

Risk Factors Comparison 2025-02-20 to 2024-02-22 Form: 10-K

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Our operations and financial results are subject to various risks and uncertainties, including those described below, which should be read in conjunction with Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report on Form 10-K. Our business may also be adversely affected by risks and uncertainties not presently known to us or that we currently believe to be immaterial. If any of the events contemplated by the following discussion of risks should occur or other risks arise or develop, our business, which includes our prospects, financial condition and results of operations, the trading prices of our securities and our reputation, may be adversely affected. Risks Related to Macroeconomic Conditions and Industry Trends Global economic conditions ~~and the effect of economic pressures and other business factors on discretionary consumer spending and consumer preferences~~ may have a material adverse effect on our business, results of operations and financial condition. Uncertainties in global economic conditions that are beyond our control have in the past impacted our business and may in the future materially adversely affect our business, results of operations, financial condition and stock price. These adverse ~~economic~~ conditions include **economic instability, changes in tax laws, regulations and new or increased tariffs, including retaliatory tariffs, export controls,** the impacts of ~~the COVID-19 pandemic,~~ inflation, slower growth or recession, **sustained new or increased tariffs and other changes to fiscal and monetary policy,** higher interest rates, high unemployment, decreased consumer confidence in the economy, armed hostilities, such as the ongoing conflicts between Russia and Ukraine, ~~and Israel~~ **other events related thereto, such as economic sanctions and Hamas trade restrictions, geopolitical tensions in China and other regions,** foreign currency exchange rate fluctuations, conditions affecting the retail environment for products we sell, ~~other matters that influence consumer spending and preferences,~~ and other unexpected events, including public health crises. ~~In addition-~~ **A downturn in the economic environment can also lead to financial instability, increased credit and collectability risk on our receivables, the failure of important partners, including suppliers, logistics providers, derivative counterparties and other financial institutions, limitations on our ability to issue new debt, reduced liquidity and declines in the fair value of our financial instruments. These and other economic factors can materially adversely affect our business, results of operations, financial condition and stock price. Changes in consumer confidence and spending due to economic conditions on a global level or in particular markets, geopolitical uncertainty, and other factors may adversely affect our financial performance. Our business depends on consumer demand for our products. As a result, we believe that our sales are sensitive to a number of factors that influence consumer confidence and spending, both on a global level and in particular markets, that can be materially adversely, in turn, affected-- affect in response to our business or the home goods industry generally. These factors include, among others,** financial market volatility, inflationary pressures, **the impacts of tariffs,** negative financial news, conditions in the real estate and mortgage markets, including home equity loans and consumer credit, changes in net worth based on market changes and uncertainty, energy shortages and cost increases, labor and healthcare costs, government actions and general uncertainty regarding the overall future economic environment. Consumers may view a substantial portion of the products we offer as discretionary items rather than necessities. As a result, our operating results are sensitive to changes in macroeconomic conditions that impact consumer spending, including discretionary spending. Declines in consumer spending have in the past resulted, and in the future may result, in decreased demand for our products and services which may have an adverse effect on our results of operations. **We are subject to risks from changes to the trade policies, including tariff and import / export regulations by the U. S. and / or other foreign governments. Changes in trade policy, including trade restrictions, new or increased tariffs or quotas, embargoes, sanctions and countersanctions, safeguards or customs restrictions by the U. S. and / or other foreign governments could have a material adverse impact on our business. The imposition of new tariffs or increases in existing tariffs on products imported from countries where we or our suppliers operate could result in increased costs for finished goods. These cost increases may reduce our margins, require us to raise prices, or make our products less competitive in the marketplace. In addition, other countries may change their business and trade policies in anticipation of or in response to increased import tariffs and other changes in trade policy and regulations already enacted or that may be enacted in the future. If we are unable to mitigate these risks through supply chain adjustments, pricing strategies, or other measures, our financial performance and growth prospects could be negatively affected. For example, the U. S. has recently imposed new tariffs on China related to the importation of certain product categories, including home goods. China has responded with retaliatory tariffs. A downturn-- substantial portion of our products are manufactured in China. We are working with our suppliers to mitigate any exposure to current and any the other economic environment potential tariffs and seeking opportunities to engage with new suppliers outside of China, but there can also lead-- be no assurance that we will be able to offset any financial instability, increased costs credit and collectability risk on our-- or secure receivables, the-- these new failure of important partners, including suppliers, logistics providers, derivative counterparties and other financial institutions, limitations on our ability to issue new debt, reduced liquidity and declines in the fair value of our financial instruments. These and other economic factors can materially adversely affect our business, results of operations, financial condition and stock price.** Our results could be adversely affected by events beyond our control, such as natural disasters, public health crises, political crises, negative global climate patterns, or other catastrophic events. Our operations, or those of our suppliers, could be negatively impacted by various events beyond our control, including, without limitation, natural disasters, such as hurricanes, tornadoes, floods, earthquakes, extreme cold events and other adverse weather conditions; public health crises, such as ~~the COVID-19 pandemic and other~~ pandemics and epidemics; political crises,

such as terrorist attacks, war, labor unrest, and other political instability (including, without limitation, the ongoing conflicts between Russia and Ukraine and Israel and Hamas), negative global climate patterns, especially in water stressed regions; or other catastrophic events, such as fires or other disasters occurring at our distribution centers or our suppliers' manufacturing facilities, whether occurring in the United States U. S. or internationally. These events could disrupt our business operations, including the operations of our corporate offices, physical retail locations, and warehouses, as well as the operations of our global supply chain and those of our third- party partners, including our suppliers, vendors and logistics carriers, and could make it more difficult and costly for us to deliver our products. Furthermore Although we do not have direct operations in the Middle East, the ongoing conflict between Israel and Hamas and the escalating tensions in the region may disrupt global markets and impact our supply chain, resulting in delays, increased costs, and potential disruptions to the arrival of our products. For example, following the initial conflict between Israel and Hamas, the Houthi movement in Yemen launched a number of attacks on marine vessels traversing the Red Sea causing significant operational disruptions for certain third- party business partners. In addition, these types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally. Disasters occurring at our suppliers' manufacturing facilities could impact our reputation and customers' perception of the products we offer. To the extent any of these events occur, our operations and financial results could be adversely affected. In addition, the impacts of climate change could result in changes in regulations, which could in turn affect our business, operating results, and financial condition. Risks Related to Our Business and Industry If we fail to manage our growth effectively, our business, financial condition and operating results could be harmed. Our historical growth rates may not be sustainable or indicative of future growth. To manage our growth effectively, we must continue to implement our operational plans and strategies, improve and expand our infrastructure of people and information systems and appropriately manage our employee base. If our new hires perform poorly, if we are unsuccessful in hiring, training, managing and integrating these new employees and staff, or if we are not successful in retaining our existing employees and staff, our business may be harmed. Moreover, beginning in 2022 and continuing in 2023 and 2024, in an effort to reduce our operational costs and improve our organizational efficiency, we implemented a cost efficiency plan, part of which included an internal restructuring restructurings and workforce reductions to right- size our cost structure. Further in January 2025, we announced our decision to exit the German market, including a workforce reduction impacting approximately 730 employees. Further in January 2024, although we expect approximately half of implemented a workforce realignment plan to reduce team size across the these positions organization and seniority in certain roles to relocate to other corporate offices right- size our cost structure. Any reduction in force may yield unintended consequences and costs, such as attrition beyond the intended reduction in force, the distraction of employees, reduced employee morale and adverse effects to our reputation as both an employer and with respect to customers, which could make it more difficult for us to hire new employees in the future and to retain and motivate key employees, and there is a risk that we may not achieve the anticipated benefits from the reduction in force. We also face significant competition for personnel. Failure to manage our hiring needs effectively or successfully integrate our new hires may have a material adverse effect on our business, financial condition and operating results. Properly managing our growth global workforce will also require us to establish consistent policies across regions and functions, and a failure to do so could likewise harm our business. Further, we have a substantial number of hourly employees. While we are at or above current local and federal minimum wage requirements across the U. S., any future local or federal minimum wage increases may increase our labor costs, which may have an adverse effect on our results of operations. Additionally, the growth of our business places significant demands on our operations, as well as our management and other employees. For example, we typically launch hundreds of promotional events across thousands of products each month on our sites via emails, " push " notifications and personalized displays. These events require us to produce updates of our sites and emails to our customers on a daily basis with different products, photos and text. Any surge in online traffic and orders associated with such promotional activities places increased strain on our operations, including our logistics network, and may cause or exacerbate slowdowns or interruptions. The growth of our business may require significant additional resources to meet these daily requirements, which may not scale in a cost- effective manner or may negatively affect the quality of our sites and customer experience. Further, we have faced and may continue to face a number of challenges to our expansion into physical retail locations, including locating retail space with a cost and geographic profile that will allow us to operate in highly desirable shopping locations, hiring in- store talent and expanding our physical retail operations in a cost- effective manner. We have entered into and may continue to enter into long- term leases before we know whether our physical retail strategy or a particular geography will be successful. We are also required to manage relationships with a growing number of suppliers, customers and other third parties across the world. Our information technology systems and our internal controls and procedures may not be adequate to support future growth of our supplier and employee base. Failure to manage our growth and organizational change effectively could lead us to over- invest or under- invest in technology and operations; result in weaknesses in our infrastructure, systems or controls; give rise to operational mistakes, losses or loss of productivity or business opportunities; reduce customer satisfaction; limit our ability to respond to competitive pressures; and result in loss of employees and reduced productivity of remaining employees. If we are unable to manage the growth of our organization effectively, our business, financial condition and operating results may be materially adversely affected. If we fail to acquire new customers, reactivate prior customers or retain existing customers, or fail to do so in a cost- effective manner, our business, financial condition and operating results could be harmed. Our success depends on our ability to acquire and retain customers in a cost- effective manner. In order to expand our customer base, we must appeal to and acquire customers who have historically used other means of commerce to purchase home goods and may prefer alternatives to our offerings, such as traditional brick and mortar retailers, the websites of our competitors or our suppliers' own websites. We have made significant investments related to customer acquisition and expect to continue to heavily invest spend significant amounts to acquire additional customers and to reactivate prior customers. Our paid advertising efforts consist of television advertising, direct mail, catalog and print advertising, and online channel advertising, including display advertising,

paid search advertising, social media advertising, search engine optimization and comparison shopping engine advertising. These efforts are expensive and may not result in the cost-effective acquisition of customers. Our marketing expenses have varied from period to period, and we expect this trend to continue as we test new channels and refine our marketing strategies. We may increase or decrease our marketing spend within a period, based on the degree of our achievement of intended results, which may result in increased or decreased customer engagement in any given period. We cannot assure you that the net profit from new or returning customers we acquire will ultimately exceed the cost of acquiring those customers. Additionally, actions by third parties to block or impose restrictions on the delivery of certain advertisements could also adversely impact our business. If we fail to deliver a quality shopping experience, or if consumers do not perceive the products we offer to be of high value and quality, we may not be able to acquire new customers or retain existing customers. If we are unable to acquire new customers or reactivate prior customers who purchase products in numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers or efficiencies in our logistics network, our net revenue may decrease, and our business, financial condition and operating results may be materially adversely affected. We also utilize non-paid advertising. Our non-paid advertising efforts include search engine optimization, non-paid social media, mobile "push" notifications and email. We obtain a significant amount of traffic via search engines and, therefore, rely on search engines such as Google, Bing and Yahoo!. Although we employ search engine optimization and search engine marketing strategies, our ability to maintain and increase the number of visitors directed to our website and application is not entirely within our control. Search engines frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to our sites can be negatively affected. Moreover, a search engine could, for competitive or other purposes, alter its search algorithms or results, causing our sites to place lower in search query results. A major search engine could change its algorithms in a manner that negatively affects our paid or non-paid search ranking, and competitive dynamics could impact the effectiveness of search engine marketing or search engine optimization. In addition, if there are changes in the usage and functioning of search engines or decreases in consumer use of search engines, for example, as a result of the continued development of artificial intelligence technology, this could negatively impact our owned and operated and third-party publishers' websites. We also obtain a significant amount of traffic via social networking websites or other channels used by our current and prospective customers. As e-commerce and social networking continue to rapidly evolve, we must continue to establish relationships with these channels, and we may be unable to develop or maintain these relationships on acceptable terms. If we are unable to cost-effectively drive traffic to our sites, our ability to acquire new customers, reactivate prior customers or retain our existing customers and our financial condition may suffer. **We also expect our new loyalty program to attract customers to our stores and to encourage purchases by our customers online. Our loyalty program offers customer rewards dollars that can be redeemed on future purchases. If we fail to execute the loyalty program, if our customers do not respond positively to the program or if the program costs more than anticipated in reward redemptions, our competitors may be able to attract some of our customers and our financial results could be adversely impacted.** Further, some of our new customers originate from word of mouth or other non-paid referrals from existing customers. If our efforts to satisfy our existing customers are not successful, we may not be able to acquire new customers or reactivate prior customers through these referrals, which may adversely affect how we continue to grow our business, or may require us to incur significantly higher marketing expenses in order to acquire new customers. Our success depends in part on our ability to increase our net revenue per active customer. If our efforts to increase customer loyalty and repeat purchasing as well as maintain high levels of customer engagement are not successful, our growth prospects and net revenue will be materially adversely affected. Our ability to grow our business depends on our ability to retain our existing customer base and generate increased net revenue and repeat purchases from this customer base and maintain high levels of customer engagement. To do this, we must continue to provide our customers and potential customers with a unified, convenient, efficient and differentiated shopping experience by: • providing imagery, tools and technology that attract customers who historically would have bought elsewhere; • maintaining a high-quality and diverse portfolio of products and services; • providing adequate excellent customer service; • delivering products on time and without damage; and • maintaining and further developing our mobile platforms. If we fail to increase net revenue per active customer, generate repeat purchases or maintain high levels of customer engagement, our growth prospects, operating results and financial condition could be materially adversely affected. We have faced and may face price competition in the future. In addition, competitors with whom we compete, or who can obtain better pricing, more favorable contractual terms and conditions, or more favorable allocations of products during periods of limited supply may be able to offer lower prices than we are able to offer. Our operating results and financial condition may be adversely affected by these and other industry-wide pricing pressures. Our business depends on our ability to build and maintain strong brands. We may not be able to maintain and enhance our brands if we receive unfavorable customer complaints, negative publicity or otherwise fail to live up to consumers' expectations, which could materially adversely affect our business, results of operations and growth prospects. Maintaining and enhancing our brands is critical to expanding our base of customers and suppliers. Our ability to maintain and enhance our brands depends largely on our ability to maintain customer confidence in our product and service offerings, including by maintaining product availability and delivering products on time and without damage. If customers do not have a satisfactory shopping experience, they may seek out alternative offerings from our competitors and may not return to our sites as often in the future, or at all. In addition, unfavorable publicity regarding, for example, our practices relating to privacy and data protection, employment matters, product quality or availability, poor customer service, delivery problems, competitive pressures, litigation or regulatory activity, could seriously harm our reputation. Such negative publicity could also have an adverse effect on the size, engagement and loyalty of our customer base and result in decreased net revenue, which could adversely affect our business and financial results. A significant portion of our customers' brand experience also depends on third parties outside our control, including our suppliers, assembly and installation service providers and logistics providers. If these third parties do not meet our or our customers' expectations,

our brands may suffer irreparable damage. In addition, maintaining and enhancing our brands may require us to make substantial investments, and these investments may not be successful. If we fail to promote and maintain our brands, or if we incur excessive expenses in this effort, our business, operating results and financial condition may be materially adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to provide high quality products to our customers and a reliable, trustworthy and profitable sales channel to our suppliers, which we may not be able to do successfully. Customer complaints or negative publicity about our sites, products, delivery times, company practices, employees, customer data handling and security practices or customer support, especially on blogs, social media websites and our sites, could rapidly and severely diminish consumer use of our sites and consumer and supplier confidence in us and result in harm to our brands and decreased revenue, whether or not the complaints and negative sentiment are based in fact. Further, the proliferation of social media may increase the likelihood, speed, and magnitude of such negative events. Our aspirations and disclosures related to **corporate responsibility environmental, social and governance (“ ESG ”)** matters expose us to risks that could adversely affect our reputation and performance. We have established and publicly announced **ESG sustainability** goals, including our commitment to reduce our Scope 1 and 2 **greenhouse gas (“ GHG ”)** emissions by 63 % by 2035 **compared in comparison to the a 2020 baseline and our goal to achieve zero waste (90 % waste diversion from landfill and incineration) across Wayfair operations globally by 2030**. Such announcements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our failure to adequately update, accomplish or accurately track and report on these goals on a timely basis, or at all, could adversely affect our reputation, financial performance and growth, and expose us to increased scrutiny from the investment community, special interest groups and enforcement authorities. Our ability to achieve any **ESG sustainability** objective is subject to numerous risks, some of which are outside of our control. Examples of such risks include the availability and cost of low- or non- carbon- based energy sources and low- carbon **heating building conditioning** and transportation solutions, the availability of materials and suppliers that **allow us to** meet our sustainability **and other ESG** goals on our timelines, and competing strategic growth opportunities, such as increasing the scale of our physical retail footprint. Standards for tracking and reporting **ESG sustainability** matters continue to advance and statements about our **ESG sustainability** - related initiatives and progress toward any **ESG sustainability** objective may be based on standards that are still developing, internal controls and processes that continue to evolve, and assumptions that may be subject to change in the future. Our election to publicly report on **ESG sustainability** matters in accordance with voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or differ from those of others. Methodologies for reporting **ESG sustainability** data may be updated and previously reported **ESG sustainability** data may be adjusted to reflect improvement in availability and quality of data, changing assumptions, changes in the nature and scope of our operations and other changes in circumstances. Our processes and controls for reporting **ESG sustainability** matters **across our operations and supply chain** are evolving alongside the multiple disparate standards for identifying, measuring, and reporting **ESG sustainability** metrics, including the standards for **ESG sustainability** - related disclosures **that required by the European Union’s Corporate Sustainability Reporting Directive (“ CSRD ”) or** may be required by the SEC, ~~European~~ and other regulators. ~~Such The~~ **standards may change over time used to identify and collect the information and data required pursuant to the CSRD continue to evolve, which and this lack of certainty** could result in **increased compliance costs and a heightened risk of failing to comply with the CSRD, as well as** significant adjustments to previously reported **ESG sustainability** data, including data regarding our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future. If our **ESG sustainability** practices do not meet evolving investor or other stakeholder expectations and standards, then our reputation or our attractiveness as an investment, business partner, service provider or employer could be negatively impacted. Our **newly opened expansion into** physical retail stores may not achieve sales or operations targets and may negatively impact our financial results. In ~~2023~~ **2024**, we continued our expansion into physical retail with the opening of **four five** new physical retail stores **across our family of brands, including and two new** outlet stores. We believe that expansion into new physical retail stores represents a growth opportunity for us. Our growth strategy is dependent on our ability to identify and open future store locations in new and existing markets. Our ability to open stores in a timely and successful manner depends on a number of factors, including: the availability of desirable store locations; the availability and costs of construction labor and materials; local permitting timelines; the ability to negotiate acceptable lease terms at reasonable rates, including the length of rental periods and renewal options and the ability to obtain termination rights; our ability to obtain all required approvals and comply with other regulatory requirements; our relationships with current and prospective landlords; the ability to secure and manage the inventory necessary for the launch and operation of new stores; the availability of capital funding for expansion; and general economic conditions. Any or all of these factors and conditions could materially adversely affect our business, financial condition and results of operations. New store openings may negatively impact our financial results due to the costs of acquiring new store locations and opening new stores and lower sales during the initial period following opening. New stores, particularly those in new markets, build their brand recognition and customer base over time and, as a result, may have lower margins and incur higher operating expenses relative to generated revenue. We may not anticipate all of the challenges posed by the expansion of our operations into new asset classes and geographic markets. We may not manage our expansion effectively, and our failure to achieve or properly execute our expansion plans could limit our growth or have a material adverse effect on our business, financial condition and results of operations. Our efforts to expand our business into new brands, channels, products, **programs**, services, technologies and geographic markets will subject us to additional business, legal, financial and competitive risks and may not be successful. Our business success depends to some extent on our ability to expand our customer offerings by launching new brands and services and by expanding our existing offerings into new geographic markets from time to time. For example, we launched **Wayfair Rewards in 2024**, Decorify in 2023, Wayfair. ie in Ireland in 2022 and the Kelly Clarkson Home Collection in 2020. Launching new brands, **programs** and

services or expanding internationally is time-consuming, requires significant amounts of management time and resources, substantial upfront investments, including investments in marketing, information technology and additional personnel. Expanding our brands internationally is particularly challenging because it requires us to gain country-specific knowledge about consumers, regional competitors and local laws, construct catalogs specific to the country, build local logistics capabilities and customize portions of our technology for local markets. We may not be able to generate satisfactory net revenue from these efforts to offset these costs. Any lack of market acceptance of our efforts to launch new brands, programs and services or to expand our existing offerings could have a material adverse effect on our business, prospects, financial condition and operating results. **For example, in October 2024, we introduced Wayfair Rewards, a new loyalty program that provides a range of benefits to members in return for payment of an annual membership fee. Wayfair Rewards is new to our business and has not been tested prior to its introduction. Given that this type of loyalty program is new and untested, there can be no certainty as to exactly how our customers may react to the program over time or how the Wayfair Rewards' rollout will affect our financial results from quarter to quarter.** Further, as we continue to expand our fulfillment capability or add new businesses with different requirements, our logistics networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively. We have also entered and may continue to enter new markets or channels in which we have limited or no experience, which may not be successful or appealing to our customers. These activities may present new and difficult technological and logistical challenges, and resulting service disruptions, failures or other quality issues may cause customer dissatisfaction and harm our reputation and brand. Further, our current and potential competitors in new market segments may have greater brand recognition, financial resources, longer operating histories and larger customer bases than we do in these areas. As a result, we may not be successful enough in these newer areas to recoup our investments in them. If this occurs, our business, financial condition and operating results may be materially adversely affected. **Implementation of our key strategic initiatives, including our technology transformation, expansion into physical retail and the continued expansion of our proprietary logistics network, require significant capital expenditures. A lack of available capital resources due to business performance or other financial commitments could prevent or delay the deployment of innovations in our business. We may reduce capital expenditures significantly or seek additional financing or issue additional securities, which may affect the timing and scope of growth strategy. We cannot be certain that we will be able to obtain new financing on favorable terms, or at all.** Our international operations subject us to various additional legal, regulatory, financial and other risks. During 2023-2024, our international net revenue accounted for approximately 13-12% of our total net revenue. Expanding our international operations to grow our business will require significant management attention and resources and expose us to additional risks. As we continue to expand our operations to other countries, we will also become subject to certain domestic laws, including the Foreign Corrupt Practices Act, as well as the laws of the foreign countries in which we operate, which may impose new or changing regulatory restrictions and requirements, including in the areas of data privacy and sustainability. Violations of these laws could subject us to actions from government regulatory authorities, including sanctions, import restrictions, and tariffs (including anti-dumping and countervailing duties), or other penalties that could have an adverse effect on our reputation, operating results and financial condition. For example, the Canada Border Services Agency ("CBSA") is examining Wayfair's payment of duties under the Special Measures Import Act (the "CBSA review") for goods imported into Canada for the years ended December 31, 2023 and 2022 and part of the year ended December 31, 2021. We believe we have substantial factual and legal grounds to contest certain elements of the CBSA review, along with any claim for interest associated with such duty payments. Further, a failure to implement our expansion initiatives properly, or the adverse impact of political or economic risks in our current or new international markets, could have a material adverse effect on our results of operations and financial condition. In all international markets we face established local and international competitors. In many of these locations, the real estate, labor and employment, transportation and logistics and other operating requirements differ dramatically from those in the locations where we have more experience. Consumer demand and behavior, as well as tastes and purchasing trends, may differ substantially, and as a result, sales of our products may not be successful, or the margins on those sales may not be in line with those we currently anticipate. Our potential inability to anticipate and address differences that we encounter as we expand internationally may divert financial, operational, and managerial resources from our existing operations, which could adversely impact our financial condition and results of operations. Fluctuations in currency exchange rates could adversely affect our financial performance and our reported results of operations. Because we generate net revenue in the local currencies of our international business, our financial results are impacted by fluctuations in currency exchange rates. The results of operations of our international business are exposed to currency exchange rate fluctuations as the financial results of the applicable subsidiaries are translated from the local currency to U. S. dollars for financial reporting purposes. Our consolidated financial statements are denominated in U. S. dollars and as a result fluctuations in currency exchange rates may adversely affect our results of operations or financial results. If the U. S. dollar weakens against foreign currencies, the translation of these foreign currency denominated net revenues or expenses will result in increased U. S. dollar denominated net revenues and expenses. Similarly, if the U. S. dollar strengthens against foreign currencies, particularly the Euro, the British pound, or the Canadian dollar, our translation of foreign currency denominated net revenues or expenses will result in lower U. S. dollar denominated net revenues and expenses. Additionally, global events as well as geopolitical developments, including military conflicts in Ukraine and the Middle East, fluctuating commodity prices, trade tariff developments and inflation have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which has recently and could continue to amplify the volatility of currency fluctuations. To date, we have not entered into any currency hedging contracts. As a result, we may not be able to effectively offset the adverse financial impacts that may result from unfavorable movements in foreign currency exchange rates, and therefore fluctuations in foreign exchange rates could significantly impact our financial results. We have had a history of losses and we may be unable to achieve or sustain profitability and positive cash flow in the

future as we continue to expand our business. We have had a history of losses and negative cash flow. We incurred losses in fiscal years 2022 and 2023, and 2024 and we can provide no assurance that we will be profitable in future years or achieve our goal of sustained profitability. Because the market for purchasing home goods online is rapidly evolving, it is difficult for us to predict our future operating results. As a result, we may incur future losses that may be larger than anticipated. Also, our operating expenses may increase if we continue to expand internationally, add additional physical retail locations, grow our proprietary logistics network, experiment with paid marketing channels, hire more employees and continue to develop new brands, features and services. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from our investment in acquiring new customers, our financial condition and stock price could be materially adversely affected. System interruptions that impair customer access to our sites or other performance failures or incidents involving our logistics network, our technology infrastructure or our critical technology partners could damage our business, reputation and brand and substantially harm our business and results of operations. The satisfactory performance, reliability, integrity, and availability of our sites, transaction processing systems, logistics network and technology infrastructure are critical to our reputation and our ability to acquire and retain customers, as well as maintain adequate customer service levels. For example, if our cloud provider fails or suffers an interruption or degradation of services, we could lose customer data and miss order fulfillment deadlines, which could harm our business. Our systems and operations, including our ability to fulfill customer orders through our logistics network, are also vulnerable to damage or interruption from inclement weather, fire, flood, power loss, telecommunications failure, terrorist attacks, labor disputes, cyber-attacks, data loss, acts of war, break-ins, other physical security threats, earthquake earthquakes and similar events. In the event of a system outage or degradation, the failover to another site or a back-up could take substantial time, during which time our sites could be completely shut down. Further, our back-up services may not effectively process spikes in demand, may process transactions more slowly and may not support all of our sites' functionality. We use complex proprietary software in our technology infrastructure, which we seek to continually update and improve. We may not always be successful in executing these upgrades and improvements, and the operation of our systems may be subject to failure. In particular, we have in the past and may in the future experience slowdowns or interruptions in some or all of our sites when we are updating them, and new technologies or infrastructures may not be fully integrated with existing systems on a timely basis, or at all. Additionally, we have expanded our use of third-party services, including third-party "cloud" computing services, and as a result, our technology infrastructure may be subject to slowdowns or interruptions as a result of integration with such services and / or failures by such third-parties, which are out of our control. Our net revenue primarily depends on the number of visitors who shop on our sites and the volume of orders we can handle. Unavailability of our sites or reduced order fulfillment performance would reduce the volume of goods sold and could also materially adversely affect consumer perception of our brand. We may experience periodic system interruptions from time to time. In addition, continued growth in our transaction volume, as well as surges in online traffic and orders associated with promotional activities and seasonal trends in our business, place additional demands on our technology platform and could cause or exacerbate slowdowns or interruptions. If there is a substantial increase in the volume of traffic on our sites or the number of orders placed by customers, we may be required to further expand and upgrade our technology, logistics network, transaction processing systems and network infrastructure. There can be no assurance that we will be able to accurately project the rate or timing of increases, if any, in the use of our sites or expand and upgrade our systems and infrastructure to accommodate such increases on a timely basis. In order to remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our sites, which is particularly challenging given the rapid rate at which new technologies, such as those related to artificial intelligence, customer preferences and expectations, and industry standards and practices are evolving in the e-commerce industry. Accordingly, we redesign and enhance various functions on our sites on a regular basis, and we may experience instability and performance issues as a result of these changes. Any slowdown, interruption or performance failure of our sites and the underlying technology and logistics infrastructure could harm our business, reputation and our ability to acquire, retain and serve our customers, which could materially adversely affect our results of operations. Our disaster recovery plan may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur. Our reliance on single service providers for certain business operations may result in disruptions to our business and adversely affect our financial results. We solely rely on Google Cloud to facilitate certain aspects of our business. Google Cloud provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a "cloud" computing service. We have architected our software and computer systems so as to also utilize data processing, storage capabilities and other services provided across multiple Google Cloud data centers. Given this, along with our inability to rapidly switch our Google Cloud operations to another cloud provider, any disruption of or interference with our use of Google Cloud or any widespread disruption in Google Cloud itself would impact our operations and our business would be adversely affected. In addition, if hosting costs increase over time, or we are unable to optimize our applications for a cloud environment, or we require more computing or storage capacity, our costs could increase disproportionately. If we are unable to grow our revenues faster than the cost of utilizing the services of Google or similar providers, our business and financial condition could be adversely affected. Additionally, we primarily rely on a single delivery carrier, FedEx, for the delivery of our small parcel products. In the event of an interruption or disruption in the delivery capabilities of FedEx, we may not be able to obtain an alternate delivery service without incurring material additional costs and substantial delays for the delivery of our small parcel products, which could adversely impact our business and operating results. A cybersecurity attack, data breach or other security incident could impact our sites, networks, systems, platforms, confidential information and assets causing damage and substantial harm to our business and operating results, reputation and brand, and resulting in proceedings or actions against us by government regulatory bodies or private parties. We collect, maintain, transmit and store data about our customers, employees, contractors, suppliers, vendors and others, including payment information and personally identifiable information, as well as other personal, confidential and

proprietary information. In certain instances, we leverage and rely on third- party service providers to collect, maintain, transmit and store certain proprietary, personal and confidential information on our behalf, such as credit card data. To protect such data and other information from unauthorized acquisition or access, compromise or loss, we maintain and regularly assess against industry standard cybersecurity safeguards and best practices. Like many businesses, despite all of our efforts to defend against cyber threats and respond to incidents, we, and our third party service providers, have in the past and will in the future continue to be subject to cyber- attacks, cybersecurity threats and attempts to compromise and penetrate our data security systems and disrupt our operations. **Recent cybersecurity-Cybersecurity** incidents impacting large institutions, including those resulting in the compromise of sensitive data and the disruption of critical systems, suggest that the risk of such cyber events is significant, even when reasonable measures to protect the confidentiality, integrity, and availability of information are implemented. This may be as a result of deliberate malicious attempts to infiltrate our systems, including but not limited to, state- sponsored attackers or cybercriminal efforts **such as ransomware attacks**, zero- day vulnerabilities, phishing attacks, software supply chain compromises, or non- malicious factors, including but not limited to, disruptions during the process of upgrading or replacing computer software or hardware, errors by the vendors we rely upon, or other disruptions that may jeopardize the security of our assets or information. We and our service providers may not anticipate, detect, or prevent all types of attacks until after they have already been launched, particularly because the techniques used to obtain unauthorized access are increasingly sophisticated, constantly evolving and may not be known in the market. For example, as artificial intelligence continues to evolve, cyber- attackers could also use artificial intelligence to develop malicious code and sophisticated phishing attempts. Security incidents such as ransomware attacks are becoming increasingly prevalent and severe, as well as increasingly difficult to detect. In addition, security breaches or data and asset leaks can also occur as a result of non- technical issues, including intentional or inadvertent actions by our employees or by persons with whom we have commercial relationships. Further, the prevalence of remote work by some of our employees and those of our third- party service providers creates increased risk that a cybersecurity incident may occur. In addition to data loss and compromise, cybersecurity incidents or breaches of our security measures or those of our third- party service providers could result in interruption, disruption or malfunction of operations; costs relating to breach remediation, deployment or training of additional personnel and protection technologies, responses to governmental investigations and media inquiries and coverage; engagement of third party experts and consultants; loss, litigation **(including class action litigation)** or regulatory action and other potential liabilities. Any compromise or breach of our security measures, or those of our third- party service providers, could violate applicable privacy, data security and other laws and regulations, and cause significant legal and financial exposure, adverse publicity and a loss of confidence in our security measures, which could have a material adverse effect on our business, financial condition and operating results. Our reputation and brand could be damaged, our business may suffer, and we could be required to expend significant capital and other resources to alleviate problems caused by such incidents. Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. We may need to devote significant resources to protect against security breaches or to address problems caused by breaches, diverting resources from the growth and expansion of our business. See Part I, Item 1C, Cybersecurity, in this Annual Report on Form 10- K for more information regarding our cybersecurity risk management, strategy, and governance. Our failure to operate effectively in a highly competitive and evolving industry could have a material adverse effect on our business. Our business is rapidly evolving and intensely competitive, with numerous competitors including furniture stores, big box retailers, department stores, specialty retailers and online retailers and marketplaces in the U. S., Canada, the United Kingdom, **and Ireland and Germany**, including those listed in Part I, Item 1, Business. We expect competition in e- commerce generally to continue to increase. We believe that our ability to compete successfully depends upon many factors both within and beyond our control, including: • the size and composition of our customer base; • the number of suppliers and products we feature on our sites; • our selling and marketing efforts; • our ability to anticipate consumer demand and preferences; • the quality, price and reliability of products we offer; • the convenience of the shopping experience that we provide; • the adequacy of our customer service; • our ability to distribute our products and manage our operations ; • **our ability to effectively utilize technological advancements, including artificial intelligence**; and • our reputation and brand strength. Some of our current competitors have, and potential competitors may have, longer operating histories, greater brand recognition, larger fulfillment infrastructures, greater technical capabilities, faster and less costly shipping, lower prices, significantly greater financial, marketing and other resources and larger customer bases than we do. These factors may allow our competitors to derive greater net revenue and profits from their existing customer base, acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in consumer habits. Our marketing efforts to help grow our business may not be effective, and failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our e- commerce and omnichannel approach to shopping for home goods. If the online market for home goods does not continue to gain acceptance, a significant portion of our business may suffer. Our success will depend, in part, on our ability to attract consumers who have historically purchased home goods through traditional retailers. Furthermore, we may have to incur significantly higher and more sustained advertising and promotional expenditures in order to attract additional online consumers to our sites and convert them into purchasing customers online. Specific factors that could impact consumers' willingness to purchase home goods from us online, especially in markets where we do not have physical stores, include: • concerns about buying products, and in particular larger products, without a physical storefront, face- to- face interaction with sales personnel and the inability to physically handle, examine and compare products; • delivery time associated with online orders; • actual or perceived lack of security of online transactions and concerns regarding the privacy or protection of personal information; • delayed shipments or shipments of incorrect or damaged products; • inconvenience associated with returning or exchanging items purchased online; • usability, functionality and features of our sites; and In addition, if we do not have a clear and relevant promotional calendar to

engage our customers, especially in the current macroeconomic environment, our customers may purchase fewer goods from us or we may have to increase our promotional activities. If the shopping experience we provide does not appeal to consumers or meet the expectations of existing customers, we may not acquire new customers at sustainable rates, acquired customers may not become repeat customers and existing customers' buying patterns and levels may decrease. We may be subject to product liability and other similar claims and lawsuits if people or property are harmed by the products we sell. Some of the products we sell may expose us to product recalls, product liability and other claims and litigation (including class actions) or regulatory action relating to safety, personal injury, death or environmental or property damage. Some members of our supply chain may not have sufficient resources or insurance to satisfy their product liability and other indemnity and defense obligations. In addition, we are involved in lawsuits, claims and proceedings incident to the ordinary course of our business. Litigation is inherently unpredictable. Any claims against us, whether meritorious or not, could result in costly litigation that could adversely affect our business. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. If we do not have adequate contractual indemnification or insurance available, such claims could have an adverse effect on our business, financial condition, and results of operations. Even with adequate insurance and indemnification, our reputation as a provider of high- quality products and services could suffer, damaging our reputation and impacting customer loyalty. Risks associated with the suppliers from whom our products are sourced could materially adversely affect our financial performance as well as our reputation and brand. We depend on our ability to provide our customers with a wide range of products from qualified suppliers in a timely and efficient manner. Political and economic instability, global or regional adverse conditions, such as military conflicts, pandemics or other disease outbreaks or natural disasters, the financial stability or insolvency of our suppliers, our suppliers' ability to meet our code of conduct and other business standards, labor problems experienced by our suppliers, the availability or cost of raw materials, merchandise quality issues, currency exchange rates, trade tariff developments, imposition of anti- dumping and countervailing duties or other trade- related sanctions, transport availability and cost, including import- related taxes, transport security, labor inflation and other factors relating to our suppliers are beyond our control. For example, while we experienced increased sales and order activity at times during the COVID- 19 pandemic, the pandemic significantly disrupted the global supply chain, including many of our suppliers due to factory closures, raw material and labor inflation and risks of labor shortages, among other things. ~~Additionally, although we do not have direct operations in the Middle East, the ongoing conflict between Israel and Hamas and the escalating tensions in the region may impact our supply chain.~~ Any ongoing or future disruptions could materially and adversely affect our suppliers' ability to provide products in a timely manner, or at all, which may materially and adversely affect our business, financial condition and operating results. Our agreements with most of our suppliers do not provide for the long- term availability or exclusivity of merchandise or the continuation of particular pricing practices. There can be no assurance that our current suppliers will continue to seek to sell us products on current terms or that we will be able to establish new or otherwise extend current supply relationships to ensure product availability on acceptable commercial terms. Our ability to develop and maintain relationships with reputable suppliers and offer high quality merchandise to our customers is critical to our success. If we are unable to develop and maintain relationships with suppliers that would allow us to offer a sufficient amount and variety of quality merchandise on acceptable commercial terms, our ability to satisfy our customers' needs, and therefore our long- term growth prospects, would be materially adversely affected. Further, we rely on our suppliers' representations of product quality, safety and compliance with applicable laws and standards. If our suppliers or other vendors violate our agreements, applicable laws or regulations, or implement practices regarded as fraudulent, unethical, unsafe, or hazardous to the environment, it could harm our business, reputation and brands and our operating results may be negatively affected. Further, concerns regarding the safety and quality of products provided by our suppliers could cause our customers to avoid purchasing those products from us, or avoid purchasing products from us altogether, even if the basis for the concern is outside our control. As such, any issue, or perceived issue, regarding the quality and safety of any items we sell, regardless of the cause, could adversely affect our brand, reputation, operations and financial results. We are also subject to risks of fraud from our suppliers. We also are unable to predict whether any of the countries in which our suppliers' products are currently manufactured or may be manufactured in the future will be subject to new, different, or additional trade restrictions imposed by the U. S. or foreign governments or the likelihood, type or effect of any such restrictions. **Any Significant portions of the merchandise we source are manufactured outside of the U. S., and any event causing a disruption or delay of imports from suppliers with international manufacturing operations, including the imposition of increased tariffs or quotas, additional import restrictions, or restrictions on the transfer of funds or increased tariffs or quotas, could increase the cost or reduce the supply of merchandise available to our customers and materially adversely affect our financial performance as well as our reputation and brand. Furthermore, some or For all example, the U. S. has recently imposed new tariffs on China related to the importation of certain product categories and the U. S. has proposed additional tariffs on goods shipped from China, including the home goods category. China has responded with retaliatory tariffs. These tariffs will likely increase the cost of our products and negatively impact our operating results. Although we are currently seeking opportunities to engage additional suppliers' foreign operations may outside of China, there can be adversely no assurance that we will be able to offset any increased costs or secure any additional suppliers outside of China. Additionally, the availability of certain products could be affected if suppliers choose to limit by political and financial instability, including, without limitation, the military conflicts in Ukraine and the Middle East, as well as other their exposure to U. S. markets unexpected events, including public health crises resulting in the disruption of response to unfavorable trade policies from exporting countries, restrictions on the transfer of funds or other trade and we may be unable to source alternatives quickly enough to avoid disruptions- interruptions in product supply.** In addition, with respect to our business with foreign suppliers, particularly for our international sites, we have in the past and may in the future be affected by changes in the value of the U. S. dollar relative to other foreign currencies. For example, any movement by any other foreign

currency against the U. S. dollar may result in higher costs to us for those goods. Declines in foreign currencies and currency exchange rates might negatively affect the profitability and business prospects of one or more of our foreign suppliers. This, in turn, has caused and may in the future cause such foreign suppliers to demand higher prices for merchandise in their effort to offset any lost profits associated with any currency devaluation, delay merchandise shipments, or discontinue selling to us altogether, any of which could ultimately reduce our sales or increase our costs. We may be unable to source new suppliers or strengthen our relationships with current suppliers. We have relationships with over 20 thousand suppliers. Our agreements with suppliers are generally terminable at will by either party upon short notice. If we do not maintain our existing relationships or build new relationships with suppliers on acceptable commercial terms, we may not be able to maintain a broad selection of merchandise, and our business and prospects would suffer severely. In order to attract quality suppliers to our platform, we must:

- demonstrate our ability to help our suppliers increase their sales;
- provide an effective and competitive supplier technology platform; and
- offer suppliers a high quality, cost- effective fulfillment process.

If we are unable to provide our suppliers with a compelling return on investment and an ability to increase their sales, we may be unable to maintain and / or expand our supplier network, which would negatively impact our business. We depend on our suppliers and other third parties, including logistics service providers, customs brokers and carriers, to perform certain services regarding the products that we offer. As part of offering our suppliers' products for sale, suppliers are often responsible for conducting a number of traditional retail operations with respect to their respective products, including maintaining inventory, preparing merchandise for shipment to our customers, and, in some cases, delivering products on our behalf. In these instances, we may be unable to ensure that suppliers will perform these services to our or our customers' satisfaction in a manner that provides our customer with a unified brand experience or on commercially reasonable terms. If our customers become dissatisfied with the services provided by our suppliers, our business, reputation and brands could suffer. Additionally, we primarily rely on a single carrier, FedEx, for the delivery of our small parcel products, and third party national, regional and local transportation companies deliver a portion of our large parcel products, including through our Wayfair Delivery Network. Our ability to efficiently ship products to customers **has been and may be in the future** negatively affected by factors beyond our and our carriers' control, **which may including include** inclement weather, natural disasters, system interruptions and technology failures, labor activism, supply chain issues, including congestion and delays, labor inflation and increased costs, political instability, military conflicts, health pandemics and epidemics or bioterrorism .~~For example, following the initial conflict between Israel and Hamas in the Middle East, the Houthi movement in Yemen, launched a number of attacks on marine vessels traversing the Red Sea causing significant operational disruptions for certain third- party business partners. The conflict is ongoing, and should it escalate or expand, it could result in delays, increased costs, and potential disruptions to the arrival of our products. We are also subject to risks of breakage or other damage during delivery by any of these third parties.~~ We also use and rely on other services from third parties, such as cloud computing services, telecommunications services, customs, consolidation and shipping services, as well as warranty, installation, assembly and design services. We may be unable to maintain these relationships, and these services **have been in the past and may also be in the future** subject to outages and interruptions that are not within our control .~~For example, failures by our telecommunications providers have in the past and may in the future interrupt our ability to provide phone support to our customers.~~ Third parties may in the future determine they no longer wish to do business with us or may decide to take other actions that could harm our business. We may also determine that we no longer want to do business with them. If products are not delivered in a timely fashion or are damaged during the delivery process **by any of our third party transportation companies**, or if we are not able to provide adequate customer support or other services or offerings, our customers could become dissatisfied and cease buying products through our sites, which would adversely affect our operating results. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price. The Sarbanes- Oxley Act of 2002 requires that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluation, document our controls and perform testing of our key control over financial reporting to allow management and our independent public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes- Oxley Act. Our testing, or the subsequent testing by our independent public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. If we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock would likely decline and we could be subject to lawsuits, sanctions or investigations by regulatory authorities, including SEC enforcement actions, and we could be required to restate our financial results, any of which would require additional financial and management resources. We continue to invest in more robust technology and resources to manage ~~these~~ reporting requirements . **For example, in the first quarter of 2024, we transitioned to our new financial accounting system for financial reporting which is designed to enhance the flow of financial information, improve data management and provide both accurate and timely financial reporting** . Implementing the appropriate changes to our internal controls may distract our officers and employees, result in substantial costs and require significant time to complete. Any difficulties or delays in implementing these controls could impact our ability to timely report our financial results. For these reasons, we may encounter difficulties in the timely and accurate reporting of our financial results, which would impact our ability to provide our investors with information in a timely manner. As a result, our investors could lose confidence in our reported financial information, and our stock price could decline. In addition, any such changes do not guarantee that we will be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy could prevent us from accurately reporting our financial results. We may be unable to accurately forecast our financial and operating results and appropriately plan our expenses in the future or we may fail to meet our publicly announced guidance

about our business and future operating results. Our financial and operating results are inherently uncertain and difficult to forecast because they generally depend on the volume, timing and type of orders we receive, all of which are uncertain. In particular, we cannot be sure that our historical growth rates, trends and other key performance metrics are meaningful predictors of future growth. In addition, our mix of product offerings is highly variable from day- to- day and quarter- to- quarter. This variability makes it difficult to predict sales and could result in significant fluctuations in our net revenue from period- to- period. Our business is also affected by economic and business conditions globally, including inflation, slower growth or recession, new or increased tariffs and other changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment, consumer confidence in the economy, consumer debt levels, energy prices, and currency fluctuations - ~~Additionally, the volatile and uncertain macroeconomic environment that we have experienced since the onset of the COVID-19 pandemic has likely reduced, and may continue to reduce, our ability to forecast our future financial and operating results.~~ As a result, forecasted financial and operating results may differ materially from actual results, which may materially adversely affect our financial condition and stock price. For example, if certain of our assumptions or estimates prove to be wrong, we may spend more than we anticipate acquiring and retaining customers or may generate less net revenue per active customer than anticipated, which could cause us to miss our earnings guidance or negatively impact the results we report, either of which could negatively impact our stock price. From time to time, we release earnings guidance or other financial guidance in our quarterly and annual earnings conference calls or otherwise, regarding our future performance that represents our management' s estimates as of the date of release. Our guidance includes forward- looking statements based on projections prepared by our management. Projections are based upon a number of assumptions and estimates that are based on information known when they are issued, and, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies relating to our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. Some of those key assumptions include broader macroeconomic conditions and the resulting impact of these factors on future consumer spending patterns and our business. These assumptions are inherently difficult to predict, particularly in the long term. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to imply that actual results could not fall outside of the suggested ranges. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our actual business results may vary significantly from such guidance or estimates or that consensus due to a number of factors, many of which are outside of our control, including global economic uncertainty and financial market conditions, geopolitical events, rising inflation, and rising interest rates, potential recessionary factors, and foreign exchange rate volatility, which could adversely affect our business and future operating results. We use the reports and models of economic experts in making assumptions relating to consumer discretionary spending and predictions as to timing and pace of any future economic impacts. If these models are incorrect or incomplete, or if we fail to accurately predict the full impact of certain factors, such as macroeconomic factors, the guidance and other forward- looking statements we provide may also be incorrect or incomplete. Furthermore, if we make downward revisions of our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of analysts, investors, or other interested parties, the price of our common stock could decline. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock. Seasonal trends in our business create variability in our financial and operating results and place increased strain on our operations. Historically, we have experienced surges in online traffic and orders associated with promotional activities and seasonal trends. This activity may place additional demands on our technology systems and logistics network and could cause or exacerbate slowdowns or interruptions. Any such system, site or service interruptions could prevent us from efficiently receiving or fulfilling orders, which may reduce the volume or quality of goods or services we sell and may cause customer dissatisfaction and harm our reputation and brand. Our business may be adversely affected if we are unable to ~~provide our customers a cost-effective shopping platform that is able to~~ respond and adapt to rapid changes in technology. The number of people who access the Internet through devices other than personal computers, including mobile phones, smartphones, smartwatches, handheld computers such as notebooks and tablets, video game consoles and television set- top devices, has increased dramatically in the past few years. We continually upgrade existing technologies and business applications to keep pace with these rapidly changing and continuously evolving technologies, and we may be required to implement new technologies, such as those related to artificial intelligence, or business applications in the future. The implementation of these upgrades and changes requires significant investments and as new devices, operating systems and platforms are released, it is difficult to predict requirements or the problems we may encounter in developing applications for these alternative devices, operating systems and platforms. Additionally, we may need to devote significant resources to the support and maintenance of such applications once created. Our results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to our systems and infrastructure to accommodate such alternative devices, operating systems and platforms. Further, in the event that it is more difficult or less compelling for our customers to buy products from us on their mobile or other devices, or if our customers choose not to buy products from us on such devices or to use mobile or other products that do not offer access to our sites or limit the effectiveness of our marketing or other offerings, our customer growth could be harmed and our business, financial condition and operating results may be materially adversely affected. **Additionally, Limitations on the availability of capital and reductions to capital expenditures may delay or our competitors may outpace us in incorporating new** ~~prevent deployment of strategic initiatives. Implementation of our key strategic initiatives, including our technology~~ **technologies transformation, expansion such as artificial intelligence, into physical retail and the their continued expansion of** ~~product offerings and engagement with customers, which could affect our competitiveness and operational~~

outcomes. Our efforts to utilize these technological advancements may not be successful, may result in substantial integration and maintenance costs, and may expose us to additional risks. The content, analyses, our or proprietary logistics network recommendations generated by artificial intelligence programs, if deficient, inaccurate, or biased, could adversely impact our require significant capital expenditures. A lack of available capital resources due to business performance, financial condition, and operational results, as well as our reputation. Moreover, ethical concerns associated with artificial intelligence could lead to brand damage, competitive disadvantages or legal repercussions. Any problems with our implementation or use of artificial intelligence or other financial commitments technological advancements could negatively impact prevent or delay the deployment of innovations in our business or results of. We may reduce capital expenditures significantly or our operations seek additional financing or issue additional securities, which may affect the timing and scope of growth strategy. We cannot be certain that we will be able to obtain new financing on favorable terms, or at all.

Significant merchandise returns could harm our business. We allow our customers to return products, subject to our return policy. If merchandise returns are significant, our business, prospects, financial condition and results of operations could be harmed. Further, we modify our policies relating to returns from time to time, which may result in customer dissatisfaction or an increase in the number of product returns. Many of our products are large and require special handling and delivery. From time to time our products are damaged in transit, which can increase return rates and harm our brand. Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely deliver such communications could materially adversely affect our net revenue and business. Our business is highly dependent upon email and other messaging services, including our mobile application, for promoting our sites and products. Daily promotions offered through emails and other messages sent by us, or on our behalf by our vendors, generate a significant portion of our net revenue. We provide daily emails and "push" communications to customers and other visitors informing them of what is available for purchase on our sites that day, and we believe these messages are an important part of our customer experience and operations strategy. If we are unable to successfully deliver emails or other messages to our subscribers, or if subscribers decline to open our emails or other messages, our net revenue and profitability would be materially adversely affected. Changes in how webmail applications organize and prioritize email may also reduce the number of subscribers opening our emails. For example, Google's Gmail service has a feature that organizes incoming emails into categories and such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a subscriber's inbox or viewed as "spam" by our subscribers and may reduce the likelihood of that subscriber opening our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages could also adversely impact our business. From time to time, Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to third parties. Changes in the laws or regulations that limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications would also materially adversely impact our business. Our use of email and other messaging services to send communications about our sites or other matters may also result in legal claims against us, which may cause us increased expenses, and if successful might result in fines and orders with costly reporting and compliance obligations or might limit or prohibit our ability to send emails or other messages. We also rely on social networking messaging services to send communications and to encourage customers to send communications. Changes to the terms of these social networking services to limit promotional communications, any restrictions that would limit our ability or our customers' ability to send communications through their services, disruptions or downtime experienced by these social networking services or decline in the use of or engagement with social networking services by customers and potential customers could materially adversely affect our business, financial condition and operating results. We are subject to risks related to online transactions and payment methods. We accept payments using a variety of methods, including credit card, debit card, electronic and mobile payment technologies, credit accounts (including promotional financing), installment loans, lease to own plans, gift cards and customer invoicing. We rely on third parties to provide many of these payment methods and payment processing services, including certain Wayfair-branded programs and promotional financing. If we offer new payment options to consumers, we may be subject to additional regulations, compliance requirements and payment fraud. Additionally, changes to existing laws and regulations or their interpretation, or the adoption of new laws or regulations could require mandatory changes to our payment options. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We also offer private label and / or co-branded credit card programs, which could adversely affect our operating results if terminated. We are also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. As our business changes, we may also be subject to different rules under existing standards, which may require new assessments that involve costs above what we currently pay for compliance. If we fail to comply with the rules or requirements of any provider of a payment method we accept, if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept, or if a data breach occurs relating to our payment systems, we may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit card and debit card payments from consumers or to facilitate other types of online payments. If any of these events were to occur, our business, financial condition and operating results could be materially adversely affected. We occasionally receive orders placed with fraudulent credit card data. We have in the past, and may in the future, suffer losses as a result of orders placed with fraudulent credit card data even if the associated financial institution approved payment of the orders. Under current credit card practices, we may be liable for fraudulent credit card transactions. We have in the past, and may in the future also suffer losses from other online transaction fraud, including fraudulent returns. If we are unable to detect or control credit card or transaction fraud, our liability for these transactions could harm our business, financial condition and operating results. We rely on the performance of

members of management and highly skilled personnel, and if we are unable to attract, develop, motivate and retain well-qualified employees, our business could be harmed. We believe our success has depended, and continues to depend, on the efforts and talents of Niraj Shah, one of our co-founders, co-chairman of the board of directors (the “Board”) and our Chief Executive Officer, Steven Conine, one of our co-founders and co-chairman of the Board, and the other members of our senior management team. The loss of any of our senior management or other key employees could materially harm our business. Our future success also depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees, particularly mid-level managers, engineers and merchandising and technology personnel. ~~We~~ **In the past, we** have recently implemented **reorganizations and** workforce reductions and may in the future implement other **reorganizations or** reductions in force. For example, in January ~~2024~~ **2025**, as part of our cost efficiency plan, we ~~reduced~~ **announced** our workforce by **decision to exit the German market, impacting** approximately ~~730~~ **1,650** employees. ~~As a result of this workforce reduction, although we expect to incur approximately half \$70 million and \$80 million of these positions to relocate to other corporate offices costs, consisting primarily of employee severance and benefit costs.~~ Any **reorganization or** reduction in force may yield unintended consequences and costs, such as the loss of institutional knowledge, relationships and expertise for certain critical roles, attrition beyond the intended **plan reduction in force**, the distraction of employees, reduced employee morale and adverse effects to our reputation as an employer, which could make it more difficult for us to hire new employees in the future, and the risk that we may not achieve the anticipated benefits from the **process reduction in workforce**. The market for such positions in the Boston area and other cities in which we operate is competitive. Qualified individuals are in high demand, and we may incur significant costs to attract them. Our inability to recruit and develop mid-level managers could materially adversely affect our ability to execute our business plan, and we may not be able to find adequate replacements, particularly in light of high attrition rates in some regions where we have operations. These risks to attracting and retaining the necessary talent may be exacerbated by recent labor constraints and inflationary pressures on employee wages and benefits. All of our officers and other U. S. employees are at-will employees, meaning that they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We use equity awards to attract talented employees. If the value or liquidity of our common stock declines or remains depressed, that may prevent us from recruiting and retaining qualified employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business, financial condition and operating results may be materially adversely affected. Our business could suffer if we are unsuccessful in making, integrating and maintaining acquisitions and investments. As part of our business strategy, we may acquire other companies, businesses or assets. However, we may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. Acquisitions involve numerous risks, any of which could harm our business, including: difficulties in integrating the technologies, operations, existing contracts and personnel of an acquired company; difficulties in supporting and transitioning customers and suppliers, if any, of an acquired company; diversion of financial and management resources from existing operations or alternative acquisition opportunities; failure to realize the anticipated benefits or synergies of a transaction; failure to identify all of the problems, liabilities or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, regulatory compliance practices, liabilities related to data security and privacy of customer data, the acquired company's internal controls over financial reporting, including revenue recognition or other accounting practices; employee or customer issues; risks of entering new markets in which we have limited or no experience; potential loss of senior management or other key employees, customers and suppliers from either our current business or an acquired company's business; inability to generate sufficient net revenue to offset acquisition costs; additional costs or equity dilution associated with funding the acquisition; and possible write-offs or impairment charges relating to acquired businesses, and these liabilities may be greater than the warranty and indemnity limitations we negotiate. In addition, our investments in properties may not be fully realized. We continually review our operations and facilities in an effort to reduce costs and increase efficiencies. For strategic or other operational reasons, we may decide to consolidate or co-locate certain aspects of our business operations or dispose of one or more of our properties. For example, we have increasingly moved to virtualize certain customer service centers. If we decide to fully or partially vacate a leased property, we may incur significant costs, including facility closing costs, employee separation and retention expenses, lease termination fees, rent expense in excess of sublease income, impairment charges for right-of-use (“ROU”) assets and leasehold improvements and accelerated depreciation of assets. Any of these events may materially adversely affect our business, financial condition and operating results. We may not be able to adequately protect our intellectual property rights. We regard our customer lists, trademarks, domain names, copyrights, patents, trade dress, trade secrets, proprietary technology and similar intellectual property as critical to our success, and we rely on a combination of trademark, copyright and patent law, trade dress, trade secret protection, agreements, and other methods together with the diligence our employees and others to protect our proprietary rights. We might not be able to obtain broad protection in the U. S. or internationally for all of our intellectual property, and we might not be able to obtain effective intellectual property protection in every country in which we sell products or perform services. For example, we are the registrant of marks for our brands in numerous jurisdictions and of the Internet domain name for ~~the our~~ **the our** websites **of** ~~at~~ **at** Wayfair. com, Wayfair. ca, Wayfair. co. uk, ~~Wayfair. de~~ and Wayfair. ie and our other sites, as well as various related domain names. However, we have not registered our marks or domain names in all major international jurisdictions and may not be able to register or use such domain names in all of the countries in which we currently or intend to conduct business. Further, we might not be able to prevent third parties from registering, using or retaining domain names that interfere with our consumer communications or infringe or otherwise decrease the value of our marks, domain names and other proprietary rights. The protection of our intellectual property rights may require the expenditure of significant financial, managerial and operational resources. We have in the past and may in the future initiate claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights or proprietary rights or to establish the validity of such rights.

Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may materially adversely affect our business, financial condition and operating results. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights, and we may not be able to broadly enforce all of our trademarks or patents. Any of our patents, marks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Our patent and trademark applications may never be granted. Additionally, the process of obtaining intellectual property protections is expensive and time-consuming, and we may not be able to pursue all necessary or desirable actions at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that these protections will adequately safeguard our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. We also cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights. We may also be exposed to claims from third parties claiming infringement of their intellectual property rights, demanding the release or license of open source software or derivative works that we developed using such software (which could include our proprietary code) or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license, publicly release the affected portions of our source code, be limited in or cease using the implicated software unless and until we can re-engineer such software to avoid infringement or change the use of the implicated open source software. We have been, and may again be, accused of infringing intellectual property rights of third parties. The e-commerce industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. We are subject to claims and litigation by third parties that we infringe their intellectual property rights, and we expect additional claims and litigation with respect to infringement to occur in the future. The costs of supporting such litigation and disputes are considerable, and there can be no assurances that favorable outcomes will be obtained. As our business expands and the number of competitors in our market increases and overlaps occur, we expect that infringement claims may increase in number and significance. Any claims or proceedings against us, whether meritorious or not, could be time-consuming, result in considerable litigation costs, require significant amounts of management time or result in the diversion of significant operational resources, any of which could materially adversely affect our business, financial condition and operating results. Legal claims regarding intellectual property rights are subject to inherent uncertainties due to the oftentimes complex issues involved, and we cannot be certain that we will be successful in defending ourselves against such claims. In addition, some of our larger competitors have extensive portfolios of issued patents. Many potential litigants, including patent holding companies, have the ability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Furthermore, a successful claimant could secure a judgment that requires us to pay substantial damages or prevents us from conducting our business as we have historically done or may desire to do in the future. We might also be required to seek a license and pay royalties for the use of such intellectual property, which may not be available on commercially acceptable terms, or at all. Alternatively, we may be required to develop non-infringing technology or intellectual property, which could require significant effort and expense and may ultimately not be successful. We have received in the past, and we may receive in the future, communications alleging that certain items posted on or sold through our sites violate third-party copyrights, designs, marks and trade names or other intellectual property rights or other proprietary rights. Brand and content owners and other proprietary rights owners have actively asserted their purported rights against online companies, including Wayfair. In addition to litigation from rights owners, we may be subject to regulatory, civil or criminal proceedings and penalties if governmental authorities believe we have aided and abetted in the sale of counterfeit or infringing products. Such claims, whether or not meritorious, may result in the expenditure of significant financial, managerial and operational resources, injunctions against us or the payment of damages by us. We may need to obtain licenses from third parties who allege that we have violated their rights, but such licenses may not be available on terms acceptable to us, or at all. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. We are engaged in legal proceedings **from time to time** that could cause us to incur unforeseen expenses and could occupy a significant amount of our management's time and attention. From time to time, we are subject to litigation or claims that could negatively affect our business operations and financial position. As we have grown, we have seen a rise in the number of litigation matters against us. These matters have included intellectual property claims, employment related litigation, as well as consumer and securities class actions, each of which are typically expensive to defend. Litigation disputes could cause us to incur unforeseen expenses, result in site unavailability, service disruptions and otherwise occupy a significant amount of our management's time and attention, any of which could negatively affect our business operations and financial position. We also from time to time receive inquiries and subpoenas and other types of information requests from government authorities and we may become subject to related claims and other actions related to our business activities. While the ultimate outcome of investigations, inquiries, information requests and related legal proceedings is difficult to predict, such matters can be expensive, time-consuming and distracting, and adverse resolutions or settlements of those matters may result in, among other things, modification of our business practices, reputational harm or costs and significant payments, any of which could negatively affect our business operations and financial position. We cannot guarantee that our stock repurchase program will be fully consummated or that it will enhance long-term shareholder value. Stock repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves. In August 2020, the Board authorized a stock repurchase program of up to \$ 700 million of our Class A common stock in the open market, through privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan (the "2020 Repurchase Program"). On August 10, 2021, the Board authorized a new \$ 1.0 billion stock repurchase program on the same terms (the "2021 Repurchase Program" together with the 2020 Repurchase Program, the "Repurchase Programs"). Wayfair will begin repurchasing shares under the 2021 Repurchase Program upon the completion of the 2020 Repurchase Program. Although the

Board has authorized the Repurchase Programs, the programs do not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares. The amount, timing, and purchases under our stock repurchase program, if any, are influenced by many factors and may fluctuate based on our operating results, cash flows, and priorities for the use of cash, the market price of our common stock, and our possession of potentially material nonpublic information. Even if our Repurchase Programs are fully implemented, we cannot guarantee that the Repurchase Programs will be fully consummated or that the programs will enhance long-term stockholder value. The programs could affect the trading price of our Class A common stock and increase volatility, and any announcement of a termination of either program may result in a decrease in the trading price of our Class A common stock. In addition, the amount, timing, and execution of our Repurchase Programs may fluctuate based on our priorities for the use of cash for other purposes, and because of changes in cash flows, tax laws, and the market price of our Class A common stock, the Repurchase Programs could diminish our cash reserves. Risks Related to our Indebtedness and Capital Raising Our outstanding indebtedness, or additional indebtedness that we may incur, could limit our operating flexibility and adversely affect our financial condition. As of December 31, 2023-2024, we had \$ 3.2 billion of principal indebtedness outstanding, \$ 117-236 million of which is characterized as short-term debt and presented within other current liabilities in the consolidated balance sheets. Our indebtedness includes ~~unsecured 1.125 % Convertible Senior Notes due 2024 that mature on November 1, 2024 (the “ 2024 Notes ”),~~ unsecured 0.625 % Convertible Senior Notes due 2025 that mature on October 1, 2025 (the “ 2025 Notes ”), unsecured 1.00 % Convertible Senior Notes due 2026 that mature on August 15, 2026 (the “ 2026 Notes ”), unsecured 3.25 % Convertible Senior Notes due 2027 that mature on September 15, 2027 (the “ 2027 Notes ”), unsecured 3.50 % Convertible Senior Notes due 2028 that mature on November 15, 2028 (the “ 2028 Notes ”), and together with the 2024 Notes, 2025 Notes, 2026 Notes and the 2027 Notes, the “ Non- Accreting Notes ”, and ~~7 unsecured 2.50-250 % Accreting Convertible Senior~~ **Secured** Notes due ~~2025-2029~~ that mature on ~~April 1~~ **October 31**, ~~2025-2029~~ (the “ ~~2025-2029 Accreting Secured~~ Notes ” and together with the Non- Accreting Notes, the “ Notes ”). At maturity of the Non- Accreting Notes, unless earlier purchased, redeemed or converted, we will settle any conversions in cash, shares of Wayfair’s Class A common stock or a combination thereof, at our election. ~~At maturity of the Accreting Notes, unless earlier purchased, redeemed or converted, we will settle any conversions in shares of Wayfair’s Class A common stock.~~ If any ~~of the Non- Accreting~~ Notes are not converted at or prior to maturity, we will be required to pay the holder thereof the principal amount ~~or, with respect to~~ **in cash. At maturity of the 2025-2029 Accreting Secured** Notes, **unless earlier purchased, we will be required to pay** the ~~accrued~~ **holders thereof the** principal amount ~~in cash.~~ We pay interest semiannually in arrears at fixed rates per annum of ~~1.125 % for the 2024 Notes,~~ 0.625 % for the 2025 Notes, 1.00 % for the 2026 Notes, 3.25 % for the 2027 Notes and ~~3.50 % for the 2028 Notes~~ **and 7. The 250 % for the 2025-2029 Accreting Secured** Notes ~~accrue interest at a rate of 2.50 % per annum, which accretes semiannually to the principal amount.~~ Under certain circumstances, the holders of the Notes may require us to repay all or a portion of the principal and interest outstanding under the Notes in cash prior to the maturity date, which could have an adverse effect on our liquidity and financial condition. We have the ability to borrow up to \$ 600 million under our senior secured revolving credit facility (the “ Revolver ”) to finance working capital and provide funds for permitted acquisitions, repurchases of equity interests and other general corporate purposes. If we draw down on this facility, our interest expense and principal repayment requirements will increase, which could have an adverse effect on our financial results and our ability to make payments on the Notes. Further, the agreements governing the Revolver contain numerous requirements, including affirmative, negative and financial covenants. As a result of these covenants, our ability to respond to changes in business and economic conditions and engage in beneficial transactions, including to obtain additional financing as needed, may be restricted. Our failure to comply with any of these covenants or to meet any payment obligations under the Revolver could result in an event of default which, if not cured or waived, would result in any amounts outstanding, including any accrued interest and unpaid fees, becoming immediately due and payable. We might not have sufficient working capital or liquidity to satisfy any repayment obligations in the event of an acceleration of those obligations. Our business may not be able to generate sufficient cash flow from operations, and we can give no assurance that future borrowings will be available to us in amounts sufficient to enable us to pay our indebtedness as such indebtedness matures, including the Notes, and to fund our other liquidity needs. If this occurs, we will need to refinance all or a portion of our indebtedness on or before maturity. Any new or refinanced debt may be subject to substantially higher interest rates and restrictive covenants that could reduce our operational flexibility, and there can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all. We may need to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, or obtaining additional equity or debt financing. We may sell Class A common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. Our ~~convertible Non- Accreting notes-Notes~~ are and any future issuance of equity or equity-linked securities would be dilutive to holders of our Class A common stock. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Class A common stock or our ~~convertible Non- Accreting notes-Notes~~. These alternative strategies may not be implemented on satisfactory terms, if at all. Our ability to refinance our indebtedness or obtain additional financing, or to do so on commercially reasonable terms, may depend on, among other things, our financial condition at the time, our credit rating, restrictions in agreements governing our indebtedness, and other factors, including the condition of the financial markets and the markets in which we compete. Further, we may from time to time seek to retire, restructure, repurchase or redeem, or otherwise mitigate the equity dilution associated with, our outstanding convertible debt, through cash purchases, stock buybacks of some or all of the shares underlying ~~convertible~~ **the Non- Accreting notes-Notes**, and / or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, exchanges or liability management exercises, if any, will be upon such terms and at such prices and sizes as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. Current capital market conditions, including the impact of inflation, have increased

borrowing rates and can be expected to significantly increase our cost of capital as compared to prior periods should we seek additional funding. Quantitative tightening by the U. S. Federal Reserve, along with other central banks around the world, may further negatively affect our short- term ability or desire to incur debt. Moreover, global capital markets have undergone periods of significant volatility and uncertainty in the past, and there can be no assurance that such financing alternatives will be available to us on favorable terms or at all, should we determine it necessary or advisable to seek additional capital. If we do not generate sufficient cash flow from operations, and additional borrowings, refinancings or proceeds from equity or debt issuances or asset sales are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including our obligations under the Revolver or the Notes. Further, our failure to service our existing and future indebtedness or other liabilities or maintain compliance with the financial covenants in our debt agreements could result in default under the related debt agreements or other alternatives that could result in our stockholders losing some or all of their equity investment in us. The conditional conversion feature of any series of the Non- Accreting Notes, if triggered, may adversely affect our financial condition and operating results. If the conditional conversion feature of any series of our Non- Accreting Notes is triggered, holders of such series of Non- Accreting Notes will be entitled to convert the applicable series of Non- Accreting Notes at any time during specified periods at their option. If one or more holders elect to convert their Non- Accreting Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. To the extent we satisfy our conversion obligation of the Non- Accreting Notes by delivering shares of our Class A common, we would be required to deliver a significant number of shares, which would cause dilution to our existing stockholders. In addition, even if holders do not elect to convert their Notes in such circumstances, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the applicable series of Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. Risks Related to Laws and Regulations Government regulation of the Internet and e- commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and operating results. We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e- commerce. Existing and future regulations and laws could impede the growth of the Internet, e- commerce or mobile commerce. These regulations and laws may involve taxes, tariffs, privacy and data security, anti- spam, content protection, artificial intelligence, electronic contracts and communications, consumer protection, Internet neutrality and gift cards. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e- commerce. It is possible that general business regulations and laws, or those specifically governing the Internet or e- commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non- compliance with any such laws or regulations. In addition, it is possible that governments of one or more countries may seek to censor content available on our sites or may even attempt to completely block access to our sites. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected, and we may not be able to maintain or grow our net revenue and expand our business as anticipated. For instance, since 2022 the U. S. and other countries have implemented a series of sanctions against Russia in response to the conflict in Ukraine and U. S. agencies have enhanced trade restrictions. Further, as we enter new market segments or channels or geographical areas and expand the products and services we offer, we may be subject to additional laws and regulatory requirements or prohibited from conducting our business, or certain aspects of it, in certain jurisdictions. We will incur additional costs complying with these additional obligations and any failure or perceived failure to comply would adversely affect our business and reputation. In addition, there is also uncertainty regarding potential laws, regulations and policies related to **ESG-sustainability**, climate change laws and regulations, and global environmental sustainability matters, including disclosure obligations and reporting on such matters. Changes in the legal or regulatory environment affecting **ESG-sustainability**, climate change, and sustainability disclosure, responsible sourcing, supply chain transparency, or environmental protection, among others, including regulations to limit carbon dioxide and other **GHG** greenhouse gas emissions, to discourage the use of plastic or to limit or to impose additional costs on commercial water use may result in increased compliance costs for us and our business partners, all of which may negatively impact our results of operations, financial condition and cash flows. The expectations related to **ESG and** sustainability matters are rapidly evolving, and from time to time, we announce certain initiatives and goals -related to these matters. We could fail, or be perceived to fail to act responsibly, in our efforts, or we could fail in accurately reporting our progress on such initiatives and goals. Additionally, the rapid evolution and increased adoption of artificial intelligence technologies and our obligations to comply with emerging laws and regulations may require us to develop additional artificial intelligence- specific governance programs. As these new laws, regulations, treaties and similar initiatives and programs are adopted and implemented, we will be required to comply or potentially face market access limitations or restrictions on our products entering certain jurisdictions, sanctions or other penalties, including fines. Such burdens or costs may result in an adverse effect on our financial condition, results of operations and cash flows. We could also face significant compliance and operational burdens and incur significant costs in our efforts to

comply with or rectify non-compliance with these laws or regulations. Failure to comply with federal, state and international laws and regulations relating to privacy, data protection and consumer protection, or the expansion of current, or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, could adversely affect our business reputation and our financial condition. We are subject to a variety of federal, state and international privacy laws and regulations that govern the collection, use, retention, sharing, processing, export and security of personal information. New laws and regulations are rapidly coming into effect while existing legislation is rapidly continuously evolving. Among others, we are subject to several global and state laws, including, but not limited to, the General Data Protection Regulation ("EU-GDPR") in the European Union ("EU") and, following the United Kingdom's withdrawal from, California Consumer Privacy Act, as amended by the California Privacy Rights Act ("CPRA U.K.") together with the EU-GDPR is referred to herein as "GDPR"). The In the U. S., the SEC adopted new rules requiring public companies to disclose information about a material cybersecurity incident, including any breach of personal data, within four business days of determining that it has experienced a material cybersecurity incident. Further, we are subject to various state privacy laws, several of which went into effect in 2023 (i.e. California, Virginia, Colorado, Connecticut and Utah), and new state privacy laws will come into effect in 2024 (i.e., Montana, Oregon and Texas) all of which give new data privacy rights to their respective residents and impose significant obligations on controllers and processors of consumer data. The potential effects of these laws, and any other regulations under consideration around the globe, are far-reaching, uncertain, and evolving, and may require us to modify our data processing practices and policies and incur substantial costs and expenses in an effort to comply. These laws are complex and subject to potentially differing interpretations and there is no harmonized approach to maintaining compliance. Requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, we may need to limit the way we use personal information and may have difficulty maintaining a single, compliant operating model. Further, many of these laws may require consent from consumers for the use of data for various purposes, including marketing, which may limit our ability to market our products. Compliance with such laws and regulations will result in additional costs and may necessitate changes to our business practices and divergent operating models, which may adversely affect our business and financial condition. Our practices may not comply, or may not comply in the future, with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any federal, state or international privacy or consumer protection-related laws, regulations, or regulatory guidance or other legal obligations relating to privacy or consumer protection could adversely affect our reputation, brand and business, and may result in claims, proceedings or actions against us by governmental entities and other third parties or other liabilities or require us to change our operations and / or cease using certain data sets. Any such claim, proceeding or action, including a complaint by an activist to a regulatory authority or other public statement criticizing our practices could hurt our reputation, brand and business, force us to incur significant expenses in defense of such proceedings, distract our management, increase our costs of doing business, result in a loss of customers and suppliers and may result in the imposition of monetary penalties and otherwise adversely affect our financial condition and operating results. We may also be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy or consumer protection or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business. If the use of "cookie" tracking technologies is further restricted, regulated, or blocked, or if changes in technology cause cookies to become less reliable or acceptable as a means of tracking consumer behavior, the amount or accuracy of Internet user information we collect would decrease, which could harm our business and operating results. Cookies are small data files that are sent by websites and stored locally on an Internet user's computer or mobile device. We, and third parties who work on our behalf, collect data via cookies that is used to track the behavior of visitors to our sites, to provide a more personal and interactive experience, and to increase the effectiveness of our marketing. However, Internet users can easily disable, delete and block cookies directly through browser settings or through other software, browser extensions or hardware platforms that physically block cookies from being created and stored. Federal, state and international governmental authorities continue to evaluate the privacy implications inherent in the use of proprietary or third-party "cookies" and other methods of online tracking for behavioral advertising, analytics and other purposes. U. S. and foreign governments have enacted, have considered or are considering legislation or regulations that could significantly restrict the ability of companies and individuals to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. In the U. S., online tracking technologies are regulated by state privacy laws, such as the CPRA California Consumer Privacy Act, federal laws, and self-regulatory frameworks that may be binding on companies that provide online advertising technology services. These laws and frameworks may require companies to offer consumers the right to opt out of many of these activities. Online tracking technologies are regulated in the EU and U. K. via the e-Privacy ePrivacy Directive, which the EU legislature is currently considering updating via. Although the ePrivacy new EU regulation Regulation (EPR) is not expected to come into force in the near future, it and the EPR may restrict the way we conduct online advertising and other online communications. Additionally, some providers of consumer devices and web browsers have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies, to block other tracking technologies or to require new permissions from users for certain activities, which could if widely adopted significantly reduce the effectiveness of such practices and technologies. For example, Google previously proposed phasing out has updated its timetable for restricting the use of third-party cookies in its Chrome browser, consistent with similar actions taken by owners of other browsers. In early 2024, Google began banning third party cookies with the goal of phasing them out by the end of 2024. We may have to develop alternative systems, which may be less effective, to analyze our customers' behavior and preferences, customize their online

experience, or efficiently market to them if customers block cookies or regulations introduce additional barriers to collecting cookie data. The regulation of the use of cookies and other current online tracking and advertising practices or a loss in our ability to make effective use of services that employ such technologies could increase our costs of operations and limit our ability to acquire new customers on cost-effective terms and consequently, materially adversely affect our business, financial condition and operating results. We may incur additional tax expense or become subject to additional tax exposure, which may adversely affect the commercial use of our sites and our financial rights. We are subject to the tax laws and regulations of the U. S. and numerous other jurisdictions in which we do business. Many judgments are required in determining our worldwide provision for income taxes and other tax liabilities, and we are regularly under audit by the applicable tax authorities, which may not agree with our tax positions. In addition, our tax liabilities are subject to other significant risks and uncertainties, including those arising from potential changes in laws and regulations in the countries in which we do business, the possibility of adverse determinations with respect to the application of existing laws (in particular with respect to full realization of the incentives contemplated by the Inflation Reduction Act), changes in our business or structure and changes in the valuation of our deferred tax assets and liabilities. Any unfavorable resolution of these and other uncertainties may have a significant adverse impact on our tax rate and results of operations. If our tax expense were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our operating results, cash flows and financial condition could be adversely affected. Due to the global nature of the Internet, it is possible that various states or foreign countries might attempt to impose additional or new regulation on our business or levy additional or new sales, income or other taxes relating to our activities. New or revised international, federal, state or local tax regulations or court decisions may subject us or our customers to additional sales, income and other taxes. For example, the U. S. Supreme Court's decision in *South Dakota v. Wayfair, Inc.*, removed a significant impediment to the enactment of laws imposing sales tax collection obligations on out-of-state e-commerce companies. After the *Wayfair* decision, several U. S. states imposed an economic presence standard with respect to the imposition of taxes. These new rules often have uncertainty with respect to the level of activity necessary to cause a taxable presence for taxpayers within the state. A successful assertion by one or more states requiring us to collect sales taxes where we currently do not, or to collect additional sales taxes in a state in which we currently collect them, could result in substantial tax liabilities (including penalties and interest). Other new or revised taxes, such as digital taxes, sales taxes, VAT and similar taxes could increase the cost of doing business online and decrease the attractiveness of selling products over the Internet. New taxes and rulings could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on our business, financial condition and operating results. Our ~~amended Bylaws and restated certificate of incorporation ("Charter")~~ **provide** that the Court of Chancery ~~of the~~ **of for** the State of Delaware will be the exclusive forum for certain legal actions ~~between~~ **concerning the internal affairs of** Wayfair ~~and its~~, **including but not limited to** ~~stockholders' stockholder derivative litigation, and our Bylaws provide that the U. S. federal district courts will be the exclusive forum for legal actions arising under the Securities Act~~, which could increase costs to bring ~~a such claim-claims~~, discourage ~~such~~ **such** claims or limit the ability of ~~the~~ Wayfair's stockholders to bring ~~a such claim-claims~~ in a judicial forum viewed by the stockholders as more favorable ~~for disputes with Wayfair's directors, officers or other employees~~. Our ~~Charter~~ **Bylaws** ~~provides~~ **provide** that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for any **(A)** (i) derivative action or proceeding brought on behalf of Wayfair; (ii) action asserting a claim ~~of for or based on a~~ breach of a fiduciary duty owed by any **current or former** director, officer ~~or~~, other employee **or stockholder** of Wayfair to Wayfair or Wayfair's stockholders; (iii) action asserting a claim **against Wayfair or its current directors, officers, employees or stockholders** arising pursuant to any provision of the Delaware General Corporation Law ("DGCL"), the Charter, or the ~~Company's Amended and Restated~~ **Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery for the State of Delaware**; or (iv) action asserting a claim ~~that against Wayfair or is~~ **its current or former directors, officers, employees or stockholders** governed by the internal affairs doctrine of the State of Delaware, in each case, will, **to the fullest extent permitted by law, be the Court of Chancery for the State of Delaware or, solely if such court does not have subject matter jurisdiction thereof, in the other courts of competent jurisdiction in the State of Delaware or the U. S. District Court for the District of Delaware, and (B) complaint asserting a cause of action arising under the Securities Act will be the U. S. federal district courts. Our Charter also contains exclusive forum provisions for the Court of Chancery for located within the State of Delaware that are consistent with the exclusive forum provisions for the Court of Chancery for the State of Delaware summarized above**. These ~~exclusive choice of forum~~ provisions may increase costs to bring a claim, discourage claims or limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company ~~the~~ Wayfair's **current or former** directors, officers ~~or~~, other employees **or stockholders**, which may discourage such lawsuits against ~~the~~ Wayfair ~~or the~~ Wayfair's **current or former** directors, officers ~~and~~, other employees **and stockholders**. Alternatively, if a court were to find the ~~exclusive choice of forum~~ provisions contained in ~~the~~ **our Bylaws or** Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition ~~The Charter will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under the federal securities laws including the Exchange Act or the Securities Act of 1933, as amended, or the respective rules and regulations promulgated thereunder~~. Risks Related to Ownership of our Class A Common Stock The price of our Class A common stock has been and may in the future be volatile. This volatility may affect the price at which you could sell your Class A common stock, and the sale of substantial amounts of our Class A common stock could adversely affect the price of our Class A common stock. Our stock price is likely to continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, including the other factors discussed in this Risk Factors section. The sale of substantial amounts of our Class A common stock in the public market, or the perception that these sales might occur, could adversely affect the price of our Class A common stock. In addition, stock markets have experienced extreme price

and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies, including e-commerce companies. Stock prices of many technology companies, including e-commerce companies, have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. Volatility in our stock price could adversely affect our business and financing opportunities and expose us to litigation. Securities litigation can subject us to substantial costs, divert resources and the attention of management from our business and materially adversely affect our business, financial condition and operating results. Further, our management generally has broad discretion over the use of our cash resources, and you will be relying on the judgment of our management regarding the application of these resources. Our management might not apply these resources in ways that increase the value of your investment. The dual class structure of our common stock has the effect of concentrating voting control with our co-founders, which will limit your ability to influence corporate matters. Our Class B common stock has ten votes per share, and our Class A common stock, which is the stock that is publicly traded, has one vote per share. Following our initial public offering (the "IPO"), our Class B common stock was held primarily by our co-founders, other executive officers, directors and their affiliates. Due to optional conversions of Class B common stock into Class A common stock following the IPO, our Class B common stock is currently held primarily by our co-founders and their affiliates. As of December 31, 2023-2024, our co-founders and their affiliates owned shares representing approximately 23-21.3-4% of the economic interest and 74-69.0-6% of the voting power of our outstanding capital stock. This concentrated control limits your ability to influence corporate matters for the foreseeable future. For example, these stockholders are able to control elections of directors, amendments of our **Charter certificate of incorporation or bylaws Bylaws**, increases to the number of shares available for issuance under our equity incentive plans or adoption of new equity incentive plans and approval of any merger or sale of assets for the foreseeable future. This control may materially adversely affect the market price of our Class A common stock. Additionally, holders of our Class B common stock may cause us to make strategic decisions or pursue acquisitions that could involve risks to you or may not be aligned with your interests. The holders of our Class B common stock are also entitled to a separate vote if we seek to amend our certificate of incorporation to increase or decrease the par value of a class of our common stock or in a manner that alters or changes the powers, preferences or special rights of the Class B common stock in a manner that affects its holders adversely. Future transfers by holders of Class B common stock will generally result in those shares converting on a 1:1 basis to Class A common stock, which will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long-term, which may include our executive officers. Short selling could increase the volatility of our stock price. We believe our Class A common stock has been the subject of significant short selling efforts by certain market participants. Short sales are transactions in which a market participant sells a security that it does not own. To complete the transaction, the market participant must borrow the security to make delivery to the buyer. The market participant is then obligated to replace the security borrowed by purchasing the security at the market price at the time of required replacement. If the price at the time of replacement is lower than the price at which the security was originally sold by the market participant, then the market participant will realize a gain on the transaction. Thus, it is in the market participant's interest for the market price of the underlying security to decline as much as possible during the period prior to the time of replacement. Short selling may negatively affect the value of our stock to the detriment of our stockholders. In addition, market participants with disclosed short positions in our stock have published, and may in the future continue to publish, negative information regarding us. We believe that the publication of this negative information may in the future lead to downward pressure on the price of our stock. The capped calls expose us to counterparty risk and may affect the value of our common stock. In connection with the issuance of each series of Non-Accreting Notes, we entered into capped calls with certain financial institutions, which we refer to as the option counterparties. The capped calls are expected generally to reduce the potential dilution upon conversion of the **Non-Accreting** Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted **Non-Accreting** Notes, as the case may be, with such reduction and / or offset subject to a cap. From time to time, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our Class A common stock and / or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions. This activity could cause a decrease in the market price of our Class A common stock. In addition, the option counterparties are financial institutions, and we will be subject to the risk that one or more of the option counterparties may default or otherwise fail to perform, or may exercise certain rights to terminate, their obligations under the capped calls. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transaction. Our exposure will depend on many factors but, generally, our exposure will increase if the market price or the volatility of our Class A common stock increases. In addition, upon a default or other failure to perform, or a termination of obligations, by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of the option counterparties. If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our share price and trading volume could decline. The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A common stock. Provisions in our **Charter certificate of incorporation and bylaws Bylaws** may have the effect of delaying or preventing a change of control or

changes in our management. Our **Charter certificate of incorporation** and **bylaws-Bylaws** include provisions that: • permit the Board to establish the number of directors and fill any vacancies and newly created directorships; • when the outstanding shares of our Class B common stock represent less than 10 % of the then outstanding shares of Class A common stock and Class B common stock, provide that the Board will be classified into three classes with staggered, three year terms and that directors may only be removed for cause; • require super- majority voting to amend some provisions in our **Charter certificate of incorporation** and **bylaws-Bylaws**; • authorize the issuance of “ blank check ” preferred stock that the Board could use to implement a stockholder rights plan; • eliminate the ability of our stockholders to call special meetings of stockholders; • when the outstanding shares of our Class B common stock represent less than 10 % of the then outstanding shares of Class A common stock and Class B common stock, prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • provide that the Board is expressly authorized to make, alter or repeal our **bylaws-Bylaws**; • **our Charter and Bylaws** restrict the forum for certain litigation against us to Delaware, **and our Bylaws restrict the forum for certain other litigation against us to the U. S. District Court for the District of Delaware or the U. S. federal district courts**; • reflect the dual class structure of our common stock, as discussed above; and • establish **enhanced** advance notice requirements for nominations for election to the Board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of the Board, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any holder of at least 15 % of our capital stock for a period of three years following the date on which the stockholder became a 15 % stockholder.