evolve, and Vrbo and may choose to leverage additional third-party software tools to handle aspects of the process such as pricing or scheduling, or homeowners may fully self-manage. We compete for homeowners based on many factors, including the volume and pricing of bookings generated by guests on our platform and those of our distribution partners; ease of onboarding onto our platform; the service fees and commissions we charge; the owner protections we offer, such as our insurance accommodation protection programs; our cancellation policies; and the strength of our brand. We also compete to attract guests to our platform. Guests have a wide range of options for finding and booking accommodations, and as such, we compete with other forms of accommodations including hotels, other vacation rental companies, and serviced apartment providers, both online and offline. We also compete for traffic and demand generation through our direct booking channel, with Airbnb, Booking.com, Vrbo, regional booking sites, and online travel agencies, and, to a lesser degree, urban and corporate travel rental sites such as Sonder, vacation clubs, timeshares, and niche programs such as Inspiro fractional ownership programs. We compete for guests based on many factors, including the uniqueness, quality, safety and cleanliness of our homes and the availability of homes; the value and all-in cost of our offerings relative to other options, our brand; and the ease of use of our platform. Our Some of our competitors are adopting aspects of our business model, while others, such as local property managers, are increasingly using third-party vacation rental software for aspects of their business, including pricing, booking, housekeeping and maintenance, all of which could affect our ability to differentiate our offerings from theirs. Increased competition could reduce demand for our platform from homeowners and guests, slow our growth, and materially adversely affect our business, results of operations, and financial condition. Many of our current and potential competitors are larger and have greater financial, technical

and other resources that provide substantial competitive advantages, such as greater brand name recognition, longer operating histories, larger marketing budgets and established marketing relationships, and significantly greater resources for the development of their offerings. In addition, many of our current and potential competitors have access to larger user bases and / or inventory for accommodations, and may provide multiple travel products, including flights. As a result, our competitors may be able to provide consumers with a better or more complete product experience and respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or homeowner and guest requirements or preferences. The global travel industry has **also** experienced significant consolidation, and we expect this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive industry. Consolidation amongst our competitors will give them increased scale and may enhance their capacity, abilities, and resources, and lower their cost structures. In addition, emerging start-ups may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new offerings or technologies before us. Some of our competitors and potential competitors have more established or varied relationships with consumers than we do, and they could use these advantages in ways that could affect our competitive position, including by entering the travel and accommodations businesses. For example, some competitors and potential competitors are creating “super-apps” where consumers can use many online services without leaving that company’s app. If any of these platforms are successful in offering services to consumers that are similar to ours, or if we are unable to offer our services to consumers within these super-apps, our customer acquisition efforts could be less effective and our customer acquisition costs, including our brand and performance marketing expenses, could increase, any of which could materially adversely affect our business, results of operations, and financial condition. We also face increasing competition from search engines, including Google. The way Google presents travel search results, and its promotion of its own travel meta-search services, such as Google Travel and Google Vacation Rental Ads, or similar actions from other search engines, and their practices concerning search rankings, could decrease our search traffic, increase traffic acquisition costs, and / or disintermediate our platform. These parties can also offer their own comprehensive travel planning and booking tools, or refer leads directly to suppliers, other favored partners, or themselves, which could also disintermediate our platform. In addition, if Google or Apple use their own mobile operating systems or app distribution channels to favor their own or other preferred travel service offerings, or impose policies that effectively disallow us to continue our full product offerings in those channels, it could materially adversely affect our ability to engage with homeowners and guests who access our platform via mobile apps or search, which would negatively impact our business, results of operations and financial condition. If we are unable to **maintain our market share**, attract new vacation rental homeowners to our platform and maintain relationships with existing vacation rental homeowners, or if homeowners reduce the availability of their homes on our platform, our business, results of operations, and financial condition would be materially adversely affected. Our business depends on our ability to **maintain our market share**, attract new vacation rental homeowners to our platform, maintain relationships with our existing homeowner base, and on homeowners allowing us to make their homes available for rent through our service. ~~We deploy focused sales efforts to identify and convert homeowners to our platform and also utilize a variety of marketing, public relations and communications strategies to increase homeowner awareness regarding our brand.~~ If our sales personnel are unable to accurately identify and convert a sufficient number of prospective homeowners, if they fail to accurately predict the rental revenue of these homeowners’ properties on our platform, or if our sales and marketing efforts are otherwise unsuccessful, our revenue and growth prospects could be materially and adversely affected. **In addition, Our company and the broader vacation rental industry have seen elevated levels of homeowners changing property managers or moving to self-management in recent periods.** We may experience significant fluctuations ~~have also recently seen an increase in the supply of short term rental units available, in a number of markets, which can reduce demand for the units we manage our-~~ ~~If or put pressure on our revenue per available night.~~ ~~The sales personnel are unable to accurately identify and convert a sufficient number of prospective homes we manage on our platform decreased by approximately 5 % during the year ended December 31, 2023.~~ ~~If we do not maintain existing homeowners and, if they fail to accurately predict the availability rental revenue of their homes these homeowners’ properties on our platform, and maintain or if increase our sales and marketing -- market efforts are share otherwise unsuccessful, our revenue and growth prospects could be materially and adversely affected.~~ ~~In addition, homeowners Homeowners can also are able to limit the number of nights available through our services -, and These these practices are outside of our direct control.~~ If homeowners do not establish or maintain availability of their vacation rentals, or if the number of Nights Sold declines for a particular period, then our revenue would decline and our business, results of operations, and financial condition would ~~results of operations, from quarter to quarter and year~~ **financial condition would be materially adversely affected.** **In addition, homeowners may not continue their contractual arrangements with us, if we cannot attract prospective guests to year as our platform, generate sufficient guest bookings and create attractive returns to homeowners. If we are unable to retain or add homeowners, we may be unable to offer a result sufficient supply of properties seasonality and other factors, which make it difficult to forecast attract guests to our platform. If we are unable to attract and retain individual homeowners in a cost-effective manner, our- or future at all, our business, results - Our results- of operations, may vary significantly from quarter to quarter and year- financial condition would be materially adversely affected.** We also work with certain homeowner associations to year manage their association activities, and we often manage vacation rental properties for homeowners within these associations. **If our fee structure and payment terms are not as competitive as those of our future performance. Our overall competitors, these homeowner associations may choose to end their business is seasonal relationships with us, thereby reducing reflecting typical travel behavior patterns over the course number of homeowners using the calendar year.** In addition,..... hourly staffing to handle increased activity on our platform **and vacation rentals listed with in those periods.** As our business matures, other seasonal trends may develop, or **our service these existing seasonal trends may become more extreme. A number In addition to seasonality, our results of operations may fluctuate as a result of a variety of other factors affecting homeowners could cause**

**homeowner attrition**, many of which are beyond our control, may be difficult to predict, and may not fully reflect the underlying performance of our business, including: **changes in reduced travel and cancellations due to, other events beyond our control such as the COVID-19 enforcement or threatened enforcement of, laws and regulations, including short-term occupancy and tax laws; homeowners', condominium and neighborhood associations adopting and enforcing governing documents or contracts that prohibit or restrict short-term rental activities; regulations that purport to ban or otherwise restrict short-term rentals; homeowners opting for long-term rentals of their properties outside of our service; perceptions of the value or quality of our services; economic, social, and political factors; perceptions of trust and safety on and off our platform and within our homes; or negative experiences with guests, including guests who damage homeowner property, throw hold unauthorized parties, or engage in violent and unlawful acts, or the occurrence of a pandemic or other pandemics, epidemics, epidemic or outbreaks, outbreak of infectious disease, increased or continuing restrictions on travel, lawsuits, including securities class action suits.** Our **Moreover, we base our expense levels, differ materially from our expectations and our business, results of operations, and financial condition could be materially adversely affected if our homeowners are unable or unwilling to allow us to list and manage their properties.** We track certain operational metrics **believe that our accommodation protection program, which provided via a third-party insurer, is integral to retaining and acquiring homeowners. Our homeowner protection program offers specified vacation rental liability and damage protection to homeowners. If this program were to become unavailable for any reason, including if the third-party insurance provider ceases to provide coverage, or if the cost of the program rises significantly, then the number of homeowners who list with us may decline. If we are subject unable to attract new guests inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our or reputation, retain existing guests, our business, results of operations, and financial condition would be materially adversely affected affected our stock price, business, results of operations, and financial condition. Our success depends significantly** We track certain operational metrics, including metrics such as GBV, Nights Sold, and GBV per Night Sold, which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely **existing and new guests continuing to book homeowners' vacation rentals through the Vacasa platform or those of our distribution partners.** Our **ability** internal systems and tools are subject to **attract** a number of limitations, and **our methodologies for tracking these metrics may, measure may affect our understanding of certain - retain guests** details of our business, which could affect our long-term strategies. If our operational metrics are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, our stock price could decline, we may be subject to stockholder litigation, and our business, results of operations, and financial condition could be materially adversely affected materially adversely affected by a number of factors, including, among others: • homes failing to meet guests' expectations; • increased competition and use of our competitors' platforms and services; • our failure to provide differentiated, high-quality, and an adequate supply of homes at competitive prices; • guests not receiving timely or adequate customer support from us; • declines or inefficiencies in our marketing efforts; • negative associations with, or reduced awareness of, our brand; • **problems issues** with our distribution partners **or their platforms**; • negative perceptions of the trust and safety on our platform or in our homeowners' homes; • macroeconomic and other conditions outside of our control affecting travel and hospitality industries generally, **including inflation and elevated interest rates**; • the occurrence of events beyond our control, such as a pandemic, epidemic or outbreak of infectious disease and other health concerns, increased or continuing restrictions on travel and immigration, trade disputes, economic downturns or recession, significant labor shortages, political, civil or social unrest, and the impact of climate change on travel (including fires, floods, severe weather and other natural disasters) and seasonal destinations; and • **other risks described elsewhere in this Annual Report.** In addition, for guests who book directly with us, if our platform is not easy to navigate, guests have an unsatisfactory **sign-up, search, booking, or payment** experience on our platform, the listings and other content provided on our platform are not displayed effectively to guests, we fail to make our brand known to guests during their rental experience or we fail to provide a rental experience in a manner that meets rapidly changing demand, then we could fail to convert first-time guests into repeat customers, which would materially adversely affect our business, results of operations, and financial condition. **Bookings through** Our customer support function is critical to the success of our platform, and any failure to provide high-quality service could affect our ability to retain our existing homeowners and guests and attract new ones. Our ability to provide high-quality support to our homeowners and guests is important for the growth of our business and any failure to maintain such standards of customer support, or any perception that we do not provide high-quality service, could **adversely** affect our ability to retain and attract homeowners and guests. Meeting the customer support expectations of our homeowners and guests requires **a substantial significant time and resources from our** customer support team and significant investment in staffing, technology, including automation and machine learning to improve efficiency, infrastructure, policies, and customer support tools. The failure to develop the appropriate technology, infrastructure, policies, and customer support tools, or to manage or properly train our customer support team, could compromise our ability to resolve questions and complaints quickly and effectively. **The Growth in the** number of our homeowners and guests **using our platform** has grown significantly and such growth, as well **will** as any future growth, **puts put** additional pressure on our **internal customer support organization, our external customer support contracting team and on** our technology **organization organizations**. In addition, as we service an international customer base, we need to be able to provide effective support that meets our homeowners' and guests' needs and languages globally at scale. Our service is staffed based on business forecasts. Any volatility in those forecasts could lead to staffing gaps that could impact the quality of our service. We have in the past experienced and may in the future experience **backlog incidents that lead to** substantial delays or other issues in responding to requests for customer support, which may reduce our ability to effectively retain homeowners and guests. **Our customer support is performed by a mix of employees and outside contracted customer support providers. We also** rely on them to provide timely and appropriate responses to the inquiries of homeowners and guests that come to us via telephone, email, social media, and

chat. During the fiscal year ended December 31, 2022, we began to rely more heavily on third-party services for customer support. Reliance on third parties requires that we provide proper guidance for their employees, maintain proper controls and procedures for interacting with our customers, and ensure acceptable levels of quality and customer satisfaction are achieved. We provide customer support to homeowners and guests and help to mediate disputes between homeowners and guests. We rely on information provided by homeowners and guests and are at times limited in our ability to provide adequate support or help homeowners and guests resolve disputes due to our lack of information or control. To the extent that homeowners and guests are not satisfied with the quality or timeliness of our customer support, we may not be able to retain homeowners or guests, and our reputation as well as our business, results of operations, and financial condition could be materially adversely affected. When a homeowner or guest has a poor experience on our platform or with our service, we may issue refunds or future stay credits, or make other payments, such as property damage to a home below the threshold for our accommodations protection program, all of which we account for as consideration paid to a customer and is also generally treated as a reduction in revenue. A robust customer support effort is costly, and we expect such costs to continue to rise in the future as we grow our business. We have historically seen a significant portion of our revenue, and if we are unable to maintain our relationships with them or develop and maintain successful relationships with additional distribution partners, our business, results of operations, and financial condition would be materially and adversely affected. These relationships also subject us to certain risks. The continued growth of our business depends, in part, on our ability to maintain our relationships with our existing distribution partners and to identify, develop, and maintain strategic relationships with additional distribution partners, particularly as we continue to grow our brand recognition and our own booking platform. For the years ended December 31, 2023, 2022, and 2021 and 2020, we generated approximately 60%, 70%, and 70%, and 65%, respectively, of our GBV through our distribution partners. The impairment or termination of any of these relationships for any reason, or the failure of our distribution partners to effectively market our listings and provide satisfactory user experiences could materially and adversely affect our business, results of operations and financial condition. Our agreements with our existing distribution partners are non-exclusive, meaning our distribution partners can and do provide users guests looking for vacation rentals in the markets in which we operate with access to listings other than ours. These Our distribution parties partners are not required bound by any requirement to continue to market our listings, and may take actions that promote their or other third-party listings above ours. In addition, certain of these companies are now, or may in the future become, competitors of ours. While we view our distribution partners more as partners than competitors and believe our relationships with these parties are mutually beneficial, we cannot guarantee that our distribution partners will continue to share this view. If our distribution partners view us as competitive, they could limit our access to their platforms, allow access only at an unsustainable cost, or make changes to their platforms that make our listings less desirable to users or harder to access. In addition, bookings through Airbnb, Booking.com, and Vrbo account for a significant portion of our GBV. For the years ended December 31, 2023, 2022, and 2021 and 2020, GBV generated through Airbnb, Booking.com, and Vrbo together accounted for approximately 90%, 95-90%, and 95%, respectively, of the GBV generated through all of our distribution partners. The loss of any one or more of these key distribution partners, or a material reduction in the number of customer support inquiries from homeowners stays booked through their platforms, would adversely affect our business, financial condition and guests results of operations. Our efforts to reduce create new offerings and initiatives are costly, and if such offerings and initiatives are unsuccessful, we may fail to grow, and our business, results of operations, and financial condition would be materially adversely affected. We invest in developing new offerings and initiatives that we expect will differentiate us from our competitors and help grow our business. Developing and deploying new offerings and initiatives is challenging and increases our expenses and our organizational complexity, and the they number of customer support requests may not deliver the benefits we expect. Our new offerings and initiatives have a high degree of risk, as they may involve significant investment and upfront costs. For example, we have invested, and expect to continue investing, in the deployment of smart home technology across our portfolio. There can be effective, no assurance that homeowner demand for such technology or other offerings and initiatives we may develop will exist or sustain at the levels that we anticipate, that we will be able to successfully manage the delivery of such offerings and initiatives, or that any of these offerings or initiatives will generate sufficient revenue to offset associated expenses or liabilities. It is also possible that offerings developed by others will render our offerings and initiatives noncompetitive or obsolete. Further, these efforts will divert capital and other resources from our more established offerings and geographic regions, may result in increased legal and regulatory compliance expenses, and could incur distract management from our core business operations. Even if we are successful in developing new offerings and initiatives, regulatory authorities may implement new rules, taxes, or restrictions or more aggressively enforce existing rules, taxes, or restrictions that could increased increase costs without corresponding our expenses or otherwise prevent us from successfully commercializing these initiatives. If we do not realize the expected benefits of these investments, we may fail to grow, and our business, results of operations, and financial condition would be materially adversely affected. We rely on traffic to our platform to grow revenue, which and if we are unable to drive traffic cost-effectively to our platform, it would materially adversely affect our business, results of operations, and financial condition. We believe that increasing awareness of our brand among potential homeowners and guests is an important aspect of our efforts to increase traffic on our platform and grow our revenue. We have invested considerable resources to drive homeowner and guest acquisition and increase awareness regarding our brand, and expect to continue to invest in sales and marketing activities and personnel as a key component of our growth strategy. Our business depends

marketing efforts are expensive and may not be cost-effective or successful. If our competitors spend more on marketing efforts or our ability are more effective in such efforts, we may not be able to maintain and grow traffic to our platform. A critical factor in attract-attracting homeowners and guests to retain-capable management and employees, and if we lose any of our platform is how prominently listings are displayed in response to search queries for key personnel, search terms. The success of vacation rentals and the alternative accommodation industry has led to increased costs or for if we are unable-relevant keywords as our competitors competitively bid on our keywords. We may not be successful at our efforts to attract-drive traffic growth cost-effectively. If we need to increase our performance marketing spend in the future, retain and motivate a sufficient number of skilled personnel-including in response to increased spend on performance marketing from our competitors, our business, results of operations, and financial condition could be materially adversely affected. Digital performance marketing is increasingly subject to strict regulation, and we regulatory or legislative changes could adversely impact the effectiveness of our performance marketing efforts and, as a result, our business. Many countries have adopted, or are adopting, regulations governing the use of cookies and similar technologies, and individuals may be unable-required to execute "opt-in" to the placement of web browser cookies used for purposes of marketing. For example, to the extent we send direct electronic marketing communications to EU / UK residents and / our- or place cookies growth strategy. Our success depends in large part on our ability-their electronic devices, we may be subject to attract-evolving EU privacy laws on cookies and e retain-high- marketing quality management and employees. If we are required to change Our CEO, CFO and other members of our marketing practices senior management team, as a result well as other employees, this may terminate their employment with us at any time. Losing the services of members of our senior management team could lead materially harm our business until a suitable replacement is found, and such replacement may not have equal experience and capabilities. In addition, we have not purchased life insurance on any members of our senior management team. Furthermore, given the importance of our key executives to our business substantial costs, require significant systems changes, limit we are also vulnerable to the risk that they-- the effectiveness of may take actions, either within or our outside the scope of marketing activities, divert their-- the attention of duties, that intentionally or our technology personnel, unintentionally tarnish our brand and reputation or otherwise adversely affect our business-margins, increase costs results of operations-, and financial condition. As we continue to grow, we cannot guarantee that we will be able to attract and retain the personnel we need. Our business requires highly skilled technical, engineering, design, product, data analytics, marketing, business development, and customer support personnel, including executive-level employees, who are in high demand and are often subject us to competing offers additional liabilities. Widespread adoption Competition for qualified employees and executive-level employees is intense in our industry. We have experienced the turnover of such regulations could adversely affect key employees, including among the senior management team, and may experience employee and management transitions in future. The loss of qualified employees, or our an inability-- ability to attract, retain, market effectively to current and motivate employees would-prospective homeowners and guests, and thus materially adversely affect our business, results of operations, and financial condition and impair our ability to grow. We focus on search engine optimization ("SEO") on unpaid channels To attract and retain key personnel, we use various measures, including an equity incentive program. As we continue to drive traffic mature, the incentives to attract, retain, and motivate employees provided by our programs or our by future arrangements-platform. SEO involves developing our platform in a way that enables a search engine to rank our platform prominently for search queries for which our platform's content may be relevant. Changes to search engine algorithms or similar actions are not be as effective as in the past..... benefits costs (including costs associated with within health insurance coverage or our control workers' compensation insurance), our operating expenses could increase and our growth could be adversely affected..... sufficient number of qualified employees, which could adversely affect homeowner-our search-engine rankings and traffic to our platform. To the extent that our brand and platform are listed less prominently or fail to appear in search results for any reason, we would need to increase our paid marketing spend, which would increase our overall customer acquisition costs and materially adversely affect our business, results of operations, and financial condition. If Google or Apple uses its own mobile operating systems or app distribution channels to favor its own or other preferred travel service offerings, or impose policies that effectively disallow us to continue our full product offerings in those channels, there could be an and- an adverse effect on guest satisfaction and impair our ability to attract new engage with homeowners and guests and retain-who access our platform via mobile apps our- or relationships with search. Moreover, as guests increase their booking search activity across multiple travel sites our- or existing compare offerings across sites, our marketing efficiency and effectiveness is adversely impacted, which could cause us to increase our sales and marketing expenditures in the future, which may not be offset by additional revenue, and could materially adversely affect our business, results of operations, and financial condition. In addition, any negative publicity or public complaints, including those that impede our ability to maintain positive brand awareness through our marketing and consumer communications efforts, could harm our reputation and lead to fewer homeowners and guests. Furthermore using our platform, and attempts to replace this traffic through other channels will competition for qualified employees, particularly in markets where such shortages exist, could require us to pay higher wages, which could result..... our current compensation arrangements, it could increase our costs sales and marketing expenditures adversely affect our business, financial condition..... in recruiting, training and retaining employees. Maintaining and enhancing our brand and reputation is critical to our future growth, and negative publicity could damage our brand and thereby harm our ability to compete effectively, and could materially adversely affect our business, results of operations, and financial condition. Maintaining and enhancing our brand and reputation is critical to our ability to attract homeowners, guests, and employees, to compete effectively, to maintain relationships with our distribution partners, to preserve and deepen the engagement of our existing homeowners, guests, and employees, to maintain and improve our standing in the communities where our homeowners operate (including our standing with community leaders and regulatory bodies), and to mitigate legislative or regulatory

scrutiny, litigation, and government investigations. As our brand **awareness** grows, we ~~expect to~~ depend more heavily on the perceptions of homeowners and guests who use our platform and our services to help make word-of-mouth recommendations ~~that contribute to our growth~~. Any incident, whether actual or rumored ~~to have occurred~~, involving the safety or security of vacation rental homes, homeowners, guests, or other members of the public, fraudulent transactions, or incidents that are mistakenly attributed to Vacasa, and any **resulting** media coverage ~~resulting therefrom~~, could create a negative public perception of our platform, which would adversely impact our ability to attract homeowners and guests. In addition, when homeowners cancel reservations or if we fail to provide timely refunds to guests in connection with cancellations, guest perception of the value of our platform is adversely impacted and may cause guests to not use our platform in the future. The impact of these issues may be more pronounced if we are seen to have failed to provide prompt and appropriate customer support or if our platform policies are perceived to be too permissive or restrictive, or as providing homeowners and / or guests with unsatisfactory resolutions. We have been the subject of media reports, social media posts, blog posts, and content in other forums that contain allegations about our business or activity on our platform that create negative publicity. As a result of these complaints and negative publicity, some homeowners have refrained from, and may in the future refrain from, listing with us, and some guests have refrained from, and may in the future refrain from, using our platform, which could materially adversely affect our business, results of operations, and financial condition. **Our** ~~In addition, our~~ brand and reputation could be **also** harmed if we fail to act responsibly or are perceived as not acting responsibly, or if we fail to comply with regulatory requirements ~~as interpreted by certain governments or agencies thereof~~, in a number of areas, such as safety and security, data security, privacy practices, provision of information about users and activities on our platform, sustainability, human rights, diversity, non-discrimination, and support for employees and local communities. Media, legislative, or government scrutiny around our company, including the perceived impact on affordable housing and over-tourism, neighborhood nuisance, privacy practices, provision of information as requested by certain governments or agencies thereof, content on our platform, business practices and strategic plans, impact of travel on the environment, public health policies that may cause geopolitical backlash, our business partners, ~~private companies where we have minority investments~~, and our practices relating to our platform, offerings, employees, competition, litigation, and response to regulatory activity, could adversely affect our brand and our reputation with our homeowners, guests, and communities. Social media compounds the potential scope of the negative publicity that could be generated and the speed with which such negative publicity may spread. Any resulting damage to our brand or reputation could materially adversely affect our business, results of operations, and financial condition. **We** ~~In addition,~~ ~~we~~ rely on our homeowners and guests to provide trustworthy reviews and ratings that our homeowners or guests may rely upon to help decide whether or not to book a particular listing or accept a particular booking ~~and that we~~. **We also** use **these reviews and ratings** to **enforce uphold** quality standards ~~We rely on these reviews to further strengthen trust among members of our customer base~~. Our homeowners and guests may be less likely to rely on reviews and ratings if they believe that our review system does not generate trustworthy, **reliable** reviews and ratings. We have procedures in place to combat fraud or abuse of our review system, but we cannot guarantee that these procedures are, or will be, effective. **If** ~~In addition, if our homeowners and guests do not leave reliable reviews and ratings~~, other potential homeowners or guests may disregard ~~those these~~ reviews and ratings, ~~and~~ our systems that use reviews and ratings to enforce quality standards would be less effective, which could reduce trust within our customer-base and damage our brand and reputation, and could materially adversely affect our business, results of operations, and financial condition. Owner, guest, or third-party actions that are criminal, violent, inappropriate, dangerous, or fraudulent, may undermine the safety or the perception of safety of our services, affect our ability to attract and retain homeowners and guests, and materially adversely affect our reputation, business, results of operations, and financial condition. Fraudulent or criminal activity could occur in connection with the use of our services, as we do not have complete control over, or the ability to predict, the actions of our users and other third parties, such as neighbors or invitees, either during the guest's stay, or otherwise, and ~~therefore~~, we cannot guarantee the safety of our employees, homeowners, guests, and third parties. The actions of homeowners, guests, and other third parties have resulted, and can **result in** further, **result in** fatalities, injuries, other bodily harm, fraud, invasion of privacy, property damage, discrimination, and brand and reputational damage, which have created, and could continue to create potential legal or other liabilities for us. We do not verify the identity of all of our homeowners and guests nor do we verify or screen third parties who may be present during a reservation made through our platform. Our identity verification processes rely on, among other things, information provided by homeowners and guests, and our ability to validate that information and the effectiveness of third-party service providers that support our verification processes may be limited. Certain verification processes, ~~including legacy verification processes on which we previously relied~~, may be less reliable than others. These processes are **also beneficial but are** currently minimal and **have subject to** limitations ~~due to a variety of factors~~, including laws and regulations that prohibit or limit our ability to conduct effective background checks in some jurisdictions, the unavailability of information, and the inability of our systems to detect all suspicious activity. There can be no assurances that the measures we take will significantly reduce criminal or fraudulent activity on our platform **or in the homes we manage**. In addition, we may not adequately police the safety, suitability, location, quality, availability of recreational items or other amenities, compliance with our policies or standards, and legal compliance, such as fire code compliance or the presence of carbon monoxide detectors, of all our homeowners' properties. We have in the past taken steps to investigate issues raised by guests and homeowners and endeavor to require our local home care staff, including maintenance and housekeeping teams, to do periodic compliance checks, but we cannot ensure that these are consistently performed. We have created policies and standards to respond to issues reported with properties, but some vacation rentals may pose heightened safety risks to individual guests because those issues have not been reported to us ~~or~~, because our local operations team has not taken the requisite action based on our policies, **or because guests or third parties disregard safety measures**. We rely, in part, on reports of issues from homeowners ~~and~~, guests **and employees** to investigate and enforce many of our policies and standards. In addition, our policies may not contemplate certain safety risks posed by rental homes or individual homeowners or

guests or may not sufficiently address those risks. For example, we have been in the past, and may be in the future, subject to legal claims and potential liability relating to injuries or other damages sustained in connection with guests' use of recreational items and other amenities on our homeowners' properties. Though we typically seek to obtain waivers from liabilities associated with guest use of these items, homeowners do not always inform us that such items are present on their properties and, in any event, we cannot guarantee that any waiver we are able to obtain will be found to be enforceable. We have also faced civil litigation, regulatory investigations, and inquiries involving allegations of, among other things, unsafe or unsuitable rental homes, discriminatory policies, data processing, practices or behavior on and off our platform or by homeowners, guests, and third parties, general misrepresentations regarding the safety or accuracy of offerings on our platform, and other homeowner, guest, or third-party actions that are criminal, violent, inappropriate, dangerous, or fraudulent. Our policies, tools, and procedures to protect homeowners, guests, and the communities in which our homeowners operate may not be successful. Similarly, listings that are inaccurate, of a lower than expected quality, or that do not comply with our policies may harm guests and public perception of the quality and safety of rental homes on our platform and materially adversely affect our reputation, business, results of operations, and financial condition. If homeowners, guests, or third parties engage in criminal activity, or misconduct, including fraudulent, negligent, or inappropriate conduct or use our platform as a conduit for criminal activity, consumers may not consider our platform and the listings on our platform safe, and we may receive negative media coverage, or be subject to involvement in a government investigation concerning such activity, which could adversely impact our brand and reputation, and lower the adoption rate of our platform. For example: • there have been shootings and other criminal or violent acts on properties booked on our platform, including as a result of unsanctioned house parties; • there have been undisclosed hidden cameras and claims of invasion of privacy at properties; and • there have been incidents of homeowners and guests engaging in criminal, fraudulent, or unsafe behavior and other misconduct while using our platform. The methods used by perpetrators of fraud and other misconduct are complex and constantly evolving, and our trust and security measures have been, and may currently or in the future be, insufficient to detect and help prevent all fraudulent activity and other misconduct. For example, there have been incidents where guests have caused substantial property damage to listings or misrepresented the purpose of their stay and used listings for unauthorized or inappropriate conduct including parties, drug-related activities, or to perpetrate criminal activities. In addition, certain regions where we operate have higher rates of violent crime or more relaxed safety standards, which can lead to more safety and security incidents, and may adversely impact the adoption of our platform and services in those regions and elsewhere. If criminal, inappropriate, fraudulent, or other negative incidents continue to occur due to the conduct of homeowners, guests, or third parties, our ability to attract and retain homeowners and guests would be harmed, and our business, results of operations, and financial condition would be materially adversely affected. Such incidents have prompted, and may in the future prompt, stricter regulations or regulatory inquiries into our platform, policies and business practices. ~~In the United States and other countries, we have had listings being used for parties in violation of our policies which have in some cases resulted in neighborhood disruption or violence.~~ Further, claims have been asserted against us from our homeowners, guests, and third parties for compensation due to accidents, injuries, assaults, theft, property damage, privacy and security issues, and other incidents that are caused by other homeowners, guests, or third parties while using homes booked on our platform. These claims subject us to potentially significant liability, increase our operating costs, and could materially adversely affect our business, results of operations, and financial condition. We have obtained third-party insurance, which is subject to certain conditions and exclusions, for claims and losses incurred based on incidents related to bookings on our platform. Even where we do have third-party insurance, such insurance may be inadequate to fully cover alleged claims of liability, investigation costs, defense costs, and / or payouts. Even if these claims do not result in liability, we could incur significant time and cost investigating and defending against them. If the quantity or severity of incidents increases, our insurance rates and our financial exposure will grow, which would materially adversely affect our business, results of operations, and financial condition. **be adversely impacted** by the adoption of new payment methods, the emergence and innovation of new technology platforms, including mobile and other devices, and our growth in certain regions, including in regions with a history of elevated fraudulent activity. We expect that technically knowledgeable criminals will continue to attempt to circumvent our anti-fraud systems. In addition, the payment card networks have rules around acceptable chargeback ratios. If we are unable to effectively identify fraudulent bookings on our platform, combat the use of fraudulent credit cards, or otherwise maintain or lower our current levels of chargebacks, we may be subject to fines and higher transaction fees or processors holding significant reserves against us, ~~be required to post collateral~~ or be unable to continue to accept card payments because payment card networks have revoked our access to their networks, any of **which would** Measures that we are taking to improve the trust and safety of our platform may cause us to incur significant expenditures and may not be successful. We have taken and continue to take measures to improve the trust and safety **of the community** on our platform, combat fraudulent activities and other misconduct and improve community trust, such as terminating the management contracts of homeowners who fail to comply with our policies. ~~These measures are long-term investments in our business and for the trust and safety of our community; however~~ **However**, some of these measures increase friction on our platform by increasing the number of steps required to list or book, which reduces homeowner and guest activity on our platform, and could materially adversely affect our business, results of operations, and financial condition. Implementing these trust and safety initiatives, which include, among other things, limited verification of homeowners and listings, restrictions on "party" houses, manual screening of high-risk reservations, restrictions on certain types of bookings, and providing rental home neighbors with the contact information for our local staff, or other initiatives, has caused and will continue to cause us to incur significant ongoing expenses and may result in fewer listings and bookings or reduced homeowner and guest retention, which could materially adversely affect our business, results of operations, and financial condition. ~~As we operate an international platform, the timing and implementation of these measures will vary across geographic regions.~~ We have invested and plan to continue to invest significantly in the trust and safety of our platform and services, but there can be no assurances that these measures will **be successful**, significantly reduce



criminal or fraudulent activity on or off our platform, or be sufficient to protect our reputation in the event of such activity. **If** ~~We rely on traffic to our platform to grow revenue, and if we are unable to drive traffic cost-effectively, it..... unable to expand our international operations and~~ manage the risks presented by our ~~business model internationally--~~ **international operations**, our business, results of operations, and financial condition would be materially adversely affected. ~~Until December 31, 2020, we operated vacation rental property management services in the United States, Canada, South Africa and a number of countries in Europe and Latin America. As of the beginning of 2021 and in part as a result of the business downturn caused by COVID-19, we reduced our international operations by winding down vacation rental operations in Europe, South Africa and several countries in Central and South America. Currently, we provide vacation rental management services in the United States, Belize, Canada, Costa Rica, and Mexico. We also have operate offices for design and technology activities in Chile , and in New Zealand and, since September 2023, in the Czech Republic . As of December 31, 2022-2023 , we had approximately 400-500 employees outside the United States. For the years ended December 31, 2023, 2022, and 2021 , and 2020-, approximately, 2 % , 2 % , and 1 % , and 3-% of our revenue, respectively, was generated from vacation rental management activities outside of the United States. We expect to expand our international operations that support certain corporate functions in the countries that we are currently operating in. We also anticipate making selective entries into new international markets over time, primarily in Europe and the Americas. Managing an international organization is difficult, time-consuming, and expensive, and requires significant management attention and careful prioritization. International expansion efforts that we previously undertook have not been entirely successful, and future undertakings could also prove unsuccessful.~~ In addition, conducting international operations subjects us to risks, which include: • operational and compliance challenges caused by distance, language, and cultural differences; • the cost and resources required to localize our platform and services, **including** which often requires the translation of our platform into foreign languages and adaptation of our platform and services for local practices and regulatory requirements; • **unexpected-differing**, more restrictive , ~~differing-~~ and conflicting laws and regulations, including those laws governing Internet activities, short-term and long-term rentals (including those implemented in response to the COVID-19 pandemic), tourism , ~~tenancy-~~ taxes, licensing, payments processing, messaging, marketing activities, registration and / or verification of guests, ownership **and protection** of intellectual property, content, data collection and privacy, security, data localization, data transfer and government access to personal information, and ~~other--~~ **the activities important to our business lack of familiarity and the burden of complying with them** ; • ~~uncertainties regarding the interpretation of national and local laws and regulations, uncertainty in the enforceability of legal rights, and uneven application of laws and regulations to businesses, in particular to~~ U. S. companies; • competition with companies that understand local markets better than we do, or that have a local presence and pre-existing relationships with potential homeowners and guests in those markets; • differing levels of social acceptance of our brand and offerings; • legal uncertainty regarding our liability for the listings, services, and content provided by homeowners, guests, and other third parties **and** ; • ~~uncertain resolutions of litigation or regulatory inquiries;~~ • variations in **payment forms for homeowners and guests** , **and** increased operational complexity around , **payments-payment activity between us, homeowners and guests** , and inability to offer local payment forms like cash or country-specific digital forms of payment ; • ~~lack of familiarity and the burden of complying with a wide variety of U. S. and foreign laws, legal standards, and regulatory requirements, which are complex, sometimes inconsistent, and subject to unexpected changes;~~ • potentially adverse tax consequences, including resulting from the complexities of foreign corporate income tax systems, value added tax (" VAT") regimes, tax withholding rules, lodging taxes, ~~often known as transient or occupancy taxes, hotel taxes, and other indirect taxes, tax collection or remittance obligations, and restrictions on the repatriation of earnings;~~ • difficulties in managing and staffing international operations, including due to differences in legal, regulatory, and collective bargaining processes; • fluctuations in currency exchange rates , ~~and in particular, decreases in the value of foreign currencies relative to the U. S. dollar;~~ • regulations governing the control of local currencies and **their impacting-- impact the on our** ability to collect and remit funds to homeowners in those currencies or to repatriate cash into the United States; • oversight by foreign government agencies whose approach to privacy or human rights may be inconsistent with those taken in other countries; • increased financial accounting and reporting burdens, and complexities and difficulties in implementing and maintaining adequate internal controls in an international operating environment; • political, social, and economic instability abroad, terrorist attacks, and security concerns in general; **and** • operating in countries that are more prone to crime or have lower safety standards , **or** ; • ~~operating in countries that have higher risk of corruption ; and • reduced-~~ **Any further international expansion of or our varied protection for our intellectual property rights in some countries-business could exacerbate these risks and may not be successful**. Increased operating expenses, decreased revenue, negative publicity, negative reaction from our homeowners and guests and other stakeholders, or other adverse impacts from any of the above factors or other risks related to our international operations, **including if our international expansion efforts are unsuccessful,** could materially adversely affect our brand, reputation, business, results of operations, financial condition, and growth prospects. Our **growth strategy has included** failure to properly manage funds held on behalf of customers could materially adversely affect our business, results of operations, and financial condition. When a guest books **may in the future include strategic acquisitions** and **dispositions**. We may ~~pays~~ pay for a stay on our platform, we do not recognize the amount the guest **be able to consummate future acquisitions or successfully integrate past or future acquisitions. A portion of our growth has been due to acquisitions of strategic businesses. We may make strategic acquisitions in** paid until the stay occurs, at which time we recognize our commission and fees as revenue and (other-- **the future** than in certain locations in which the homeowner is paid upon booking) initiate the process to **enhance** remit the payment to the homeowner, which occurs monthly following the stay, barring any alterations or **our market position** cancellations which may result in funds being returned to the guest. Accordingly, at any given time, we hold on behalf of our homeowners and **broaden** guests a substantial amount of funds, which are generally held in bank deposit accounts and in U. S. treasury bills and recorded on our consolidated balance sheets as funds receivable and amounts held on behalf of customers. In certain jurisdictions, we are required to either safeguard customer funds

in bankruptcy—remote bank accounts, or **our product offerings** hold such funds in eligible liquid assets, as defined by the relevant regulators in such jurisdictions, equal to at least 100% of the aggregate amount held on behalf of customers. Our ability to manage and account accurately **successfully effectuate acquisitions in the future subject to a variety of risks, including:**

- Our ability to identify acceptable acquisition candidates;
- The impact of increased competition for the cash underlying acquisitions, which may increase acquisition costs, affect our customer funds requires ability to consummate acquisitions on favorable terms, and result in us assuming a high-level-greater portion of internal-the seller's liabilities;
- Successfully integrating acquired businesses, including integrating the management, technological and operational processes, procedures and controls—As of the acquired businesses with those of our existing operations;
- Adequate financing for acquisitions being available on terms acceptable to us;
- Unexpected losses of key employees, customers and suppliers of acquired businesses;
- Mitigating assumed, contingent and unknown liabilities, including ongoing lawsuits our- or liabilities that could subject us to lawsuits;
- Acquiring goodwill and other non- amortizable intangible assets that will be subject to impairment testing and potential impairment charges;
- The impact of amortization expense related to certain intangible assets, which would increase our expenses and working capital; and
- Challenges in managing the increased scope, geographic diversity and complexity of our operations.

The process of integrating acquired businesses into our existing operations may result in unforeseen operating difficulties and may require additional financial resources and attention from management that would otherwise be available for the ongoing development or expansion of our existing operations. There can be no assurance that pre- acquisition due diligence will have identified all material issues that might arise with respect to such acquired business continues to grow and we expand our offerings and tiers, we must continue to strengthen our associated internal controls. Furthermore, even if successfully integrated, Our success requires significant public confidence in our ability to handle large and growing transaction volumes and amounts of customer funds. Any failure to maintain the necessary controls or to manage-acquired business may not achieve the assets underlying our customer funds accurately could result- results we expected in reputational harm, lead customers to discontinue or reduce their use of our- or produce expected benefits platform and services, and result in significant penalties and fines the time frame planned. from From regulators time to time , each we may also divest or wind down portions of our business, both acquired or otherwise, that are no longer strategically important, which could materially affect our cash flows and results of operations. Failure to continue with our acquisition strategy or the successful integration of acquired businesses could have an adverse effect on our business, financial condition, results of operations and cash flows. Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings could reduce our ability to compete and could adversely affect our business ,results-of. We have incurred significant operating losses and generated negative cash flows from operations as we have invested to support the growth of our business , and expect to continue to do so in the future as we execute on our strategic initiatives to grow our business. Our future capital requirements will depend on many factors, including, but not limited to, our growth, our ability to attract and retain new homeowners and guests that utilize our services, the extent and profitability of any strategic transactions we enter into, the continuing market acceptance of our offerings, the timing and extent of spending to enhance our technology, and the expansion of our sales and marketing activities and, as a result, we may require additional financial financing . We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, operating performance, and the condition of -Because we recognize revenue during the capital markets guest stay and not at booking, upticks or downturns in bookings are not immediately reflected in our results of operations. We experience a difference in timing between when a booking is made and when we recognize revenue, which is at the time of the stay-we seek financing . Additional financing The effect of significant downturns in bookings in a particular quarter may not be fully reflected in-available to us on acceptable terms when required, our- or results of operations until at all. If we raise additional funds through future issuances periods because of this timing in revenue recognition. We equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have issued-rights , preferences, and may continue-privileges superior to those of holders of our Class A Common Stock. In addition, our stockholders will experience additional dilution when stock appreciation rights holders and option holders exercise their rights to purchase our Class A Common Stock under our equity incentive plans, any restricted stock units or performance stock units we may grant from time to time vest and settle, we issue equity awards ,future stay credits to guests who chose to cancel within our employees under our equity incentive plans our- or enhanced cancellation policy. Such future stay credits are recognized as a liability on our employee stock purchase plan consolidated balance sheets. Alternatively, in certain instances, we may offer a refund in lieu of a future stay credit. We account for these refunds as variable consideration, which results in a reduction to revenue. Our efforts to create new offerings and initiatives are costly, and if we otherwise issue additional equity interests. If we are unable to raise additional funds when successfully pursue such offerings and initiatives, we may fail-need them and on terms that are acceptable to us, our ability to continue to develop or enhance our platform, products or services, support and grow our business and operations, respond to business challenges and opportunities, and execute our growth strategy would be significantly limited , and our business, results of operations, and financial condition would be materially adversely affected. Our In order to grow our business ,we will need-depends on our ability to attract continue investing in the development of new offerings and initiatives that differentiate us from-retain capable management and employees, and if we lose any of our key personnel, our- or if competitors. Developing and delivering new offerings and initiatives increase our expenses and our organizational complexity, and we may experience difficulties in developing-are unable to attract, retain and motivate implementing these new offerings and initiatives. Our new offerings and initiatives have a high degree of risk, as they may involve significant investment and upfront costs. For example, we have, and expect to continue investing in resources to incorporate smart home technology across our portfolio. There can be no assurance that homeowner demand for smart home

technology or other offerings and initiatives we may develop or otherwise introduce from time to time will exist or be sustained at the levels that we anticipate, that we will be able to successfully manage the development and delivery of such offerings and initiatives, or that any of these offerings or initiatives will gain sufficient **number** market acceptance to generate sufficient revenue to offset associated expenses or liabilities. It is also possible that offerings developed by others will render our offerings and initiatives noncompetitive or obsolete. Further, these efforts entail investments in our systems and infrastructure, payments platform, and increased legal and regulatory compliance expenses, could distract management from our core business operations, and will divert capital and other resources from our more established offerings and geographic regions. Even if we are successful in developing new offerings and initiatives, regulatory authorities may subject us or our homeowners and guests to new rules, taxes, or restrictions or more aggressively enforce existing rules, taxes, or restrictions that could increase our expenses or otherwise prevent us from successfully commercializing these initiatives. If we do not realize the expected benefits of our investments **skilled personnel**, we may fail to grow, and our business, results of operations, and financial condition **would could** be materially adversely affected, and we may be unable to execute our growth strategy. Our future success depends in large part on our ability to attract and retain high-quality management and employees. Our CEO, CFO and other members of our senior management team, as well as other employees, may terminate their employment with us at any time. Losing the services of members of our senior management team could materially harm our business until a suitable replacement is found, and such replacement may not have equal experience and capabilities. In addition, we have not purchased life insurance on any members of our senior management team. Furthermore, given the importance of our key executives to our business, we are also vulnerable to the risk that they may take actions, either within or outside the scope of their duties, that intentionally or unintentionally tarnish our brand and reputation or otherwise adversely affect our business, results of operations, and financial condition. In addition, in 2023 and 2024, we announced and implemented reductions in our employee base. Such reductions could negatively impact our ability to attract, retain, and motivate employees. We cannot guarantee that we will be able to attract and retain the personnel we need. Our business requires highly skilled technical, engineering, design, product, data analytics, marketing, business development, and customer support personnel, including executive-level employees, who are in high demand and are often subject to competing offers. Competition for qualified employees and executive-level employees is intense in our industry. We have experienced the turnover of key employees, including among the senior management team, and may experience **employee and management transitions in future**. The adversely affect our business, financial condition and results of operations. In addition, we are subject to a number of other federal, state, local, and foreign laws regulating employment and employee working conditions, including employment dispute and employee bargaining processes, collective and representative actions, and other employment compliance requirements. Compliance with these regulations is costly and requires significant resources, and we may suffer losses from, or incur significant costs to defend, claims alleging non-compliance with these regulations. In addition, immigration reform continues to attract significant attention in the public arena and the U.S. Congress. If new immigration legislation is enacted, such laws may contain provisions that could increase our costs in recruiting, training and retaining employees. COVID-19 pandemic, **restrictions related to travel, trade or immigration policies, wars or regional hostilities (such as the Ukraine-Russia and Israel-Hamas conflicts and any escalations thereof), terrorist attacks, political uncertainty, protests, foreign policy changes, systemic financial system or banking failures, imposition of taxes or surcharges by regulatory authorities, changes in regulations, policies, or conditions related to sustainability, including climate change, work stoppages, labor unrest or travel-related accidents can disrupt travel globally or otherwise result in declines in travel demand. Because** these events or concerns, and the full impact of actions to mitigate their effects, are largely unpredictable, **they** COVID-19 pandemic have can dramatically and suddenly affect travel behavior by consumers, and therefore reduce demand for our platform and services, which would materially adversely affect our business, results of operations, and financial condition. Increasing awareness around the impacted -- **impact of air travel on climate change and the impact of over-tourism may also continue to materially adversely impact the travel and hospitality industries and demand for our platform and services. Additionally, these factors could affect our business infrastructure and the rental homes that we manage. To the extent climate change causes changes in weather patterns, our coastal destinations could experience increases in storm intensity and rising sea levels causing damage to our homeowners' properties and results- result in a reduced number of listings in operations, and financial condition. Since early 2020, the** these world has been and continues areas. Short-term, extreme weather patterns may also make it unsafe or impractical for guests, or employees or contractors providing home care services, to be impacted travel to affected locations, which may, in turn, result in homeowners choosing not to rent their properties during certain times and reduce the overall number of nights available. Climate change may also affect our business by increasing COVID-19 and its variants. Government regulations in response to the **cost of pandemic and changes in social behaviors have closed or limited certain government functions- or businesses or have otherwise limited social or public gatherings. Such mitigation measures that have impacted our- or business include travel restrictions making unavailable, property insurance on terms or our homeowners find acceptable quarantine and shelter-in areas most vulnerable -place orders. These responses, which continue to shift such events, increasing operating costs for our homeowners, including the cost of water or energy, and requiring our homeowners to expend funds** as variants or outbreaks of COVID-19 continue to develop, have had and may continue to have a material adverse impact on our business and operations and on travel behavior and demand. In addition, COVID-19 has disrupted and may continue to disrupt the **they seek to repair** operations of our business partners and **protect third- their properties -party vendors, suppliers, and service providers. The COVID-19 pandemic has also resulted in connection with such events**, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. As it is not possible to quantify the impact the COVID-19 pandemic has had on our business and operations to date as a result of the **foregoing and** factors discussed above, or to estimate

the other long climate related issues term impact that COVID-19 could have on our business, financial condition and results of operations as the impact will depend on future developments such as the prevalence of local, national, and international travel restrictions (including new or our homeowners may decide to remove reinstated restrictions as a result of COVID-19 variants or other their highly infectious diseases), listings from our platform. If we are unable to provide vaccination-- vacation rentals requirements in connection with travel, and impacts and fluctuations in demand for booking in travel, which are highly uncertain-- certain and cannot be predicted. To the extent the COVID-19 pandemic materially adversely affects our business, results of operations, and financial condition, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic that are areas due to not currently foreseeable, could materially adversely impact our business, results of operations, and financial condition. We face possible risks associated with natural disasters and the physical effects of climate change, any of we may lose both homeowners and guests, which could have a material adverse effect on our business, results of operations, and financial condition. We are Our financial performance is also subject to global economic conditions and the their risks associated with natural disasters impact on levels of discretionary consumer spending. Some of the factors that have and an the physical effects of climate impact on discretionary consumer spending include general economic conditions, worldwide or regional recessions, unemployment, consumer debt, reductions in net worth, fluctuations in change exchange rates, wage inflation, residential real estate and mortgage markets, taxation, energy prices, interest rates, consumer confidence, tariffs, and other macroeconomic factors. Consumer preferences tend to shift to lower- cost alternatives during recessionary periods and other periods in which disposable income is adversely affected may include more frequent or severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts, and wildfires, any of which could could lead to a decline in the bookings and prices for rentals through our platform and an increase in cancellations, and thus result in lower revenue. Leisure travel in particular, which accounts for a substantial majority of our current business, is dependent on discretionary consumer spending levels. Downturns in worldwide or regional economic conditions, such as the downturn experienced during the COVID-19 pandemic, led to a general decrease in leisure travel and travel spending, and similar downturns in the future may materially adversely impact demand for our platform and services. Such a shift in consumer behavior would materially adversely affect our business infrastructure and the rental homes that we manage and, consequently, have a material adverse effect on our business, results of operations, and financial condition. To the extent climate change causes changes in weather patterns, our coastal destinations could experience increases in storm intensity and rising sea levels causing damage to our homeowners' properties and result in a reduced number of listings in these areas. Short-term, extreme weather patterns may also make it unsafe or impractical for guests, or employees or contractors providing home care services, to travel to affected locations, which may, in turn, result in homeowners choosing not to rent their properties during certain times and reduce the overall number of nights available. Climate change may also affect our business by increasing the cost of, or making unavailable, property insurance on terms our homeowners find acceptable in areas most vulnerable to such events, increasing operating costs for our homeowners, including the cost of water or energy, and requiring our homeowners to expend funds as they seek to repair and protect their properties in connection with such events. As a result of the foregoing and other climate-related issues, our homeowners may decide to remove their listings from our platform. If we are unable to provide vacation rentals for booking in certain areas due to climate change, we may lose both homeowners and guests, which could have a material adverse effect on our business, results of operations, and financial condition. The coverage afforded under our insurance policies may be inadequate for the needs of our business or our third-party insurers may be unable or unwilling to meet our coverage requirements, which could materially and adversely affect our business, results of operations, and financial condition. We use a combination of third-party insurance and self-insurance to manage the exposures related to our business operations. We support our homeowners by maintaining an accommodations- accommodation protection program. Our business, results of operations, and financial condition would be materially adversely affected if (i) cost per claim, premiums or the number of claims significantly exceeds our expectations; (ii) we experience a claim in excess of our coverage limits; (iii) our insurance providers become insolvent or otherwise fail to pay on our insurance claims; (iv) we experience a claim for which coverage is not provided; or (v) the number of claims under our deductibles or self-insured retentions differs from historic historical averages. Our overall spend on insurance has increased as our business has and risk exposure have grown and losses from covered claims have increased. Premiums have increased as a result, and we have experienced and expect to continue to experience increased difficulty in obtaining appropriate policy limits and levels of coverage at a reasonable cost and with reasonable terms and conditions. Our costs for obtaining these policies will continue to increase as our business grows and risk exposures continues- continue to evolve. Furthermore, as our business continues to develop and diversify, we may experience difficulty in obtaining insurance coverage for new and evolving offerings and tiers, which could require us to incur greater costs and materially adversely affect our business, results of operations, and financial condition. Additionally, if we fail to comply with insurance regulatory requirements in the regions where we operate, or other regulations governing insurance coverage, our brand, reputation, business, results of operations, and financial condition could be materially adversely affected. Accommodations- Accommodation Protection Program In As an additional benefit to our homeowners and in order to offset our potential exposure related to stays and experiences and to comply with certain short-term rental regulatory requirements, we enroll homeowners in our accommodations- accommodation protection program, which provides coverage protection for claims from of guests- guest and third parties- caused property damage for- or guest bodily injury or property damage arising from the reservation stays booked through our platform. The accommodations- accommodation protection program is subject to certain terms, conditions and exclusions, and homeowners may opt out of the program, if the homeowner provides documentation of sufficient alternative coverage through their homeowners insurance. Our homeowners may also benefit from coverage protection provided through our distribution partners when bookings of Vacasa rental homes are made through their platforms. However, these programs may not provide coverage protection for certain types

of claims, and may be insufficient to fully cover costs of investigation, costs of defense, and payments or judgments arising from covered claims. In addition, extensive or costly claims could lead to ~~premium-rate~~ increases or difficulty securing coverage, which may result in increased financial exposure and an inability to meet ~~insurance~~ regulatory requirements. Increased claim frequency and severity and increased fraudulent claims could result in greater payouts, premium increases, and / or difficulty securing coverage. Further, disputes with homeowners as to whether ~~an insurance~~ a **protection** program applies to alleged losses or damages and the increased submission of fraudulent payment requests could require significant time and financial resources. Corporate Insurance We procure insurance policies to cover various operations- related risks, including general business liability, workers' compensation, cyber liability and data breaches, crime, directors and officers liability, and property insurance. We do not have sufficient coverage for certain catastrophic events, including certain business interruption losses, such as those resulting from the COVID- 19 pandemic. Additionally, certain policies may not be available to us and the policies we have and obtain in the future may not be sufficient to cover all of our business exposure. **Risks Related to Accounting, Tax and Financial Statement Matters A future impairment of our long- lived assets or goodwill could adversely affect our results of operations and financial condition.** We Moreover,we base our expense levels and investment plans on estimates for revenue that may turn out to be inaccurate.A significant portion of our expenses and investments are fixed,and we may not be able to adjust our spending quickly enough if our revenue is less than expected or if costs are higher than expected,resulting in losses that exceed our expectations.If our assumptions regarding the risks and uncertainties that we use to plan our business are incorrect or change,or if we do not address these risks successfully,our results of operations could differ materially from our expectations and our are subject to ~~payment- related fraud and~~ **inherent challenges in measurement, an and increase real or perceived inaccuracies in such metrics may harm or our reputation and** failure to deal effectively with fraud, fraudulent activities, fictitious transactions, or illegal transactions would materially adversely affect our **stock price, business, results of operations, and financial condition.** We ~~process-track certain operational metrics, including metrics such as GBV, Nights Sold, and GBV per Night Sold, which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools are subject to~~ a our methodologies for tracking these and other metrics may change over time,which could result in unexpected changes to our metrics,including the ~~those metrics~~ we publicly disclose.If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors,the data we report may not be accurate.While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement,there are inherent challenges in measuring how our platform is used across populations globally.The calculation of GBV and Nights Sold requires the ongoing collection of data on new offerings that are added to our platform over time.Our business is complex,and the methodology used to calculate GBV and Nights Sold may require future adjustments to accurately represent the full value of new offerings.Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding **of certain significant downturns in bookings in volume and dollar value of transactions on a daily basis particular quarter may not be fully reflected in our results of operations until future periods because of this timing in revenue recognition.** We have ~~incurred-issued, and will-may~~ continue to **issue** incur losses from ~~claims by homeowners, fraudulent bookings and fraudulent refund requests, and these losses may be substantial~~ **future stay credits to guests who chose to cancel within our enhanced cancellation policy.** Such **future stay credits are recognized** instances have and can lead to the reversal of payments received by us for such bookings, referred to as a **“chargeback liability on our consolidated balance sheets.** <sup>22</sup>For **Alternatively, in certain instances, we may offer a refund in lieu of a future stay credit. We account for** the these refunds years ended December 31, 2022, 2021, and 2020, total chargeback expense was ~~- as variable consideration \$ 5.1 million, \$ 2- which results in a reduction to revenue. 8 million~~ Our failure to properly **manage funds held on behalf of customers could materially adversely affect our business, results of operations and \$ 3.1 million, respectively and financial condition.** When a guest books and pays for a stay on our platform, we do not recognize the amount the guest has paid until the stay occurs, at which time we recognize our commission and fees as revenue and (other than in certain locations in which the homeowner is paid upon booking) initiate the process to remit the payment to the homeowner, which occurs monthly following the stay, barring any alterations or cancellations which may result in funds being returned to the guest. Accordingly, at any given time, we hold on behalf of our homeowners and guests a substantial amount of funds, which are generally held in bank deposit accounts and in U. S. treasury bills and recorded on our consolidated balance sheets as funds receivable and amounts held on behalf of customers. In certain jurisdictions, we are required to either safeguard customer funds in bankruptcy- remote bank accounts, or hold such funds in eligible liquid assets, as defined by the relevant regulators in such jurisdictions, equal to at least 100 % of the aggregate amount held on behalf of customers. Our ability to ~~detect-manage and combat fraud-~~ account accurately for the cash underlying our customer funds, and comply with related trust- accounting regulations requires a high level of operational and internal controls. As our business continues to grow and we expand our offerings and tiers, we must continue to strengthen our associated internal controls. Our success requires significant public confidence in our ability to handle large and growing transaction volumes and amounts of customer funds. Any failure to maintain the necessary controls or to manage the assets underlying our customer funds accurately could result in reputational harm, lead customers to discontinue or reduce their use of our platform and services, and result in significant penalties and fines from regulators, each of which has become increasingly common and sophisticated, could be adversely impacted by the adoption of..... their networks, any of which would materially adversely ~~impact-affect~~ our business, results of operations, and financial condition. We rely on third- party payment service providers to process payments made by guests and certain payments made to homeowners on our platform. If these third- party payment service providers become unavailable or we are subject to increased fees, our business, results of operations, and financial condition could be materially adversely affected. We rely on a number of third- party payment service providers, including payment card networks, banks, payment processors, and payment

gateways, to link us to payment card and bank clearing networks to process payments made by our guests and to remit payments to homeowners on our platform. We have agreements with these providers, some of which are the sole providers we rely on for their particular service. If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted, we would need to find alternate payment service providers, and we may not be able to secure similar terms or replace such payment service providers in an acceptable time frame. If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be as effective, efficient, or well-received by our homeowners and guests. Any of the foregoing could cause us to incur significant losses and, in certain cases, require us to make payments to homeowners out of our funds, which could materially adversely affect our business, results of operations, and financial condition. In addition, the software and services provided by our third-party payment service providers may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us reputational harm or cause us to lose our ability to accept online payments or other payment transactions or make timely payments to homeowners on our platform, which could make our platform less convenient and desirable to customers and adversely affect our ability to attract and retain homeowners and guests. Moreover, our agreements with payment service providers **have allow**, and in the future, **may allow**, these companies, under certain conditions, to hold an amount of our cash as a reserve. They may be entitled to a reserve or suspension of processing services upon the occurrence of specified events, including material adverse changes in our business, results of operations, and financial condition. An imposition of additional reserves or a suspension of processing services by one or more of our processing companies could have a material adverse effect on our business, results of operations, and financial condition. If we fail to invest adequate resources into the payment processing infrastructure on our platform, or if our investment efforts are unsuccessful or unreliable, our payments activities may not function properly or keep pace with competitive offerings, which could adversely impact their usage. Further, our ability to expand our payments activities into additional countries is dependent upon the third-party providers we use to support these activities. As we expand the availability of our payments activities to additional geographic regions or begin to offer new payment methods to our homeowners and guests in the future, we may become subject to additional regulations and compliance requirements, and exposed to heightened fraud risk, which could lead to an increase in our operating expenses. For certain payment methods, including credit and debit cards, we pay interchange and other fees, and such fees result in significant costs. Payment card network costs have increased, and may continue to increase in the future, the interchange fees and assessments that they charge for each transaction that accesses their networks, and may impose special fees or assessments on any such transaction. Our payment card processors have the right to pass any increases in interchange fees and assessments on to us. Credit card transactions result in higher fees to us than transactions made through debit cards. Any material increase in interchange fees in the United States or other geographic regions, including as a result of changes in interchange fee limitations imposed by law in some geographic regions, or other network fees or assessments, or a shift from payment with debit cards to credit cards could increase our operating costs and materially adversely affect our business, results of operations, and financial condition. We are subject to payment network rules and any material modification of our payment card acceptance privileges could have a material adverse effect on our business, results of operations, and financial condition. The loss of our credit and debit card acceptance privileges or the significant modification of the terms under which we obtain card acceptance privileges would significantly limit our business model since a vast majority of our guests pay using credit or debit cards. We are required by our payment processors to comply with payment card network operating rules, including the Payment Card Industry ("PCI") Data Security Standard (the "PCI DSS"). Under the PCI DSS, we are required to adopt and implement internal controls over the use, storage, and transmission of card data to help prevent credit card fraud. If we fail to comply with the rules and regulations adopted by the payment card networks, including the PCI DSS, we would be in breach of our contractual obligations to payment processors and merchant banks. Such failure to comply may damage our relationship with payment card networks, subject us to restrictions, fines, penalties, damages, and civil liability, and could eventually prevent us from processing or accepting payment cards, which would have a material adverse effect on our business, results of operations, and financial condition. Moreover, the payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our payment processors might find difficult or even impossible to comply with, or costly to implement. As a result, we could lose our ability to give consumers the option of using payment cards to make their payments or the choice of currency in which they would like their payment card to be charged. Further, there is no guarantee that, even if we comply with the rules and regulations adopted by the payment card networks, we will be able to maintain our payment card acceptance privileges. We also cannot guarantee that our compliance with network rules or the PCI DSS will prevent illegal or improper use of our payments platform or the theft, loss, or misuse of the credit or debit card data of customers or participants, or a security breach. We are also required to submit to periodic audits, self-assessments, and other assessments of our compliance with the PCI DSS. If an audit, self-assessment, or other assessment indicates that we need to take steps to remediate any deficiencies, such remediation efforts may distract our management team and require us to undertake costly and time-consuming remediation efforts, and we could lose our payment card acceptance privileges. We are also subject to network operating rules and guidelines promulgated by the National Automated Clearing House Association ("NACHA") relating to payment transactions we process using the Automated Clearing House ("ACH") Network. Like the payment networks, NACHA may update its operating rules and guidelines at any time, which can require us to take more costly compliance measures or to develop more complex monitoring systems. **Our focus on the long-term....., could be materially adversely affected.** Any indebtedness we may incur from time to time could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations. As described elsewhere in this Annual Report ~~on Form 10-K~~ under Part II., Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Revolving Credit Facility," in October 2021, we entered into a Revolving Credit Facility, which, as subsequently amended in December 2021 **and June**

**2023**, provides for senior secured borrowings in an aggregate principal amount of up to \$ 105. 0 million, which amount may be borrowed and repaid from time to time. As of December 31, **2022-2023**, we had no borrowings outstanding under the Revolving Credit Facility. As of December 31, **2022-2023**, \$ 23. 4 million of letters of credit were issued under the Revolving Credit Facility, and \$ 81. 6 million was available for borrowings. If we cannot generate sufficient cash flow from operations to service the amounts we borrow under the Revolving Credit Facility, we may need to refinance, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis, on terms satisfactory to us, or at all. In addition, indebtedness could have important consequences, including, but not limited to: • our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes may be limited; • any cash flows from operations that we use to repay principal and interest on our debt will not be available for other purposes, such as funding our operations, capital expenditures and future business opportunities; • for borrowings at variable rates of interest, we will be exposed to the risk of increased **or elevated** interest rates; • our ability to adjust to changing market conditions may be limited and may place us at a competitive disadvantage compared to less-leveraged competitors; and • we may be more vulnerable during a downturn in general economic conditions or in our business. In addition, the agreement governing our Revolving Credit Facility contains, and any agreements evidencing or governing other future indebtedness may also contain, certain restrictive covenants that limit or otherwise restrict our ability to do certain things: • create, incur, assume or permit to exist any debt or liens; • merge into or consolidate with any other person, or liquidate or dissolve; • make or hold certain investments; • sell, transfer, lease, license or otherwise dispose of our assets, including equity interests; • pay dividends or make certain other restricted payments; • substantively alter the character of our business; and • sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with affiliates. The agreement governing the Revolving Credit Facility also contains, and any agreements evidencing or governing other future indebtedness may also contain, certain financial covenants and financial reporting and other requirements, as described elsewhere in this Annual Report ~~on Form 10-K~~ under Part II., Item 7. under “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Revolving Credit Facility. ” Our ability to comply with these covenants and requirements may be affected by events and factors beyond our control. We may not be able to generate sufficient revenue or maintain sufficient liquidity to meet the financial covenants (at such time as we are required to do so) or pay any principal and interest due under the Revolving Credit Facility when required. If we fail to make payments or otherwise experience an event of default thereunder, the lending banks would be permitted to take certain actions, including terminating all outstanding commitments and declaring all amounts to be immediately due and payable and would have the right to proceed against the collateral granted to them, which includes substantially all of our assets. The occurrence of any of these events could have a material adverse effect on our business, results of operations and financial condition. Furthermore, future working capital, borrowings, or equity financing could be unavailable to repay or refinance amounts borrowed under the Revolving Credit Facility. In the event of a liquidation, our lenders would be repaid all outstanding principal and interest prior to distribution of assets to unsecured creditors, and the holders of our Class A Common Stock would receive a portion of any liquidation proceeds only if all of our creditors, including our lenders, were first repaid in full. **We are a “ controlled company ” within** respects, ~~than current international tax principles. If countries amend their~~ **the tax laws to adopt all meaning of the Nasdaq listing rules and, as a result, will qualify or for part of the OECD guidelines**, ~~this and~~ **may increase tax rely on, exemptions from uncertainty** ~~and increase taxes applicable to us.~~ **Stockholders** We cannot predict whether the U.S. Congress or any other governmental body, whether in the United States or in other jurisdictions, will **not** enact new tax legislation (including increases to tax rates), whether the IRS or any other tax authority will issue new regulations or other guidance, whether the OECD or any other intergovernmental organization will publish any guidelines on global taxation or whether member states will implement such guidelines, nor can we predict what effect such legislation, regulations or international guidelines might have. However, **changes the same protections afforded to stockholders**, existing laws and regulations could adversely affect our business, results of **companies that** operations and financial condition. In addition, we are subject to a variety of taxes and tax collection obligations in the United States (federal, state, and local) and numerous foreign jurisdictions. A number of jurisdictions have proposed or implemented new tax laws or interpreted existing laws to explicitly apply various taxes to businesses like ours. Laws and regulations relating to taxes vary greatly among jurisdictions, and it is difficult or impossible to predict how such **requirements** laws and regulations will be applied. The application of indirect taxes to activities such as ours is a complex and evolving issue. We may recognize additional tax expenses and be subject to additional tax liabilities, and our business, results of operations, and financial condition could be materially adversely affected by additional taxes of this nature or additional taxes or penalties resulting from our failure to comply with any reporting, collection, and payment obligations. We accrue a reserve for such taxes when the likelihood is probable that such taxes apply to us, and upon examination or audit, such reserves may be insufficient. Additional taxes imposed in connection with our business could have the effect of increasing the prices **parties** paid by guests and could discourage guests from using our properties, and lead to a decline in revenue, and materially adversely affect our business, results of operations, and financial condition. Our ability to use our net operating loss carryforwards and certain other ~~the Stockholders Agreement beneficially~~ tax attributes may be limited. We expect to have material net operating loss carryforwards for U.S. federal and state income tax purposes. As of December 31, 2023, our federal net operating loss carryforwards were approximately \$ 218.6 million. Realization of tax savings from these net operating loss carryforwards will depend on **own** our future taxable income, and **in** there ~~the~~ is a risk that some of our existing carryforwards could expire unused and be unavailable to offset future taxable income, which could materially adversely affect our results of operations and financial condition. In addition, under Sections 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended (the “ Code ”), if a corporation undergoes an “ ownership change,” generally defined as a greater **aggregate, more** than 50 % change ~~(of the combined voting power for the election of the Board. As a~~

result, we qualify as a “controlled company” within the meaning of the Nasdaq listing rules. Under these rules, a listed company of which more than 50 % of the voting power is held (by value) in an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including, but not limited to, requirements that: • a majority of its board equity ownership by significant stockholders or groups of stockholders over directors consist of directors who qualify as “independent” as defined under Nasdaq listing rules; • its board of directors have a compensation committee composed entirely of independent directors with a written charter addressing three-- the committee --year period, the corporation’s ability to use purpose and responsibilities; • its pre-change net board of directors have a nominating and corporate governance committee composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and • its board of directors conduct an annual performance evaluation of its compensation committee and the nominating and corporate governance committee. We may elect to rely on the foregoing exemptions so long as we remain a “controlled company.” Accordingly, stockholders may not have the same protections as those afforded to stockholders of companies that are subject to all of these corporate governance requirements. Our Certificate of Incorporation provides that the doctrine of “corporate opportunity” will not apply with respect to any director or stockholder who is not employed by us or our subsidiaries. The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers, directors and other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our Certificate of Incorporation provides that the doctrine of “corporate opportunity” does not apply with respect to any stockholder or director (other than any director who is also an officer) of Vacasa, Inc. (each, an “Exempted Person”). The Exempted Persons will therefore have no duty to communicate or present corporate opportunities to us, and will have the right to either hold any corporate opportunity for their own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any other director or stockholder who is not employed by us or our subsidiaries. As a result, the Exempted Persons will generally not be prohibited from operating loss carryforwards and other pre-change tax attributes, to offset its post-change taxable income or tax liabilities investing in competing businesses. We therefore may find ourselves in competition with any one be limited. Similar rules may apply under state tax laws. We expect that our -- or more of net operating losses will be subject to limitations under these rules parties, and we may not have knowledge experience ownership changes in the future because of, shifts in our -- or stock ownership be able to pursue, many of which transactions that could potentially be beneficial to us. To the extent we find ourselves in competition with Exempted Persons, we may be outside of lose a corporate opportunity our -- or suffer competitive harm control. Our ability to use our pre-change net operating loss carryforwards and other tax attributes to offset future U.S. federal taxable income may be subject to limitations, which could negatively impact our business, result results of in increased future tax liability to us. In addition, tax benefits that we derive from certain tax attributes, including net operating operations losses, financial condition or prospects that are allocable to us as a result of the transactions undertaken in connection with the Business Combination are subject to the terms of, and may give rise to payments that we will be required to make under, the Tax Receivable Agreement, as discussed below. We are a holding company and our principal asset is our indirect equity interests in OpCo and, accordingly, we are dependent upon distributions from OpCo to pay taxes and other expenses. We are a holding company and our principal asset is our 57.7% indirect ownership of OpCo. We have no independent means of generating material revenue. As the initial sole manager of OpCo, we generally intend to cause OpCo to make distributions to its equity holders in amounts sufficient to cover the taxes on their allocable share of the taxable income of OpCo, including for this purpose, any payments we are obligated to make under the Tax Receivable Agreement and other costs or expenses, but we may be limited in our ability to cause OpCo to make distributions to its equity holders (including for purposes of paying corporate and other overhead expenses and dividends) by our contractual arrangements, including the terms of our Revolving Credit Facility and any additional debt facilities that we may enter into in the future. In addition, certain laws and regulations may result in restrictions on OpCo’s ability to make distributions to Vacasa, Inc., or the ability of OpCo’s subsidiaries to make distributions to it. To the extent that we need funds and OpCo or its subsidiaries are restricted from making such distributions, under applicable law or regulation or otherwise, we may not be able to obtain such funds on terms acceptable to us or at all and, as a result, could suffer an adverse effect on our liquidity and financial condition. In certain situations, including where OpCo does not have sufficient cash to make tax distributions to all of its members in the full amounts that may be payable in connection with the Fourth Amended and Restated Limited Liability Company Agreement of OpCo (the “OpCo LLC Agreement”) (or where tax distributions to the members of OpCo would materially exceed a set percentage of our aggregate taxable income), tax distributions to the equity holders of OpCo may be reduced (such that each member of OpCo may not receive tax distributions sufficient to cover its tax liability). Tax distributions will generally be treated as advances of other distributions made under the OpCo LLC Agreement. Although OpCo may not always make such distributions, under the OpCo LLC Agreement, we generally expect OpCo, from time to time, to make distributions in cash to its equity holders in amounts sufficient to cover the taxes on their allocable share of the taxable income of OpCo (in addition, Vacasa, Inc. may receive certain non-pro rata distributions from OpCo to cover certain overhead and other expenses, as provided in the OpCo LLC Agreement). As a result of (i) potential differences in the amount of net taxable income indirectly allocable to us and to OpCo’s other equity holders, (ii) the lower tax rate applicable to corporations as opposed to the assumed tax rate for making such distributions in the OpCo LLC Agreement, (iii) the favorable tax benefits that we anticipate from Vacasa, Inc.’s acquisition of common units of OpCo (“OpCo Units”), in exchange for, at our election, either cash (based on the market price of a share of our Class A Common Stock) or shares of our



Class A Common Stock and payments under the Tax Receivable Agreement and (iv) the fact that tax distributions made in respect of OpCo Units will generally be made pro rata in respect of such Units as described in the OpCo LLC Agreement, we expect that these tax distributions may be in amounts that exceed our tax liabilities. Our Board will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment of obligations under the Tax Receivable Agreement and the payment of other expenses. We will have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the exchange ratio for OpCo Units will be made as a result of any cash distribution by us or any retention of cash by us. To the extent we do not distribute such cash as dividends on our Class A Common Stock and instead, for example, hold such cash balances, or lend them to OpCo, this may result in shares of our Class A Common Stock increasing in value relative to the value of OpCo Units. The holders of OpCo Units (the "OpCo Unitholders") may benefit from any value attributable to such cash balances if they acquire shares of our Class A Common Stock in exchange for their OpCo Units. In addition, our payment of tax distributions to the members of OpCo could result in the distribution of cash out of OpCo that is in excess of what is required for such members (or their direct or indirect **equity holders equity holders**) to pay their tax liabilities attributable to their direct or indirect ownership of OpCo, which could have an adverse effect on our liquidity. We may incur certain tax liabilities attributable to the Blockers as a result of the Business Combination. In connection with the Business Combination Agreement, the Blockers were merged with and into Vacasa, Inc. As the successor to these merged entities, Vacasa, Inc. has generally succeeded to and is responsible for any outstanding or historical tax liabilities of the merged entities, including any liabilities that might be incurred as a result of the mergers described in the previous sentence. The pre-Business Combination owners of the Blockers will not indemnify Vacasa, Inc. for any such liabilities, and such liabilities could have an adverse effect on our liquidity and financial condition. We may bear certain tax liabilities that are attributable to audit adjustments for taxable periods (or portions thereof) ending prior to the Business Combination, or that are disproportionate to our ownership interest in OpCo in the taxable period for which the relevant adjustment is imposed. Pursuant to certain provisions of the Code enacted as part of the Bipartisan Budget Act of 2015 (such provisions, the "Partnership Tax Audit Rules"), partnerships (and not the partners of the partnerships) can be liable for U.S. federal income taxes (and any related interest and penalties) resulting from adjustments made pursuant to an IRS audit or judicial proceedings to the items of income, gain, loss, deduction, or credit shown on the partnership's tax return (or how such items are allocated among the partners), notwithstanding the fact that liability for taxes on partnership income is generally borne by the partners rather than the partnership. Under the Partnership Tax Audit Rules, a partnership's liability for taxes resulting from adjustments made pursuant to an IRS audit or judicial proceedings may be reduced or avoided in certain circumstances depending on the status or actions of its partners. For example, if partners agree to amend their tax returns and pay the resulting taxes, the partnership's liability can be reduced. Partnerships also may be able to make elections to "push out" the tax liability resulting from the adjustment to the persons who were partners in the prior taxable year that is the subject of the adjustment, and, as a result, avoid having the relevant liability paid at the partnership-level and instead be borne by the persons who are partners at the time the relevant liability is paid. A representative of the holders of Vacasa Holdings' equity prior to the Business Combination (including, for this purpose, the owners of the Blockers with respect to their indirect interest in Vacasa Holdings equity and the holders of vested Vacasa Holdings unit appreciation rights and the holders of vested options to purchase shares of TK Newco common stock) existing prior to the Business Combination (the "Existing VH Holders") will be entitled to direct whether or not OpCo or its subsidiaries will make the "push out" election described above for adjustments attributable to taxable periods (or portions thereof) ending on or prior to the date of the Business Combination, and whether any such entity will pay any applicable liability at the entity level. The provisions of the OpCo LLC Agreement prohibit OpCo from seeking indemnification or other recoveries from the Existing VH Holders in respect of such liabilities. With respect to the representative's exercise of this authority, its interests will generally differ from the interests of our other equity holders. Moreover, with respect to taxable periods beginning after the Business Combination, there is no requirement that OpCo or any of its subsidiaries make any "push out" election. We accordingly may be required to bear a share of any taxes, interest, or penalties associated with any adjustments to applicable tax returns that exceeds our proportionate share of such liabilities based on our ownership interest in OpCo in the taxable period for which such adjustments are imposed (including periods prior to the effective date of the Business Combination during which we had no interest in OpCo), which could have an adverse effect on our operating results and financial condition. Vacasa, Inc. will be required to pay the TRA Parties for certain tax benefits it may claim (or is deemed to realize) in the future, and the amounts it may pay could be significant. In connection with the Business Combination, Vacasa, Inc. acquired existing equity interests from certain Existing VH Holders in exchange for the issuance of shares of Class A Common Stock and rights to receive payments under the Tax Receivable Agreement. As a result of these acquisitions, Vacasa, Inc. has succeeded to certain tax attributes of the Blockers and will receive the benefit of tax basis in assets of OpCo and its subsidiaries. In addition, redemptions or exchanges of OpCo Units in exchange for shares of our Class A Common Stock or cash may produce favorable tax attributes that would not be available to Vacasa, Inc. in the absence of such redemptions or exchanges. Such transactions are also expected to result in increases in Vacasa, Inc.'s allocable share of the tax basis in OpCo's tangible and intangible assets. These increases in tax basis may increase (for income tax purposes) depreciation and amortization deductions and therefore reduce the amount of income or franchise tax that Vacasa, Inc. would otherwise be required to pay in the future had such sales and exchanges never occurred. We have entered into the tax receivable agreement (the "Tax Receivable Agreement") with the Existing VH Holders (other than the holders of Vacasa Holdings unit appreciation rights and other than holders of options to purchase shares of TK Newco common stock, but including, for this purpose, current and former members of management that hold interests in Vacasa Holdings indirectly through a management holding vehicle), which we refer to in this Annual Report **on Form 10-K** collectively as the "TRA Parties," that provides for the payment by Vacasa, Inc. to such TRA Parties (or their transferees or assignees) of 85% of the net cash savings, if any, in U.S. federal, state and local income tax or franchise tax that Vacasa, Inc. **actually** realizes (determined by using certain assumptions) in periods after the Business Combination as a result of (i) certain increases in tax basis that occur

as a result of (A) any acquisition of OpCo Units from certain Existing VH Holders in the Business Combination,(B) exercises of the redemption rights under the OpCo LLC Agreement (the "Redemption Rights") by certain OpCo Unitholders to exchange their OpCo Units for shares of Class A Common Stock of or cash,and (C) payments made under the Tax Receivable Agreement; (ii) any net operating losses or certain other tax attributes that become available to Vacasa,Inc.to offset income or gain realized after the Blocker Mergers;(iii) any existing tax basis associated with assets of OpCo or its subsidiaries,the benefit of which is allocable to Vacasa,Inc.as a result of the exchanges of OpCo Units for Class A Common Stock of Vacasa,Inc.or cash;and (iv) tax benefits related to imputed interest deemed to be paid by Vacasa,Inc.as a result of any payments that Vacasa,Inc.makes under the Tax Receivable Agreement.The Tax Receivable Agreement makes certain simplifying assumptions regarding the determination of the cash savings that Vacasa,Inc.realizes or is deemed to realize from the covered tax attributes,which may result in payments pursuant to the Tax Receivable Agreement in excess of those that would result if such assumptions were not made.The actual tax benefit,as well as the amount and timing of any payments under the Tax Receivable Agreement,will vary depending upon a number of factors,including,but not limited to,the timing of the redemptions of OpCo Units,the price of Class A Common Stock at the time of each redemption,the extent to which such redemptions are taxable transactions,the amount of tax basis associated with OpCo Units of the redeeming holder at the time of the relevant redemption,the depreciation and amortization periods that apply to the tax basis covered by the Tax Receivable Agreement,the amount,character,and timing of taxable income Vacasa,Inc.generates in the future,the timing and amount of any earlier payments that Vacasa,Inc.may have made under the Tax Receivable Agreement,the income tax rates then applicable to Vacasa,Inc.,and the portion of Vacasa,Inc.' s payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis.The payments under the Tax Receivable Agreement are not conditioned upon any TRA Party continuing to own an equity interest in us.To the extent that we are not able to make payments under the Tax Receivable Agreement when due,then (subject to the other provisions of the Tax Receivable Agreement,including those described below regarding the potential acceleration of obligations under the Tax Receivable Agreement) such payments will generally accrue interest until paid.In addition,the TRA Parties (or their transferees or assignees) will not reimburse Vacasa,Inc.for any payments previously made if any covered tax benefits are subsequently disallowed,except that any excess payments made to any TRA Party (or its transferees or assignees) will be netted against future payments that would otherwise be made under the Tax Receivable Agreement,if any,after the determination of such excess.Vacasa,Inc.could make payments to the TRA Parties under the Tax Receivable Agreement that are greater than its actual cash tax savings and may not be able to recoup those payments,which could negatively impact its liquidity.Finally,the Tax Receivable Agreement provides that,in the case of a change in control (as defined in the Tax Receivable Agreement),the Tax Receivable Agreement will automatically terminate,and in the case of a material breach of Vacasa,Inc.' s obligations under the Tax Receivable Agreement and certain other events,Vacasa,Inc.may be required to make a payment to the TRA Parties in an amount equal to the present value of future payments (calculated using a discount rate equal to the lesser of 6.50 % and **LIBOR a benchmark floating interest rate** plus 150 basis points,which may differ from our,or a potential acquirer' s,then- current cost of capital) under the Tax Receivable Agreement,which payment would be based on certain assumptions,including those relating to Vacasa,Inc.' s future taxable income.In these situations,Vacasa,Inc.' s obligations under the Tax Receivable Agreement could have a substantial negative impact on its,or a potential acquirer' s,liquidity and could have the effect of delaying,deferring,modifying,or preventing certain mergers,asset sales, **other forms of business combinations,or other changes of control.These provisions of the Tax Receivable Agreement may result in situations where the TRA Parties have interests that differ from or are in addition to those of our other stockholders.In addition,Vacasa,Inc.could be required to make payments under the Tax Receivable Agreement that are due in advance of any actual realization of such further tax benefits,that are in excess of Vacasa,Inc.' s (or a potential acquirer' s) actual cash tax savings,and which could negatively impact our liquidity.Risks Related to Ownership of our Class A Common Stock** Risks Related to Information Technology, Data Security and Data Privacy If we fail to comply with federal, state, and foreign laws relating to privacy and data protection, we may face potentially significant liability, negative publicity, an erosion of trust, and increased regulatory scrutiny, any of which could materially adversely affect our business, results of operations, and financial condition. Privacy and data protection laws, rules, and regulations are complex, and their interpretation is rapidly evolving, making implementation and enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Compliance with such laws may require changes to our data collection, use, transfer, disclosure, other processing, and certain other related business practices and may thereby increase compliance costs or have other material adverse effects on our business. **We receive, store, handle, transmit, use and otherwise process business information and information related to individuals, including from and about actual and prospective customers, as well as our employees and service providers**. As part of homeowner and guest registration and business processes, we may collect and use personal data, such as names, dates of birth, email addresses, phone numbers, and, in some cases, identity verification information (for example, government- issued identification or passport information), as well as payment card or other financial information that homeowners and guests provide to us for such purposes. The laws of many states and countries require businesses which maintain such personal data to implement reasonable security measures to keep such information secure and otherwise restrict the ways in which such information can be collected, processed, disclosed, transferred and used. ~~The U. S. government, including Congress, the Federal Trade Commission and the Department of Commerce, has announced that it will impose greater scrutiny, including through regulatory investigation, enforcement and rule- making, on company practices related to the collection of personal information and data concerning consumer behavior on the Internet, including regulations aimed at restricting certain targeted advertising practices. In addition, numerous~~ **Numerous** states have enacted or are in the process of enacting state- level data privacy laws and regulations governing the collection, use, and processing of state residents' personal data. For example, the California Consumer Privacy Act **provides (the "CCPA") took effect on January 1, 2020. The CCPA imposes potentially severe statutory damages as well as a private right** **rights to California residents related to** of action for

certain data breaches that result in the **their** loss of personal information. This private right of action is expected to increase the likelihood of, **places limitations on** and risks associated with, data **uses** breach litigation. It remains unclear how various provisions of the CCPA will be interpreted and enforced. In November 2020, **creates new audit requirements for higher risk** California voters passed the California Privacy Rights and Enforcement Act of 2020 (the "CPRA"). The CPRA, which went into effect in most material respects on January 1, 2023, further expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to **enforcing enforcement. Similar laws have taken effect in or will take effect in** those -- **the requirements future in other states**. The effects of the **these laws** CCPA, CPRA, and the enactment of any other similar state or federal **privacy** laws, are and will continue to be significant and may require us to modify our data processing practices and policies and may thereby increase compliance costs (and our potential liability) or have other material adverse effects on our business. **In the European Union, the General Data Protection Regulation (the "GDPR"), which became effective on May 25, 2018, has also resulted and may, if we re-enter the EU market, continue to result in significantly greater compliance burdens and costs for companies like ours.** As of March 31, 2021, or shortly thereafter, we ceased all **property management** operations in the EU, and other than a few resources to assist with wind-down and liquidation, we no longer have any employees that reside in the EU, offices located in the EU, or manage any **properties** in the EU. Further, we ceased all direct marketing and advertising campaigns directed at EU audiences, stopped offering EU currency and language customization options on our website, and stopped offering all EU member state dedicated addresses and phone numbers that an EU resident could use to contact us. We therefore take the position that we no longer target the EU market. To the extent we were **have employees and offices in the EU**, or are **otherwise** subject to the **General Data Protection Regulation (the "GDPR")**, we remain obligated to handle and safeguard all personal data we collected from EU residents **during such time** in accordance with the GDPR for as long as we retain such personal data. This obligation extends to compliance with laws, rules, and regulations regarding cross-border transfers of personal data. Failure to comply with the GDPR may result in fines of up to 20 million Euros or up to 4% of the annual global revenue of the infringer, whichever is greater. It may also lead to civil litigation, with the risks of damages or injunctive relief, or regulatory orders adversely impacting the ways in which our business can use personal data. To the extent we send direct electronic marketing communications to EU residents and / or place cookies on electronic devices used by EU or UK residents within the EU / UK, we may also be subject to evolving EU and UK privacy laws on cookies and e-marketing. Canada also maintains data privacy legislation, which may lead to additional costs and increase our overall risk exposure. Further, we are subject to the PCI DSS, which is a standard designed to protect credit and debit card **account** data as mandated by payment card industry entities. As a 'level 2' vendor, we self-attest to PCI compliance. We perform certain internal compliance activities and also rely on vendors to manage PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI DSS based on past, present, and future business practices. Our actual or perceived failure to comply with the PCI DSS can subject us to fines, termination of banking relationships, and increased transaction fees. If any jurisdiction in which we operate adopts news laws or changes its interpretation of its laws, rules, or regulations relating to data residency or localization such that we are unable to comply in a timely manner or at all, we could risk losing our rights to operate in such jurisdictions. The GDPR, CCPA, ~~CPRA~~, and other privacy regulations around the world expose us to the possibility of material penalties, significant legal liability, changes in how we operate or offer our products, and interruptions or cessation of our ability to operate in key geographic regions, any of which could materially adversely affect our business, results of operations, and financial condition. Any failure or perceived failure by us to comply with privacy and data protection policies, notices, laws, rules, and regulations could result in investigations or enforcement proceedings or private actions against us by individuals (including class actions), consumer rights groups, government agencies, or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make costly changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. If any of these events were to occur, our business, results of operations, and financial condition could be materially adversely affected. If we or our third-party service providers experience cyberattacks, data security breaches, or other security incidents, there may be damage to our brand and reputation, material financial penalties, and legal liability, along with a decline in use of our platform, which could materially adversely affect our business, results of operations, and financial condition. We **rely are dependent** on the proper functioning, availability, integrity, **confidentiality** and security of sophisticated software applications, **systems**, and computing infrastructure ("**IT Systems**"). While we own or manage many of these **IT Systems** applications and computing infrastructure, we also increasingly rely on third-party **IT providers of various products and services, including software and systems Systems** that are critical to our operations. The security **and confidentiality** of data and availability of our technology when engaging in e-commerce is essential to maintaining consumer and travel service provider confidence in our platform and services. There are risks of security breaches **both to our IT Systems and those of services providers we rely on and off our systems** as we increase the types of technology we use to operate our platform, including mobile apps and third-party payment processing providers, and as we collaborate with third parties that may need to process our homeowner, guest, employee or contractor data or have access to our **infrastructure IT Systems**. An increasing number of companies, including those with significant online operations, have recently disclosed cyberattacks and breaches of their security, some of which involved sophisticated tactics and techniques (for example, ransomware) allegedly attributable to criminal enterprises or nation-state actors, **following a trend of cyberattacks increasing in frequency and magnitude on a global basis**. These risks are likely to increase as we expand our offerings, integrate our products and services, utilize third-party products and services, and store and process more data, including personal information as well as proprietary business information. While we have taken measures to protect the confidentiality, integrity, and availability of our systems and our sensitive, proprietary, and confidential information and to guard against the type of activity that can lead to data breaches, we cannot ensure that every third-party and service provider we utilize has taken similar measures, or that the measures that we or the third parties and service providers we

work with have implemented are sufficient security safeguards or that any implemented measures, including policies and procedures, **or that such measures** will always be followed, **fully implemented** and / or be effective against current or future security threats. In addition, we cannot ensure that any process for vetting the security of service providers will identify all risks to the **confidentiality, availability,** security or integrity of their **IT systems-Systems**. **We face evolving cybersecurity risks that threaten the confidentiality, integrity, and availability of our IT Systems and data from diverse threat actors, such as state- sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering / phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware**. We have in the past experienced cyberattacks and security incidents, **none of which have, to date, had a material impact on our business,** and we expect to continue experiencing such attacks and incidents in the future. Cyberattacks are **becoming** increasingly sophisticated, with attackers utilizing tools, **including artificial intelligence,** designed to circumvent controls, avoid detection and obfuscate evidence, which means that we may be unable to identify, investigate or remediate cybersecurity incidents in a timely or effective manner. Further, the techniques used by **bad-threat** actors to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are unknown until launched against a target. As such, we and our service providers may be unable to anticipate these tactics and techniques or to implement adequate preventative measures. Certain of our third- party providers provide smart lock hardware and ~~the-related control software that we use to control the smart lock hardware in order~~ to secure physical access to many of the properties we manage. We rely on these third- party providers to ensure adequate security measures for these services. Any compromise or interruption in the services provided by these third parties could impair our ability to provide guests, owners, and housekeepers / maintenance staff with access to homes, which could result in breaches of contract, **litigation,** or loss of business. A security breach or material failure on the part of one of these providers could also result in providing a **bad-threat** actor with access to one or more of our managed properties, therefore compromising the physical security of such properties. Any such delay or breach may harm our reputation or our ability to retain the confidence of existing homeowners, protect the safety of our guests, or attract new homeowners or guests. Further, with a large geographically disparate employee base, we are not immune from the possibility of a malicious insider compromising our information systems and infrastructure. This risk has grown in light of the greater adoption of remote work as a response to the COVID- 19 pandemic and will continue for the foreseeable future. We also have a distributed customer support organization, including third- party providers that have access to personal and proprietary business information. **There can be no assurance** ~~We and other companies in our industry (and the service providers that any we / they use) have dealt with incidents involving such insiders exfiltrating the personal data of customers, stealing corporate trade secrets and key financial metrics, and illegally diverting funds. No series of measures implemented~~ can fully safeguard against a sufficiently determined and skilled insider threat. In addition, **bad-threat** actors have targeted and will continue to target us and our homeowners, guests, partners, vendors and other third parties directly with attempts to breach the security of our and their **IT Systems, including** email accounts or management systems, such as through phishing attacks where a third party attempts to infiltrate our **IT systems-Systems** or acquire information by posing as a legitimate inquiry or electronic communication, which are fraudulent identity theft schemes designed to appear as legitimate emails from us or from our homeowners or guests, partners, or vendors or other third parties that we do business with. We have experienced and have seen many instances of our homeowners, guests, and other parties we do business with falling prey to such schemes, which result in accounts being taken over by fraudsters intent on perpetrating fraud. **Bad-Threat** actors ~~have also and may in the future~~ employ other schemes aimed at defrauding us, our homeowners or guests in ways that we may not anticipate or be able to adequately guard against. ~~For example, consumers who use certain of our services provide us with their credit card information. We require usernames and passwords in order to access our information technology systems. We also use encryption and authentication technologies to secure the transmission and storage of data and prevent unauthorized access to our data or accounts.~~ Computer circumvention capabilities, new discoveries or advances or other developments, including our own acts or omissions, could result in a compromise or breach of consumer data. For example, third parties have attempted, and may continue to attempt, to fraudulently induce employees, travel partners and other service providers or consumers to disclose **usernames user names,** passwords or other sensitive information, or to make payments to fraudulent accounts. As such, even if phishing and spamming attacks and other fraud schemes are not carried out through our systems, victims may nevertheless seek recovery from us. In addition, we may not always be able to fully recover any payments made through such fraud. Because of our prominence, we believe that we are a particularly attractive target for such attacks. Though it is difficult to determine what, if any, harm may directly result from any specific scheme or attack, any failure to maintain performance, **confidentiality, integrity,** reliability, security, and availability of our offerings, services, and **IT Systems** ~~technical infrastructure to the satisfaction of our homeowners and guests~~ may harm our reputation and our ability to retain existing homeowners and guests and attract new homeowners and guests. The ability of fraudsters to directly target our homeowners and guests with fraudulent communications, or cause an account takeover, exposes us to significant financial fraud risk, including costly litigation, which is difficult to fully mitigate. Such an incident may also require us to **involve incur** significant expense and expend material resources to investigate and correct the issue and to prevent recurrence, and expose us to legal liabilities, including regulatory enforcement and indemnity obligations, which could have a material adverse effect on our business, financial condition or results of operations. **Generally, our practice is to encrypt certain sensitive data when it is in transit and at rest.** However, we do not know whether our current practice will be deemed sufficient under applicable laws or whether new regulatory requirements or techniques used by bad actors might make our current practice insufficient. Moreover, encryption alone is not a perfect security solution. If there is a breach of our computer systems and we know or suspect that certain personal data has been exfiltrated, accessed, or used inappropriately, we may need to inform the homeowners, guests, or others whose data was stolen, accessed, or used, and relevant regulators such as state Attorneys General, and may be subject to enforcement action and significant fines and penalties. Further, under certain regulatory schemes, such as the CCPA or CPRA,

we may be liable for statutory damages on a per-breached-record basis, irrespective of any actual damages or harm to the individual. This means that in the event of a breach, we could face government scrutiny or consumer class actions alleging statutory damages amounting to hundreds of millions, and possibly billions of dollars. Our information technology infrastructure may be vulnerable to computer viruses or physical or electronic intrusions that our security measures may not detect. We have experienced security incidents in the past, and we may face additional attempted security intrusions in the future. Any circumvention of our security measures could result in the misappropriation of confidential or proprietary information, interrupt our operations, result in financial loss, damage our computers or those of our homeowners and guests, or otherwise cause damage to our reputation and business. Further, the ability to bypass our information security controls could degrade our trust and safety programs, which could expose individuals to a risk of physical harm or violence. We rely on third-party service providers, including financial institutions, to process some of our data and that of our homeowners and guests, including payment information, and any failure by such third parties to prevent or mitigate security breaches or improper access to, or disclosure of, such information could have adverse consequences for us, similar to an incident directly on our systems. We also, in the context of acquiring companies, sometimes receive transition services from the sellers of such companies, and like our other service providers, any security-related failures by such providers may have similar adverse consequences for us. We have acquired and may continue to acquire companies that are vulnerable to security breaches, and we may be **responsible for liable in the event of** any security breaches of these acquired companies **, or such Such** companies may **also** introduce malware or other security issues if the systems of such companies become integrated with our **IT systems Systems**. While we conduct due diligence of these companies, we do not have access to the full operating history of the companies and cannot be certain there have not been security breaches prior to our acquisition. In addition, our diligence may not discover all issues with the security safeguards, policies, and procedures of such acquired companies, and it may take time **and require significant investment** to improve the security safeguards, policies and procedures of such companies, so we cannot be certain that there will not be a security breach after our acquisition. **Laws in all states and U. S. territories require businesses to notify affected individuals, governmental entities, and / or credit reporting agencies of certain security breaches affecting personal information. Such laws are inconsistent, and compliance in the event of a widespread security breach is complex and costly and may be difficult to implement.** Our existing general liability and cyber liability insurance policies may not cover, or may cover only a portion of, any potential claims related to security breaches to which we are exposed or may not be adequate to indemnify us for all or any portion of liabilities that may be imposed. We also cannot be certain that our existing insurance coverage will continue to be available on **acceptable economically reasonable** terms **, or at all**, or in amounts sufficient to cover the potentially significant losses that may result from a security breach **, or that the insurer will not deny coverage of any future claim.** Security breaches also could harm our reputation and result in litigation against us. Any of these results could have a material adverse effect on our business, results of operations, and financial condition. We expend, and expect to continue to expend, significant resources to protect against security related incidents and address problems caused by such incidents. Even if we were to expend more resources, regulators and complainants may not deem our efforts sufficient, and regardless of the expenditure, the risk of security related incidents cannot be fully mitigated. Any actual or alleged security breaches or alleged violations of federal, state, or foreign laws or regulations relating to privacy and data security could result in mandated user notifications, litigation, government investigations **or enforcement actions**, significant fines, and expenditures; divert management's attention from operations; deter people from using our platform; damage our brand and reputation; force us to cease operations for some length of time; and materially adversely affect our business, results of operations, and financial condition. Defending against claims or litigation based on any security breach or incident, regardless of their merit, will be costly and may cause **reputation reputational** harm. The successful assertion of one or more large claims against us that exceed available insurance coverage, denial of coverage as to any specific claim, or any change or cessation in our insurance policies and coverages, including premium increases or the imposition of large deductible requirements, could have a material adverse effect on our business, results of operations, and financial condition. We rely primarily on Amazon Web Services to host and deliver our platform, and on a number of other third-party service providers in connection with other key aspects of our platform and operations, and any interruptions or delays in services from these third parties could impair the delivery of our platform and services, and our business, results of operations, and financial condition could be materially adversely affected. We rely primarily on Amazon Web Services ("AWS") to host and deliver our platform. Third parties also provide services to key aspects of our operations, including Internet connections and networking, data storage and processing, trust and safety, security infrastructure, source code management, and software testing and deployment. In addition, we rely on third parties for many aspects of our payments processing platform, and a significant portion of our customer support operations are conducted by third parties at their facilities. We also rely on third-party services for maps and location data that are core to the functionality of our platform, and we integrate applications, content, and data from third parties to deliver our platform and services. We do not control the operation, physical security, or data security of any of these third-party providers. Despite our efforts to use commercially reasonable diligence in the selection and retention of such third-party providers, such efforts may be insufficient or inadequate to prevent or remediate such risks. Our third-party providers, including our cloud computing providers and our payment processing providers, may be subject to intrusions, computer viruses, denial-of-service attacks, sabotage, ransomware attacks, acts of vandalism, acts of terrorism, and other misconduct. Our third-party providers are also vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events, and they may be subject to financial, legal, regulatory, and labor issues, each of which may impose additional costs or requirements on us or prevent these third parties from providing services to us or our customers on our behalf. In addition, these third parties may breach their agreements with us, disagree with our interpretation of contract terms or applicable laws and regulations, refuse to continue or renew these agreements on commercially reasonable terms or at all, fail to or refuse to process transactions or provide other services adequately, take actions that degrade the functionality of our platform and services,

increase prices, impose additional costs or requirements on us or our customers, or give preferential treatment to our competitors. If we are unable to procure alternatives in a timely and efficient manner and on acceptable terms, or at all, we may be subject to business disruptions, losses, or costs to remediate any of these deficiencies. Our systems currently do not provide complete redundancy of data storage or processing, including payment processing. Although we are in the process of developing comprehensive business continuity and disaster recovery plans for all of our operations, there is no guarantee that such plans will be effective. The occurrence of any of the above events could result in homeowners or guests ceasing to use our platform, reputational damage, legal or regulatory proceedings, or other adverse consequences, which could materially adversely affect our business, results of operations, and financial condition. Our platform is highly complex, and any undetected errors could materially adversely affect our business, results of operations, and financial condition. Our platform is a complex system composed of many interoperating components and software. Our business is dependent upon our ability to prevent system interruption on our platform. Our software, including open source software that is incorporated into our code, may, now or in the future, contain undetected errors, bugs, or vulnerabilities. Some errors in our software code have not been and may not be discovered until after the code has been released. We have, from time to time, found defects or errors in our system and software limitations that have resulted in, and may discover additional issues in the future that could result in, platform unavailability or system disruption. For example, defects or errors have resulted in and could result in the delay in making payments to homeowners or overpaying or underpaying homeowners, which would impact our cash position and may cause homeowners to lose trust in our payment operations. Any errors, bugs, or vulnerabilities discovered in our code or systems released to production or found in third- party software, including open source software that is incorporated into our code, any misconfigurations of our systems, or any unintended interactions between systems could result in poor system performance, an interruption in the availability of our platform, incorrect payments, negative publicity, damage to our reputation, loss of existing and potential homeowners and guests, loss of revenue, liability for damages, a failure to comply with certain legal, regulatory or tax reporting obligations, and regulatory inquiries or other proceedings, any of which could materially adversely affect our business, results of operations, and financial condition. System capacity constraints, system or operational failures, or denial- of- service or other attacks could materially adversely affect our business, results of operations, and financial condition. Since our founding, we have experienced rapid growth in consumer traffic to our platform. If our systems and network infrastructure cannot be expanded or are not scaled to cope with increased demand or fail to perform, we could experience unanticipated disruptions in service, slower response times, decreased customer satisfaction, and delays in the introduction of new offerings and tiers. It may be particularly difficult for us to manage these issues as a large portion of our employees continue to work remotely. Our corporate headquarters, a significant portion of our research and development activities, and certain other critical business operations are located on the West Coast of the United States. Our systems and operations are vulnerable to damage or interruption from human error, computer viruses, earthquakes, floods, fires, power loss, and similar events. A catastrophic event that results in the destruction or disruption of our third- party cloud facilities or our critical business or information technology systems could severely affect our ability to conduct normal business operations and result in lengthy interruptions or delays of our platform and services. Our systems and operations are also subject to break- ins, sabotage, intentional acts of vandalism, terrorism, and similar misconduct from external sources and malicious insiders. Our existing security measures may not be successful in preventing attacks on our systems, and any such attack could cause significant interruptions in our operations. For instance, from time to time, we have experienced denial- of- service attacks on our systems that have made portions of our platform slow or unavailable for periods of time. There are numerous other potential forms of attack, such as phishing, account takeovers, malicious code injections, ransomware, and the attempted use of our platform to launch a denial- of- service attack against another party, each of which could cause significant interruptions in our operations or involve us in legal or regulatory proceedings. Accordingly, reductions in the availability and response time of our online platform could cause loss of substantial business volumes during the occurrence of any such attack on our systems and measures that we may take to divert suspected traffic in the event of such an attack could result in the diversion of bona fide customers. These issues are likely to become more difficult to manage as we expand the number of places where we operate and the variety of services we offer, and as the tools and techniques used in such attacks become more advanced and available. Successful attacks could result in negative publicity and damage to our reputation, and could prevent consumers from booking or visiting our platform during the attack, any of which could materially adversely affect our business, results of operations, and financial condition. In the event of certain system failures, we may not be able to switch to back- up systems immediately and the time to full recovery could be prolonged. We have experienced system failures from time to time, which have not only placed increased burdens on our engineering staff, but these outages can create, and have created, a significant amount of consumer questions and complaints that need to be addressed by our customer support team. Any unscheduled interruption in our service could result in an immediate and significant loss of revenue, an increase in customer support costs, and harm to our reputation, and could result in some consumers switching to our competitors. If we experience frequent or persistent system failures, our brand and reputation could be permanently and significantly harmed, and our business, results of operations, and financial condition could be materially adversely affected. While we have taken and continue to take steps to increase the reliability and redundancy of our systems, these steps are expensive and may not be completely effective in reducing the frequency or duration of unscheduled downtime. We do not carry business interruption insurance sufficient to compensate us for all losses that may occur. In addition, we use both internally developed systems and third- party systems to operate our platform, including transaction and payment processing, and financial and accounting systems. If the number of consumers using our platform increases substantially, or if critical third- party systems stop operating as designed, we may need to significantly upgrade, expand, or repair our transaction and payment processing systems, financial and accounting systems, and other infrastructure. We may not be able to upgrade our systems and infrastructure to accommodate such conditions in a timely manner, and depending on the systems affected, our transaction and payment processing and financial and accounting systems could be impacted for a meaningful amount of time,

which could materially adversely affect our business, results of operations, and financial condition. Our business depends on the performance and reliability of the Internet, mobile, telecommunications network operators, and other infrastructures that are not under our control. As consumers increasingly turn to mobile devices, we also become dependent on consumers' access to the Internet through mobile carriers and their systems. Disruptions in Internet access, whether generally, in a specific region or otherwise, could materially adversely affect our business, results of operations, and financial condition. The continued proliferation of devices and platforms other than desktop computers creates challenges. If we are unable to operate effectively on these platforms, our business, results of operations, and financial condition could be materially adversely affected. We anticipate that consumer use of mobile devices and platforms other than desktop computers will continue to grow and that usage of desktop computers will continue to decline, especially in certain regions of the world experiencing the highest rate of Internet adoption. The functionality and user experiences associated with these alternative devices, such as a smaller screen size or lack of a screen, may make the use of our platform through such devices more difficult than through a desktop computer, lower the use of our platform, and make it more difficult for our homeowners to upload content to our platform. In addition, consumer purchasing patterns can differ on alternative devices, and it is uncertain how the continued proliferation of mobile devices will impact the use of our platform and services. Mobile consumers may also be unwilling to download multiple apps from multiple companies providing similar services and meaning that such consumers may opt to use one of our competitors' services instead of ours. As a result, brand recognition and the consumer experience with our mobile app will likely become increasingly important to our business. In addition, these new modalities create opportunities for device or systems companies, such as Amazon, Apple, and Google, to control the interaction with our consumers and disintermediate existing platforms such as ours. We need to provide solutions for consumers who are limited in the size of the app they can support on their mobile devices and address latency issues in countries with lower bandwidth for both desktop and mobile devices. Because our platform contains data-intensive media, these issues are exacerbated. As new devices, operating systems, and platforms continue to be released, it is difficult to predict the problems we may encounter in adapting our offerings and features to them, and we may need to devote significant resources to the creation, support, and maintenance of our offerings and features. Our success will also depend on the interoperability of our offerings with a range of third-party technologies, systems, networks, operating systems, and standards, including iOS and Android; the availability of our mobile apps in app stores and in "super-app" environments; and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if accessibility of various apps is limited by executive order or other government actions, the full functionality of devices may not be available to our customers. Moreover, third-party platforms, services and offerings are constantly evolving, and we may not be able to modify our platform to assure its compatibility with those of third parties. If we lose such interoperability, we may experience difficulties or increased costs in integrating our offerings into alternative devices or systems, or manufacturers or operating systems elect not to include our offerings, make changes that degrade the functionality of our offerings, or give preferential treatment to competitive products, the growth of our community and our business, results of operations, and financial condition could be materially adversely affected. This risk may be exacerbated by the frequency with which consumers change or upgrade their devices. In the event consumers choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our traffic and homeowner and guest engagement may be harmed. If we are unable to adapt to changes in technology and the evolving demands of homeowners and guests, our business, our brand, market share, results of operations, and financial condition could be materially adversely affected. The industries in which we compete are characterized by rapidly changing technology, evolving industry standards, consolidation, frequent new offering announcements, introductions, and enhancements, and changing consumer demands and preferences. Our future success will depend, in part, on our ability to adapt our platform and services to evolving industry standards and local preferences and to continually innovate and improve the performance, features, and reliability of our platform and services in response to competitive offerings and the evolving demands of homeowners and guests. We believe our future success will also depend on our ability to adapt to emerging technologies. As a result, we intend to continue to spend significant resources maintaining, developing, and enhancing our technologies and platform; however, these efforts may be more costly than expected and may not be successful. For example, we may not make the appropriate investments in new technologies, which could materially adversely affect our business, results of operations, and financial condition. Further, technological innovation often results in unintended consequences such as bugs, vulnerabilities, and other system failures. Any such bug, vulnerability, or failure, especially in connection with a significant technical implementation or change, could result in lost business, harm to our brand or reputation, consumer complaints, and other adverse consequences, any of which could materially adversely affect our business, results of operations, and financial condition. Furthermore, in the future, the competitive pressure to innovate could encompass a wider range of services and technologies, including services and technologies that may be outside of our historical core business, and our ability to keep pace may slow. Our current and potential competitors range from large and established companies to emerging start-ups. Emerging start-ups may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new services or technologies before we do. Some of our larger competitors or potential competitors have more resources or more established or varied relationships with consumers than we have, and they could use these advantages in ways that could affect our competitive position, including by making acquisitions, entering or investing in travel reservation businesses, investing in research and development and competing aggressively for highly skilled employees. In addition, the widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require us to incur substantial expenditures to modify or adapt our services or infrastructure to these new technologies, which could adversely affect our business, results of operations, and financial condition. Any failure to implement or adapt to new technologies in a timely manner or at all could adversely affect our ability to compete, increase our consumer acquisition costs or otherwise adversely affect our business, and therefore adversely affect our brand, market share, results of operations, and financial condition. If we

do not adequately protect our intellectual property rights and our data, our business, results of operations, and financial condition could be materially adversely affected. We hold a broad collection of intellectual property rights, including registered domain names, registered and unregistered trademarks, service marks, copyrights, patents ~~and patent applications~~, trade secrets ; ~~licenses of intellectual property rights of various kinds~~, and other forms of intellectual property rights in the United States and in certain other countries. In the future, we may acquire or license additional patents or patent portfolios, or other intellectual property assets and rights, from third parties, which could require significant cash expenditures. We rely on a combination of trademark, ~~patent~~, copyright, and trade secret ~~and patent~~ laws, international treaties, our terms of service, other contractual provisions, user policies, restrictions on disclosure, technological measures, and confidentiality and inventions assignment agreements with our employees and consultants to protect our intellectual property assets from infringement and misappropriation. We also rely on unpatented proprietary technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our technology or obtain and use information that we regard as proprietary. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, and independent contractors to enter into confidentiality agreements. However, such agreements may not be enforceable in full or in part in all jurisdictions and any breach could have a negative effect on our business and our remedy for such breach may be limited. If we are unable to maintain the proprietary nature of our technologies, our business would be materially adversely affected. Furthermore, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. As such, there can be no assurance that others will not offer technologies, products, services, features, or concepts that are substantially similar to ours and compete with our business, or copy or otherwise obtain, disclose and / or use our brand, content, design elements, creative, editorial, and entertainment assets, or other proprietary information without authorization. We may be unable to prevent third parties from seeking to register, acquire, or otherwise obtain or maintain trademarks, service marks, domain names, or social media handles that are similar to, infringe upon, violate, or diminish the value of our trademarks, service marks, copyrights, and our other proprietary rights. Third parties have also obtained or misappropriated certain of our data through website scraping, robots, aggregating our data for their internal use, or by featuring or providing our data through their respective websites, and / or launched businesses monetizing this data. While we routinely employ technological, operational, and legal measures in an attempt to divert, halt, or mitigate such operations, we may not always be able to detect or halt the underlying activities as technologies used to accomplish these operations continue to rapidly evolve. We believe our intellectual property assets and rights are essential to our business. If the protection of our proprietary rights and data is inadequate to prevent unauthorized infringement, use, violation or misappropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our branding , technologies, offerings, or features or methods of operations. Even if we do detect infringements, violations or misappropriations and decide to enforce our rights, litigation may be necessary to enforce our rights, and any enforcement efforts we undertake could be time- consuming and expensive, could divert our management' s attention, and may result in a court determining that certain of our intellectual property rights are unenforceable. If we fail to protect our intellectual property and data in a cost- effective and meaningful manner, our competitive standing could be harmed; our homeowners, guests, other consumers, and corporate and community partners could devalue the content of our platform; and our brand, reputation, business, results of operations, and financial condition could be materially adversely affected. We have been, and may in the future be, subject to claims that we or others violated certain third- party intellectual property rights, which, even where meritless, can be costly to defend and could materially adversely affect our business, results of operations, and financial condition. We have received in the past, and may receive in the future, communications from third parties, including practicing and non- practicing entities, claiming that we have infringed, misused, or otherwise misappropriated their intellectual property rights, including alleged patent infringement. Additionally, we have been, and may in the future be, involved in claims, suits, regulatory proceedings, and other proceedings involving alleged infringement, misuse, or misappropriation of third- party intellectual property rights, or relating to our intellectual property holdings and rights. Like many other companies in the Internet and technology industries, we enter into agreements which include indemnification provisions related to intellectual property which can subject us to costs and damages in the event of a claim against an indemnified ~~third~~-party. Claims involving intellectual property could subject us to significant liability for damages and could result in our having to stop using certain technologies, content, branding, domain names or business methods or practices found to be in violation of another party' s rights. We might be required or may opt to seek a license for rights to intellectual property held by others, which may not be available on commercially reasonable terms, or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non- infringing technology, content, branding, business methods, or practices. The development of alternative non- infringing technology or practices could require significant effort and expense and make us less competitive, or may not be technically feasible. Any of these results could materially adversely affect our ability to compete and our business, results of operations, and financial condition. Furthermore, our exposure to risks associated with various intellectual property claims may increase as a result of acquisitions of other companies. Third parties may make infringement and similar or related claims after we have acquired a company or technology that had not been asserted prior to the acquisition. As a result, our business, results of operations, and financial condition could be materially and adversely affected as a result of the occurrence of any of the foregoing. Our use of “ open source ” software could adversely impact the value or enforceability of our intellectual property in proprietary software, and materially adversely affect our business, results of operations, and financial condition, and affect our ability to offer our platform and services and subject us to costly litigation and other disputes. We have in the past incorporated and may in the future incorporate “ open source ” software into our codebase as we continue to develop our platform and services. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user' s software



to disclose publicly part or all of the source code to the user's software. The use and distribution of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Open source software is generally licensed by its authors or other third parties under open source licenses. By the terms of such open source licenses, we could also be required to release the source code of our proprietary products or services, and to make our proprietary products or services available under open source licenses, if we combine and / or distribute our proprietary software with such open source software in a manner that triggers the obligation of the license. In addition to using open source software, we also license to others some of our software through open source projects. We could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms, including claims for infringement of intellectual property rights or for breach of contract. If we receive an allegation that we have violated an open source license, we may incur significant legal expenses, be subject to damages, be required to redesign our product to remove the open source software, or may be required to publicly release certain portions of our proprietary source code, all of which could have a material impact on our business. Even in the absence of a claim, if we discover the use of open source software inconsistent with our practices, we could expend significant time and resources to replace the open source software or obtain a commercial license, if available. All of these risks are heightened by the fact that the ownership of or disclosure requirements regarding open source software can be uncertain, leading to litigation, and many of the licenses applicable to open source software have not been interpreted by courts, and these licenses could be construed to impose unanticipated conditions or restrictions on our ability to commercialize our products. Any use of open source software inconsistent with our policies or licensing terms could harm our business and financial position. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and protect our proprietary source code, there is a risk that we may incorporate open source software with unfavorable licensing terms, including the obligation to make our source code available for others to use or modify without compensation to us, or inadvertently use open source software, which is fairly common in software development in the Internet and technology industries. Such inadvertent use of open source software could expose us to claims of non-compliance with the applicable terms of the underlying licenses, which could lead to unforeseen business disruptions, including being restricted from offering parts of our product that incorporate the software, being required to publicly release proprietary source code, being required to re-engineer parts of our code base to comply with license terms, or being required to extract the open source software at issue. Our exposure to these risks may be increased as a result of evolving our core source code base, introducing new offerings, integrating acquired-company technologies, or making other business changes, including in areas where we do not currently compete. Any of the foregoing could adversely impact the value or enforceability of our intellectual property, and materially adversely affect our business, results of operations, and financial condition. **We are subject to risks related to our use of artificial intelligence, or AI, in our business. We believe that the use of AI and machine learning tools in our business, and the insights and functionality they can provide us, will become increasingly important to the efficiency of our business and to the value that our solutions deliver to our homeowners and guests. These emerging technologies are in the early stages of commercial use, and they present a number of risks inherent in their use, including public perception or reputational harm, inaccuracies, unintended biases and discriminatory outcomes, as well as potential legal concerns such as intellectual property protection and infringement, regulatory compliance and data security. While we are in the initial stages of using these technologies in our business, their use may result in liability and could cause us to incur additional costs to resolve such issues, which may harm our business and results of operations. Potential government regulation related to AI use and ethics may also increase the burden and cost of research and development in this area, and failure to properly remediate AI usage or ethics issues may cause public confidence in AI to be undermined, which could slow adoption of AI in our offerings. The rapid evolution of AI will require the application of resources to develop, test and maintain our products and services to help ensure that AI is implemented ethically in order to minimize unintended, harmful impact. In addition, we cannot predict future developments in AI and related impacts on our business and our industry. If we are unable to successfully adapt to new developments related to AI, our business, results of operations and financial position could be negatively impacted.** Risks Related to Other Legal, and Regulatory and Tax-Matters Laws, regulations, and rules that affect the short-term rental business have limited, and may continue to limit, the ability or willingness of homeowners to rent through Vacasa and expose our homeowners or us to significant penalties, which have had, and could continue to have, a material adverse effect on our business, results of operations, and financial condition. There have been and continue to be legal and regulatory developments that affect the short-term rental business. Hotels and groups affiliated with hotels have engaged and will likely continue to engage in various lobbying and political efforts for stricter regulations governing our business model in both local and national jurisdictions. Other private groups, such as homeowners, landlords, and condominium and neighborhood associations, have adopted contracts or regulations that purport to ban or otherwise restrict short-term or seasonal vacation rentals, and third-party lease agreements between landlords and tenants, home insurance policies, and mortgages may prevent or restrict the ability of homeowners to list their spaces. These groups and others cite concerns around affordable housing and over-tourism in major cities, and some state and local governments have implemented or have considered implementing rules, ordinances, or regulations governing the short-term rental of properties. Such regulations include ordinances that restrict or ban homeowners from short-term rentals, set annual caps on the number of days homeowners can share their homes, require homeowners to register with the municipality or city, or require homeowners to obtain permission before offering short-term rentals. In addition, some jurisdictions regard short-term rental as "hotel use" and claim that such use constitutes a conversion of a residential property to a commercial property requiring a permitting process. Macroeconomic pressures and public policy concerns could continue to lead to new laws and regulations, or interpretations or reinterpretations of existing laws and regulations, that limit the ability of homeowners to rent out their homes. If laws, regulations, rules, or agreements significantly

restrict or discourage homeowners in certain jurisdictions from renting their properties, it would have a material adverse effect on our business, results of operations, and financial condition. While a number of cities and counties have implemented legislation to address short-term rentals, there are many others that have not addressed or are not yet explicitly enforcing short-term rental laws, and could follow suit and enact or enforce regulations. New laws, regulations, government policies, or changes in their interpretations or changes in enforcement of laws in the markets where we operate could present significant challenges and uncertainties. In the event of any such changes, we may be unable to operate in some jurisdictions, our short-term rental properties could be limited, current and future rental listings and bookings could decline significantly, and our relationship with our homeowners and guests could be negatively impacted, which would have a materially adverse effect on our business, results of operations, financial condition and reputation. Certain jurisdictions have adopted laws and regulations that seek to impose lodging taxes, often known as transient or occupancy taxes, on our guests, collection and remittance obligations on our homeowners and / or us, and withholding obligations on us, as more fully described in our risk factor titled “Uncertainty in the application of taxes to our homeowners, guests, or platform could increase our tax liabilities and may discourage homeowners and guests from conducting business on our platform.” In addition, we are subject to regulations with respect to short-term rentals, owner registration, licensing, and other requirements for the listing of accommodations, such as real estate broker or agent **real estate** licenses and travel agency licenses in some jurisdictions. We have been, and may continue to be, subject to audits and inquiries relating to these activities, and we could be held liable, incur financial and potential criminal penalties or be prohibited from operating in certain jurisdictions if we are found to have not complied with any of these requirements, which could have a material adverse effect on our business, results of operations, and financial condition. **In addition, we expect there will be increasing regulation, disclosure-related and otherwise, with respect to environmental, social and governance matters, and increased regulatory scrutiny as a result, which will likely lead to increased compliance costs and many of the other the risks identified above.** We have historically ~~not taken an active~~ **very limited** role in advocacy but we may in the future determine that it is necessary for us to **increase our efforts to** defend against the application of laws and regulations that limit our ability to do business and we cannot guarantee we would be successful in those efforts. Further, if we or our homeowners and guests were required to comply with laws and regulations, government requests, or agreements with government agencies that adversely impact our relations with homeowners and guests, our business, results of operations, and financial condition would be materially adversely affected. Moreover, if we enter an agreement with a government or governmental agency to resolve a dispute, the terms of such agreement will likely be publicly available and could create a precedent that may put us in a weaker bargaining position in future disputes with other governments. We are subject to a wide variety of complex, evolving, and sometimes inconsistent and ambiguous laws and regulations that may adversely impact our operations and discourage homeowners and guests from using our services, and that could cause us to incur significant liabilities, including fines and criminal penalties, which could have a material adverse effect on our business, results of operations, and financial condition. Complying with the laws and regulations of different jurisdictions that impose varying standards and requirements is burdensome for businesses like ours, imposes added cost, increases potential liability to our business, and makes it more difficult to realize business efficiencies and economies of scale. For example, we incur significant operational costs to comply with requirements of jurisdictions and cities that have disparate requirements around tax collection, tax reporting, owner registration, limits on lengths of stays, **landlord-tenant laws** and other regulations, each of which require us to dedicate significant resources to provide the infrastructure and tools needed on and outside our platform for our homeowners to meet these legal requirements and for us to fulfill any obligations we may have. The complexity of our services and changes required to comply with the large number of disparate and constantly evolving requirements can lead to compliance gaps if our internal resources cannot keep up with the pace of regulatory change and new requirements imposed on our platform or services, or if our platform does not work as intended or has errors or bugs, or if the manual processes we put in place to comply with certain requirements are not followed properly or at all. While we endeavor to monitor the changing legal landscape relating to short-term **rentals and longer seasonal** rentals, it may be difficult or impossible for us to investigate or evaluate laws or regulations in all cities, countries, and regions in which we do business. The application of existing laws and regulations to our business and platform can be unclear, may be difficult for homeowners, guests, and us to understand and apply, and are subject to change, as governments or government agencies seek to apply legacy systems of laws or adopt new laws to new online business models in the travel and accommodations industries, including ours. Uncertain and unclear application of such laws and regulations to homeowner and guest activity and our platform and services could cause and has caused some homeowners and guests to leave or choose not to use our platform, reduce supply and demand for our platform and services, increase the costs of compliance with such laws and regulations, and increase the threat of litigation or enforcement actions related to our platform and services, all of which would materially adversely affect our business, results of operations, and financial condition. See also our risk factor titled “We could face liability for information or content on, or accessible through, our platform.” There are laws that apply to us, and there are laws that apply to our homeowners and / or guests, and we have limited means of enforcing or ensuring the compliance of our homeowners and guests with all applicable legal requirements. Certain governments have attempted, and may attempt in the future, to hold us responsible for laws that apply to our homeowners and / or guests. Whether applicable to us, our homeowners, and / or our guests, the related consequences arising out of such laws and regulations, including costs of complying with audits, and penalties for violations of and costs to maintain compliance with such laws and regulations, have had and could continue to have a material adverse effect on our reputation, business, results of operations, and financial condition. We take certain measures to comply and to help homeowners comply with laws and regulations, such as requiring registration numbers to be displayed on a listing profile for listings in some jurisdictions where such registration is required. These measures, changes to them, and any future measures we adopt could increase friction on our platform, and reduce the number of listings available on our platform from homeowners and bookings by guests, and could reduce the activity of homeowners and guests on our platform. We may be subject to additional laws and

regulations which could require significant changes to our platform that discourage homeowners and guests from using our platform. In addition to laws and regulations directly applicable to the short- term rental **and longer seasonal** business as discussed in our risk factor titled “ Laws, regulations, and rules that affect the short- term rental business have limited, and may continue to limit, the ability or willingness of homeowners to rent through Vacasa and expose our homeowners or us to significant penalties, which have had, and could continue to have, a material adverse effect on our business, results of operations, and financial condition, ” we are subject to laws and regulations governing our business practices, the Internet, e-commerce, and electronic devices, including those relating to taxation, privacy **and data collection**, data protection **and security**, pricing, content, advertising, discrimination, consumer protection, protection of minors, copyrights, distribution, messaging, mobile communications, electronic device certification, electronic waste, electronic contracts, communications, Internet access, competition, and unfair commercial practices. We are also subject to laws and regulations governing the provision of online payment services, the design and operation of our platform, and the operations, characteristics, and quality of our platform and services. **To address** ~~As a result of~~ the COVID- 19 pandemic, many jurisdictions adopted laws, rules, regulations, and / or decrees ~~intended to address the COVID-19 pandemic~~, including implementing travel restrictions, restricting access to city centers, limiting accommodation offerings in surrounding areas, or limiting social mobility and gatherings. Governments, corporations, and other authorities may implement **similar** restrictions or policies **in response to future events** that could further restrict the ability of our homeowners and guests to participate on our platform. There is increased governmental interest in regulating technology companies in a number of areas including privacy, tax, **mandatory fees and consumer pricing**, data localization and data access, algorithm- based discrimination, and competition. In addition, climate change and greater emphasis on sustainability could lead to regulatory efforts to address the carbon impact of housing and travel. **In addition, we could face risks related to compliance with insurance regulations**. As a result, governments may enact new laws and regulations and / or view matters or interpret laws and regulations differently than they have in the past, and in a manner that could materially adversely affect our business, results of operations, and financial condition. Any new or existing laws and regulations applicable to existing or future business areas, including amendments to or repeal of existing laws and regulations, or new interpretations, applications, or enforcement of existing laws and regulations, could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and materially adversely impact bookings on our platform, thereby materially adversely affecting our business, results of operations, and financial condition. Our current and future efforts to influence legislative and regulatory proposals have an uncertain chance of success, could be limited by laws regulating lobbying or advocacy activity in certain jurisdictions, and even if successful, could be expensive and time consuming, and could divert the attention of management from our core business operations. We rely on a mix of independent contractors and employees to provide operational services to us, and any potential reclassification of independent contractors as deemed employees could adversely affect our business, results of operations and financial condition. We rely on a mix of independent contractors and employees to provide operational services to our business. The state of the law regarding independent contractor status varies from jurisdiction to jurisdiction and is subject to change based on court decisions and regulation. Regulatory authorities and other parties have increasingly asserted within several industries that certain independent contractors should be classified as employees. As a result, there is significant uncertainty regarding the future of the worker classification regulatory landscape. It is possible that legislative, judicial and regulatory (including tax) authorities may introduce proposals or assert interpretations of existing rules and regulations that would change the classification of a significant number of independent contractors doing business with us from independent contractor to employee. In addition, we could also be involved in lawsuits and claims that assert that certain independent contractors should be classified as our employees. Adverse determinations regarding the status of any of our independent contractors, or the enactment of rules and regulations (or changes in the interpretations of existing rules and regulations) that lead to the reclassification of such independent contractors as employees, would result in a significant increase in employment- related costs, such as wages, benefits and taxes, and may subject us to potential penalties, any of which would adversely affect our business, results of operations and financial condition. We are subject to regulatory audits, inquiries, litigation, and other disputes from time to time which have in the past materially adversely affected, and may in the future materially adversely affect, our business, results of operations, and financial condition. We have been, and expect to continue to be, a party to various legal and regulatory claims, litigation or pre- litigation disputes, and proceedings arising in the normal course of business. The number and significance of these claims, disputes, and proceedings have increased as our company has grown larger, the number of bookings has increased, awareness of our brand has grown, our presence on well- known platforms has increased, and the scope and complexity of our business has expanded, and we expect the number and significance of these claims, disputes and proceedings will continue to increase in the future. We have been, and expect to continue to be, subject to various government audits, inquiries, investigations, and proceedings related to legal and regulatory requirements such as compliance with laws related to short- term rentals, tax, consumer protection, pricing, advertising, discrimination, data protection, data sharing, payment processing, **trust compliance**, privacy, and competition. In many cases, these inquiries, investigations, and proceedings can be complex, time consuming, costly to investigate, and require significant company and management attention. For certain matters, we are implementing recommended changes to our products, operations, and compliance practices and removal of noncompliant listings and homes from our service. We are unable to predict the outcomes and implications of such audits, inquiries, investigations, and proceedings on our business, and such audits, inquiries, investigations, and proceedings could result in large fines and penalties, require changes to our products and operations, restrict our ability to operate in certain regions and materially adversely affect our brand, reputation, business, results of operations, and financial condition. In some instances, applicable laws and regulations do not yet exist or are being adapted and implemented to address certain aspects of our business, and such adoption or change in their interpretation could further alter or impact our business and subject us to future government audits, inquiries, investigations, and proceedings. Legal claims have been asserted against us for alleged discriminatory conduct undertaken by homeowners against certain guests (such

as conduct relating to acceptance of service animals), and for our own platform policies or business practices. Changes to the interpretation of the applicability of fair housing, civil rights or other statutes to our business or the conduct of our users could materially adversely impact our business, results of operations, and financial condition. We may also become more vulnerable to third-party claims as U. S. laws such as the Digital Millennium Copyright Act (" DMCA") and the Stored Communications Act, and non- U. S. laws such as the European E- Commerce Directive, are interpreted by the courts or otherwise modified or amended, as our platform and services to our homeowners and guests continue to expand, and as we expand geographically into jurisdictions where the underlying laws with respect to the potential liability of online intermediaries such as ourselves are either unclear or less favorable. In addition, we face claims and litigation relating to fatalities, shootings, other violent acts, illness (including COVID- 19), cancellations and refunds, personal injuries, property damage, carbon monoxide incidents, homeowner disputes, and privacy violations that occurred in connection with a rental through our platform. We also have faced putative class action litigation and government inquiries, and could face additional litigation and government inquiries and fines relating to our business practices, cancellations and other consequences due to natural disasters or other unforeseen events beyond our control such as wars, regional hostilities, health concerns, including epidemics and pandemics such as COVID- 19, or law enforcement demands and other regulatory actions. In addition, in the ordinary course of business, we have been party to disputes that allege we have infringed third parties' intellectual property or in which we agree to provide indemnification to third parties with respect to certain matters, including losses arising from our breach of such agreements or from intellectual property infringement claims, or where we make other contractual commitments to third parties. We also have indemnification agreements with certain of our directors and executive officers that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. We may be subject to litigation stemming from these obligations. Adverse results in any regulatory audit, inquiry, litigation, legal proceedings, or claims may include awards of potentially significant monetary damages, including statutory damages for certain causes of action in certain jurisdictions, penalties, fines, injunctive relief, royalty or licensing agreements, or orders preventing us from offering certain services **in a region or state**. Moreover, many regulatory audits, inquiries, litigation, legal proceedings, or claims are resolved by settlements that can include both monetary and non- monetary components. Adverse results or settlements may result in changes in our business practices in significant ways, increased operating and compliance costs, and a loss of revenue. In addition, any litigation or pre- litigation claims against us, whether or not meritorious, are time consuming, require substantial expense, and result in the diversion of significant operational resources. We use various software platforms that, in some instances, have limited functionality which may impede our ability to retrieve records in the context of a governmental audit, inquiry or litigation. In addition, our insurance may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liability that may be imposed. As we continue to grow, regulatory audits, inquiries, litigation, legal proceedings, and other claims will continue to consume significant company resources and adverse results in future matters could materially adversely affect our business, results of operations, and financial condition. We could face liability for information or content that is on, or accessible through, our platform. We could face claims relating to information or content that is published or made available on our platform. We generally manage the content that is posted on our site as part of our **property-vacation rental** management services. As such, we are exposed to potential claims of defamation, disparagement, negligence, warranty, personal harm, intellectual property infringement, and other alleged damages that could be asserted against us, in addition to our homeowners and guests. While we rely on a variety of statutory and common- law frameworks and defenses, including those provided by the DMCA and the fair- use doctrine in the United States, differences among statutes, limitations on immunity, requirements to maintain immunity, and moderation efforts in the many jurisdictions in which we operate may affect our ability to rely on these frameworks and defenses, or may create uncertainty regarding liability for information or content on our platform. Moreover, regulators in the United States and in other countries may introduce new regulatory regimes that increase potential liability for information or content available on our platform. Because liability often flows from information or content on our platform and / or services accessed through our platform, as we continue to expand our offerings, tiers, and scope of business, both in terms of the range of offerings and services and geographical operations, we may face or become subject to additional or different laws and regulations. Our potential liability for information or content created by third parties and posted to our platform could require us to implement additional measures to reduce our exposure to such liability, may require us to expend significant resources, may limit the desirability of our platform to homeowners and guests, may cause damage to our brand and reputation, and may cause us to incur time and costs defending such claims in litigation, thereby materially adversely affecting our business, results of operations, and financial condition. In the European Union, the Consumer Rights Directive and the Unfair Commercial Practices Directive harmonized consumer rights across the EU member states. If consumer protection regulators find that we are in breach of consumer protection laws, we may be fined or required to change our terms and processes, which may result in increased operational costs. Consumers and certain consumer protection associations may also bring individual claims against us if they believe that our terms and / or business practices are not in compliance with local consumer protection laws. Currently, class actions may also be brought in certain countries in the European Union, and the Collective Redress Directive will extend the right to collective redress across the European Union. We are subject to governmental economic and trade sanctions laws and regulations that limit the scope of our offering. Additionally, failure to comply with applicable economic and trade sanctions laws and regulations could subject us to liability and negatively affect our business, results of operations and financial condition. We are required to comply with economic and trade sanctions administered by governments where we operate, including the U. S. government (including, without limitation, regulations administered and enforced by the Office of Foreign Assets Control (" OFAC") and the U. S. Department of State). These economic and trade sanctions prohibit or restrict transactions to or from or dealings with certain specified countries, regions, their governments and, in certain circumstances, their nationals, and with individuals and entities that are specially designated, such as individuals and entities included on OFAC' s List of Specially Designated Nationals or other sanctions measures. Any

future economic and trade sanctions imposed in jurisdictions where we have significant business could materially adversely impact our business, results of operations, and financial condition. Our ability to track and verify transactions and otherwise comply with these regulations require a high level of internal controls, and we cannot guarantee that we have not engaged in dealings with persons sanctioned under applicable sanctions laws. Any non-compliance with economic and trade sanctions laws and regulations or related investigations could result in claims or actions against us and materially adversely affect our business, results of operations, and financial condition. As our business continues to grow and regulations change, we may be required to make additional investments in our internal controls or modify our business. We have operations in countries known to experience high levels of corruption and any violation of anti-corruption laws could subject us to penalties and other adverse consequences. We are subject to the U. S. Foreign Corrupt Practices Act ("FCPA") and other laws in the United States and elsewhere that prohibit improper payments or offers of payments to foreign governments and their officials, political parties, state-owned or controlled enterprises, and / or private entities and individuals for the purpose of obtaining or retaining business. We have operations in and deal with countries known to experience corruption. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees, contractors, agents, or users that could be in violation of various laws, including the FCPA and anti-bribery laws in these countries. We have implemented policies, procedures, systems, and controls designed to ensure compliance with applicable laws and to discourage corrupt practices by our employees, consultants, and agents, and to identify and address potentially impermissible transactions under such laws and regulations; however, our existing and future safeguards, including training programs to discourage corrupt practices by such parties, may not prove effective, and we cannot ensure that all such parties, including those that may be based in or from countries where practices that violate U. S. or other laws may be customary, will not take actions in violation of our policies, for which we may be ultimately responsible. Additional compliance requirements may require us to revise or expand our compliance programs, including the procedures we use to monitor international and domestic transactions. Failure to comply with any of these laws and regulations may result in extensive internal or external investigations as well as significant financial penalties and reputational harm, which could materially adversely affect our business, results of operations, and financial condition. ~~We are subject to~~ **Our Certificate of Incorporation provides that the doctrine of "corporate opportunity" will not apply with respect to any director or stockholder who is not employed by us or our subsidiaries. The doctrine of corporate opportunity generally provides that a variety of taxes corporate fiduciary may not develop and an tax-collection obligations opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers, directors and the other United States fiduciaries from personally benefiting from opportunities that belong to the corporation. Our Certificate of Incorporation provides that the doctrine of "corporate opportunity" does not apply with respect to any stockholder or director ( federal, state, other than any director who is also and an local officer ) of Vacasa and several foreign jurisdictions. New or revised foreign, Inc. federal, state, or local tax regulations may subject us or our homeowners and guests to additional indirect taxes, such as lodging, hotel, sales and use, privilege, excise, VAT, goods and services, harmonized sales, business, and gross receipt( together each, an " indirect taxes Exempted Person" ). The Exempted Persons will therefore have no duty to communicate or present corporate opportunities to us, income, and will have the right to either hold any corporate opportunity for their own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than taxes, and, depending upon the jurisdiction, could subject us, including or our homeowners and guests to any significant monetary penalties and fines for non-payment of taxes. Any additional tax expenses and other director liabilities to which we or our or stockholder who is not employed homeowners and / or guests are subject would likely increase the cost of doing business for our homeowners, increase the price paid by us guests, and may discourage homeowners and guests from using our or our subsidiaries platform, which would lead to a decline in revenue. As a result, the Exempted Persons will generally not be prohibited from operating or investing in competing businesses. We therefore may find ourselves in competition with any one or more of these parties, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. To the extent we find ourselves in competition with Exempted Persons, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact** our business, results of operations, ~~and financial condition to Ownership of our Class A Common Stock~~ Our focus on the long-term best interests of our company and our consideration of all of our stakeholders, including our stockholders, homeowners, guests, employees, the communities in which we operate, and other stakeholders that we may identify from time to time, may conflict with short- or medium- term financial interests and business performance, which may negatively impact the value of our Class A Common Stock. We believe that focusing on the long- term best interests of our company and our consideration of all of our stakeholders, including our stockholders, homeowners, guests, employees, the communities in which we operate, and other stakeholders we may identify from time to time, is essential to the long- term success of our company and to long- term stockholder value. Therefore, we have made decisions, and may in the future make decisions, that we believe are in the long- term best interests of our company and our stockholders, even if such decisions may negatively impact the short- or medium- term performance of our business, results of operations, and financial condition or the short- or medium- term performance of our Class A Common Stock. Our commitment to pursuing long- term value for the company and its stockholders, potentially at the expense of short- or medium- term performance, may materially adversely affect the trading price of our Class A Common Stock, including by making owning our Class A Common Stock less appealing to investors who are focused on returns over a shorter time horizon. Our decisions and actions in pursuit of long- term success and long- term stockholder value, which may include changes to our platform to enhance the experience of our homeowners, guests, and the communities in which we operate, including by improving the trust and safety of our platform, changes in the manner in which

we deliver customer support, investing in our relationships with our homeowners, guests, and employees, investing in and introducing new products and services, or changes in our approach to working with local or national jurisdictions on laws and regulations governing our business, may not result in the long-term benefits that we expect, in which case our business, results of operations, and financial condition, as well as the trading price of our Class A Common Stock, could be materially adversely affected. could be materially adversely affected by additional taxes of this nature or additional taxes or penalties resulting from our failure to comply with any reporting, collection, and payment obligations. We accrue a reserve for such taxes..... Risks Related to our Organizational Structure Our principal stockholders have significant influence over us, including over decisions that require the approval of stockholders, and their interests may conflict with the interests of other stockholders. The On June 7, 2023, we entered into four individual director designation agreements (collectively, the "Director Designation Agreements" and each a "Director Designation Agreement") with (i) SLP Venice Holdings, L. P. and SLP V Venice Feeder I, L. P. (together with their affiliates, the "Silver Lake Stockholders"); (ii) RW Vacasa AIV LP, RW Industrial Blocker LP, Riverwood Capital Partners II (Parallel- B) L. P., RCP III Vacasa AIV, L. P., RCP III Blocker Feeder LP, Riverwood Capital Partners III (Parallel- B) L. P., RCP III (A) Blocker Feeder LP and RCP III (A) Vacasa AIV L. P. (together with their affiliates, the "Riverwood Stockholders"); (iii) LEGP I VCS, LLC, LEGP II VCS, LLC, Level Equity Opportunities Fund 2015, L. P., Level Equity Opportunities Fund 2018, L. P., Level Equity- VCS Investors, LLC and LEGP II AIV (B), L. P. (together with their affiliates, the "Level Equity Stockholders"); and (iv) Mossytree Inc. (together with its affiliates, the "EB Stockholder Stockholders control"). In the aggregate, as a group of December 31, 2023, the Silver Lake Stockholders, the Riverwood Stockholders, the Level Equity Stockholders and the EB Stockholders controlled approximately 61-59.8-0 % of the combined voting power of our Common Stock as a result of their ownership of Class A Common Stock and Class B Common Stock. These -- The Director Designation parties, together with TPG Sponsor, have entered into the Stockholders Agreement Agreements contain, which grants the parties thereto certain director nomination nominations rights so long as with respect to the members of our Board, including removal rights with respect to any director elected pursuant to their respective nomination rights and the right to designate a director to fill any vacancy created by reason of death, removal or resignation of any such director. The Stockholders Agreement automatically terminates in June 2023, at which time we expect to enter into board designation rights agreements with each holder continues to hold prescribed amounts of our Common Stock the Silver Lake Stockholders, the Riverwood Stockholders, the Level Equity Stockholders and the EB Stockholder. As a result, these stockholders and their affiliates have significant influence over the management and affairs of our company and, acting if they were to decide to act together, will would have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and the approval of significant corporate transactions, including any merger, consolidation or sale of all or substantially all of our assets and the issuance or redemption of equity interests in certain circumstances. The interests of one or more of these stockholders may not always coincide with, and in some cases may conflict with, our interests and the interests of our other stockholders. For instance, these stockholders could attempt to delay or prevent a change in control of our company, even if such change in control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock. This concentration of ownership may also affect the prevailing market price of our common stock due to investors' perceptions that conflicts of interest may exist or arise. As a result, this concentration of ownership may not be in the best interests of other stockholders. In addition, because these stockholders hold part of their economic interest in our business through Vacasa Holdings LLC ("OpCo"), rather than through Vacasa, Inc., and may hold rights to receive payments under the Tax Receivable Agreement, their interests may further conflict with the interests of holders of Class A Common Stock. For example, such holders may have different tax positions from us, which could influence their decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, and whether and when we should undergo certain changes of control within the meaning of the Tax Receivable Agreement or terminate the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. These holders' significant ownership in us and influence over their resulting ability, acting together, to effectively control us may discourage someone from making a significant equity investment in us, or could discourage transactions involving a change in control, including transactions in which holders of shares of our Class A Common Stock might otherwise receive a premium for their shares over the then-current market price. We are a "controlled company"..... Ownership of our Class A Common Stock The trading price of the shares of our Class A Common Stock may be volatile, and holders of the Class A Common Stock could incur substantial losses. Our stock price has been, and may continue to be, volatile. The stock market has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell our Class A Common Stock at or above the price paid for the shares. The market price for our Class A Common Stock may be influenced by many factors, including: • actual or anticipated variations in our operating results; • changes in financial estimates by us or by any securities analysts who might cover our stock; • conditions or trends in our industry; • stock market price and volume fluctuations of comparable companies and, in particular, those that operate in the software and information technology industries; • announcements by us or our competitors of new product or service offerings, significant acquisitions, strategic partnerships or divestitures; • announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us; • [ TBD ] • investors' general perception of our company and our business; • changes in financial markets or general economic conditions, including the effects of a recession or slow economic growth in the U. S. or abroad, interest rates, fuel prices, international currency fluctuations, corruption, political instability, acts of war, including impacts from the conflict between Ukraine- Russia and Ukraine Israel- Hamas conflicts and escalations thereof, or similar macroeconomic conditions and concerns; • impacts from the ongoing COVID-19 pandemic or other public health crises; • recruitment or departure of key personnel; and • sales of our Class A Common Stock, including sales by our directors and officers or specific stockholders. In the past few years, stock

~~markets have experienced extreme price and volume fluctuations.~~ In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. ~~This Such~~ litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. Future sales of our Class A Common Stock in the public market could cause the market price of our Class A Common Stock to decline significantly, even if our business is doing well. ~~The market price ownership of a substantial amount~~ of our Class A Common Stock ~~is concentrated with limited~~ could decline as a result of sales of a large number of ~~holders~~ shares in the market or the perception that such sales could occur. Lock-up restrictions applicable to a significant portion of our Class A Common Stock outstanding (as well as the shares of our Class A Common Stock issuable upon the exercise and / or settlement of outstanding equity awards) expired in June 2022. Such shares of Class A Common Stock are now eligible for sale in the public market, subject to compliance with applicable securities laws. These sales, or the possibility that these sales may occur, might also make it more difficult for us to raise capital through the issuance and sale of equity securities in the future at a time and at a price that we deem appropriate. Furthermore, the holders ("OpCo Unitholders") of common units of OpCo ("OpCo Units"), other than Vacasa, Inc., will have the right, pursuant to the Fourth Amended and Restated Limited Liability Company Agreement of OpCo, to cause OpCo to acquire all or a portion of their vested OpCo Units, which may be settled for, at our election, shares of Class A Common Stock at a redemption ratio of one share of Class A Common Stock for each OpCo Unit redeemed (subject to conversion rate adjustments for stock splits, stock dividends and reclassification) or an equivalent amount of cash and, in each case, the cancellation of an equal number of shares of such OpCo Unitholder's Class B Common Stock. Any shares of Class A Common Stock we may issue in connection with such redemptions will also be eligible for sale in the public market, subject to compliance with applicable securities laws. ~~The As~~ ~~restrictions on the resale of shares of our Class A Common Stock expire or otherwise lapse, including in connection with the availability of registration statements covering such shares, the~~ market price of our Class A Common Stock could decline significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These sales, or the possibility that these sales may occur, might also make it more difficult for us to raise capital through the issuance and sale of equity securities in the future at a time and at a price that we deem appropriate. We are an "emerging growth company" within the meaning of the Securities Act, and as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, our Class A Common Stock may be less attractive to investors. We are an "emerging growth company," as defined in the **Jumpstart Our Business Startups Act of 2012 ("JOBS Act")**, and we may take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." In particular, while we are an "emerging growth company," we will not be required to comply with the auditor attestation requirements of Section 404 (b) of the Sarbanes- Oxley Act; we are exempt from any rules that could be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor's report on financial statements; we are subject to reduced disclosure obligations regarding executive compensation in ~~its our~~ periodic reports and proxy statements; and we are not required to hold non-binding advisory votes on executive compensation or stockholder approval of any golden parachute payments not previously approved. ~~In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we have elected to opt out of such transition period and, as a result, we will comply with new or revised accounting standards on the dates for which compliance is required for non-emerging growth companies. This election is irrevocable.~~ We may be an "emerging growth company" until December 31, 2026, though we may cease to be an "emerging growth company" earlier under certain circumstances, including: (i) the last day of the fiscal year **in which** (a) ~~in which~~ we have total annual gross revenue of at least \$ 1. 235 billion, or (b) ~~in which we are deemed to be a large accelerated filer, which means~~ the market value of our common equity that is held by non-affiliates exceeds \$ 700 million as of the last business day of ~~its our~~ most recently completed second fiscal quarter; and (ii) the date on which we have issued more than \$ 1. 00 billion in non-convertible debt securities during the prior three- year period. The exact implications of the JOBS Act are subject to interpretation and guidance by the SEC and other regulatory agencies, and we cannot ensure that we will be able to take advantage of all of the benefits of the JOBS Act. In addition, investors may find our Class A Common Stock less attractive to the extent we rely on the exemptions and relief granted by the JOBS Act. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock and our stock price may decline or become more volatile. We do not anticipate paying any cash dividends on our Class A Common Stock in the foreseeable future. We currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of our Revolving Credit Facility restrict our ability to pay dividends, and the terms of any future debt agreements we may enter into are likely to contain similar restrictions. As a result, capital appreciation, if any, of our Class A Common Stock will be the sole source of gain for the foreseeable future.