

REFINITIV

DELTA REPORT

10-Q

ZIP - ZIPRECRUITER, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1213
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 CHANGES	227
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 DELETIONS	258
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 ADDITIONS	728
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2024** **June 30, 2024**
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-40406

ZIPRECRUITER, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

27-2976158
(I.R.S. Employer
Identification Number)

ZipRecruiter, Inc.
604 Arizona Avenue
Santa Monica, CA 90401
(Address of principal executive office, including zip code)

(877) 252-1062
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.00001 par value per share	ZIP	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The registrant had 76,673,216 76,705,159 shares of Class A common stock outstanding and 22,633,316 shares of Class B common stock outstanding as of May 3, 2024 July 31, 2024.

	Page
Part I - Financial Information	6
Item 1. Unaudited Condensed Consolidated Financial Statements	6
Condensed Consolidated Balance Sheets as of March 31, 2024 June 30, 2024 and December 31, 2023 December 31, 2023	6
Condensed Consolidated Statements of Operations for the Three and Six Months Ended March 31 June 30, 2024 and 2023	7
Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended March 31, June 30, 2024 and 2023 2023	8
Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the Three and Six Months Ended March 31 June 30, 2024 and 2023	9
Condensed Consolidated Statements of Cash Flows for the Three Six Months Ended March 31, 2024 June 30, 2024 and 2023	11
Notes to the Condensed Consolidated Financial Statements	12
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3. Quantitative and Qualitative Disclosures About Market Risk	37 38
Item 4. Controls and Procedures	38 39
Part II - Other Information	39 40
Item 1. Legal Proceedings	39 40
Item 1A. Risk Factors	39 40
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	69 70
Item 3. Defaults Upon Senior Securities	69 70
Item 4. Mine Safety Disclosures	69 70
Item 5. Other Information	69 70
Item 6. Exhibits	70 71
Signatures	71 72

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, market growth, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “potential,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “plan,” “target,” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit, operating expenses including changes in research and development, sales and marketing, and general and administrative expenses (including any components of the foregoing), and our ability to achieve and/or maintain future profitability;
- effects of a variety of global business and macroeconomic factors that affect our business, the employment market, and the economy in general, including inflationary pressures, a volatile interest rate environment, increasing borrowing costs, actual or perceived instability in the global banking industry and the impacts, cybersecurity incidents, uncertainty with respect to the U.S. presidential and other federal, debt ceiling state and budget and potential government shutdowns related thereto, local elections, and the impacts of the war in Ukraine and the Israel-Hamas war; Middle East;
- our business plan and our ability to effectively manage our growth;
- our ability to compete with well-established competitors and new entrants;
- our ability to enhance our marketplace and introduce new and improved offerings;
- our ability to increase the number of employers and job seekers in our marketplace;
- our ability to strengthen our technology that underpins our marketplace;
- our ability to attract and retain qualified employees and key personnel;
- our ability to execute our strategy;
- beliefs and objectives for future operations;
- the effects of seasonal trends on our results of operations;
- our ability to expand to new markets;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business;
- economic and industry trends, projected growth, or trend analysis; and
- increased expenses associated with being a public company.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short and long-term business operations and objectives, and financial needs. These

3

forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including

3

those described in the section titled “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q or to conform these statements to actual results or revised expectations, except as required by law.

You should read this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.

As used herein, “ZipRecruiter,” “the Company,” “we,” “us,” “our,” and similar terms include ZipRecruiter, Inc. and its subsidiaries, unless the context indicates otherwise.

SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” later in this Quarterly Report on Form 10-Q. These risks include, but are not limited to, the following:

- Our business is significantly affected by fluctuations in general economic conditions. There is risk that any economic recovery may be delayed, short-lived and/or uneven, and may not result in increased demand for our services.

- We face intense competition and could lose market share to our competitors, which could adversely affect our business, operating results, and financial condition.
- Our marketplace functions on software that is highly technical and complex and if it fails to perform properly, our reputation could be adversely affected, our market share could decline and we could be subject to liability claims.
- Our future success depends in part on employers purchasing and renewing or upgrading subscriptions and performance-based services from us. Any decline in our user renewals or upgrades or performance-based services could harm our future operating results.
- If we fail to scale our business effectively, our business, operating results, and financial condition could be adversely affected.
- Significant segments of the market for job advertisement services may have hiring needs and service preferences that are subject to greater volatility than the overall economy.
- Our efforts and ability to sell to a broad mix of businesses could adversely affect our operating results in a given period.
- Our business depends largely on our ability to attract and retain talented employees, including senior management and key personnel. If we lose the services of Ian Siegel, our Chief Executive Officer, or other members of our senior management team, we may not be able to execute on our business strategy.

- If internet search engines' methodologies or other channels that we use to direct traffic to our website are modified to our disadvantage, or our search result page rankings decline for other reasons, our user growth could decline.
- Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business, which makes our future results difficult to predict.
- Our success depends on our ability to maintain the value and reputation of the ZipRecruiter brand.
- Our indebtedness could adversely affect our liquidity and financial condition.
- Market volatility may affect the value of an investment in our Class A common stock and could subject us to litigation.
- The dual class structure of our common stock concentrates voting control with those stockholders who held our capital stock prior to our listing, including our directors, executive officers, and 5% stockholders. This ownership will limit or preclude your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

ZipRecruiter, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par values)
(unaudited)

	March		December 31,			
	31,		December 31,			
	June		December 31,			
	30,		December 31,			
	2024	2024	2023	2024	2023	2023
Assets						
Current assets						
Current assets						
Current assets						
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents						
Marketable securities						
Accounts receivable, net of allowances of \$3,316 and \$3,859 at March 31, 2024 and December 31, 2023, respectively						
Accounts receivable, net of allowances of \$2,202 and \$3,859 at June 30, 2024 and December 31, 2023, respectively						
Prepaid expenses and other assets						
Deferred commissions, current portion						
Total current assets						
Property and equipment, net						
Operating lease right-of-use assets						
Internal-use software, net						
Deferred commissions, net of current portion						
Goodwill						
Deferred tax assets, net						
Other assets						
Total assets						
Liabilities and Stockholders' Equity						
Liabilities and Stockholders' Equity						
Liabilities and Stockholders' Equity						
Current liabilities						
Current liabilities						
Current liabilities						
Accounts payable						
Accounts payable						
Accounts payable						

Accrued expenses		
Accrued interest		
Deferred revenue		
Operating lease liabilities, current portion		
Other current liabilities		
Total current liabilities		
Operating lease liabilities, net of current portion		
Long-term borrowings, net		
Other long-term liabilities		
Total liabilities		
Commitments and contingencies (Note 7)	Commitments and contingencies (Note 7)	Commitments and contingencies (Note 7)
Stockholders' equity		
Stockholders' equity		
Stockholders' equity		
Preferred Stock, \$0.00001 par value; 50,000 shares authorized as of March 31, 2024 and December 31, 2023; no shares issued and outstanding as of March 31, 2024 and December 31, 2023		
Preferred Stock, \$0.00001 par value; 50,000 shares authorized as of March 31, 2024 and December 31, 2023; no shares issued and outstanding as of March 31, 2024 and December 31, 2023		
Preferred Stock, \$0.00001 par value; 50,000 shares authorized as of March 31, 2024 and December 31, 2023; no shares issued and outstanding as of March 31, 2024 and December 31, 2023		
Class A common stock, \$0.00001 par value; 700,000 shares authorized as of March 31, 2024 and December 31, 2023; 76,647 and 76,173 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively		
Class B common stock, \$0.00001 par value; 700,000 shares authorized as of March 31, 2024 and December 31, 2023; 22,829 shares issued and 22,634 shares outstanding as of March 31, 2024 and December 31, 2023		
Class B treasury stock, 195 shares outstanding as of March 31, 2024 and December 31, 2023		
Preferred Stock, \$0.00001 par value; 50,000 shares authorized as of June 30, 2024 and December 31, 2023; no shares issued and outstanding as of June 30, 2024 and December 31, 2023		
Preferred Stock, \$0.00001 par value; 50,000 shares authorized as of June 30, 2024 and December 31, 2023; no shares issued and outstanding as of June 30, 2024 and December 31, 2023		
Preferred Stock, \$0.00001 par value; 50,000 shares authorized as of June 30, 2024 and December 31, 2023; no shares issued and outstanding as of June 30, 2024 and December 31, 2023		
Class A common stock, \$0.00001 par value; 700,000 shares authorized as of June 30, 2024 and December 31, 2023; 76,544 and 76,173 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		
Class B common stock, \$0.00001 par value; 700,000 shares authorized as of June 30, 2024 and December 31, 2023; 22,829 shares issued and 22,634 shares outstanding as of June 30, 2024 and December 31, 2023		
Class B treasury stock, 195 shares outstanding as of June 30, 2024 and December 31, 2023		
Additional paid-in capital		
Accumulated deficit		
Accumulated other comprehensive income (loss)		
Total stockholders' equity		
Total liabilities and stockholders' equity		

The accompanying notes are an integral part of these condensed consolidated financial statements.

ZipRecruiter, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

			Three Months Ended March 31,
			Three Months Ended March 31,
			Three Months Ended March 31,
			2024
			2024
			Three Months Ended June 30,
			Three Months Ended June 30,
		Three Months Ended June 30,	Six Months Ended June 30,
			2024
Revenue			
Revenue			
Revenue			
Cost of revenue			
Cost of revenue			
Cost of revenue			
Gross profit			
Gross profit			
Gross profit			
Operating expenses			
Operating expenses			
Operating expenses			
Sales and marketing			
Sales and marketing			
Sales and marketing			
Research and development			
Research and development			
Research and development			
General and administrative			
General and administrative			
General and administrative			
Total operating expenses			
Total operating expenses			
Total operating expenses			
Income (loss) from operations			
Income (loss) from operations			

Income (loss) from operations
Income from operations
Income from operations
Income from operations
Other income (expense)
Other income (expense)
Other income (expense)
Interest expense
Interest expense
Interest expense
Other income (expense), net
Other income (expense), net
Other income (expense), net
Total other income (expense), net
Total other income (expense), net
Total other income (expense), net
Income (loss) before income taxes
Income (loss) before income taxes
Income (loss) before income taxes
Income before income taxes
Income before income taxes
Income before income taxes
Income tax expense
Income tax expense
Income tax expense
Net income (loss)
Net income (loss)
Net income (loss)
Net income
Net income
Net income
Net income (loss) per share:
Net income per share:
Net income (loss) per share:
Net income per share:
Net income (loss) per share:
Net income per share:
Basic
Basic
Basic
Diluted
Diluted



Diluted
Weighted average shares used in computing net income (loss) per share:
Weighted average shares used in computing net income (loss) per share:
Weighted average shares used in computing net income (loss) per share:
Weighted average shares used in computing net income per share:
Weighted average shares used in computing net income per share:
Weighted average shares used in computing net income per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted

The accompanying notes are an integral part of these condensed consolidated financial statements.

ZipRecruiter, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(in thousands)

(unaudited)

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	Six Months Ended June 30,
	2024	
	2024	
	2024	
Net income (loss)		
Net income (loss)		
Net income (loss)		
Net income		
Net income		

Net income
Other comprehensive income (loss), net of tax:
Other comprehensive income (loss), net of tax:
Other comprehensive income (loss), net of tax:
Change in unrealized gains (losses) on available-for-sale debt securities
Change in unrealized gains (losses) on available-for-sale debt securities
Change in unrealized gains (losses) on available-for-sale debt securities
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Total comprehensive income (loss)
Total comprehensive income (loss)
Total comprehensive income (loss)
Total comprehensive income
Total comprehensive income
Total comprehensive income

The accompanying notes are an integral part of these condensed consolidated financial statements.

ZipRecruiter, Inc.											
Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)											
(in thousands)											
(unaudited)											
Common											
Stock											
Common											
Stock											
Common	Class B					Class B					
Stock	Treasury	Additional		Accumulated	Total	Treasury	Additional		Accumulated	Total	
Class A	Stock	Paid-in	Accumulated	Other	Stockholders'	Stock	Paid-in	Accumulated	Other	Stockholders'	
Shares		Capital	Deficit	Comprehensive	Equity		Capital	Deficit	Income (Loss)	Equity	
Shares				Income (Loss)	(Deficit)					(Deficit)	
Shares											
Balance as of											
December 31, 2023											
Balance as of											
December 31, 2023											
Balance as of											
December 31, 2023											
Conversion of Class B											
common stock to											
Class A common											
stock											

Conversion of Class B common stock to Class A common stock
Conversion of Class B common stock to Class A common stock
Conversion of Class B stock to Class A stock
Conversion of Class B stock to Class A stock
Conversion of Class B stock to Class A stock
Issuance of common stock upon exercise of options
Issuance of common stock upon the vesting and settlement of RSUs
Stock-based compensation
Shares withheld related to net share settlement
Shares issued under employee stock purchase plan
Repurchase and retirement of common stock
Net loss
Net loss
Net loss
Other comprehensive loss
Other comprehensive loss
Other comprehensive loss
Balance as of March 31, 2024
Balance as of March 31, 2024
Balance as of March 31, 2024
Conversion of Class B stock to Class A stock

Conversion of Class B
stock to Class A stock
Conversion of Class B
stock to Class A stock
Issuance of common
stock upon exercise
of options
Issuance of common
stock upon the vesting
and settlement of RSUs
Stock-based
compensation
Shares withheld related
to net share
settlement
Repurchase and
retirement of common
stock
Repurchase and
retirement of common
stock
Repurchase and
retirement of common
stock
Net income
Other comprehensive
income
Other comprehensive
income
Other comprehensive
income
Balance as of June 30,
2024
Balance as of June 30,
2024
Balance as of June 30,
2024

The accompanying notes are an integral part of these condensed consolidated financial statements.

ZipRecruiter, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)

(in thousands)

(unaudited)

Common
Stock

	Common Stock					Class B					Class B				
	Common Stock	Treasury	Additional	Accumulated	Other Comprehensive	Total	Treasury	Additional	Accumulated	Other Comprehensive	Total	Treasury	Additional	Accumulated	Other Comprehensive
	Class A	Stock	Paid-in	Deficit	Income (Loss)	Stockholders' Equity (Deficit)	Stock	Paid-in	Deficit	Income (Loss)	Stockholders' Equity (Deficit)	Stock	Paid-in	Deficit	Income (Loss)
	Shares		Capital					Capital					Capital		
	Shares														
	Shares														
Balance as of															
December 31, 2022															
Balance as of															
December 31, 2022															
Balance as of															
December 31, 2022															
Conversion of Class B common stock to Class A common stock															
Conversion of Class B common stock to Class A common stock															
Conversion of Class B common stock to Class A common stock															
Issuance of common stock upon exercise of options															
Issuance of common stock upon the vesting and settlement of RSUs															
Stock-based compensation															
Shares withheld related to net share settlement															
Shares issued under employee stock purchase plan															
Shares issued under employee stock purchase plan															
Shares issued under employee stock purchase plan															

Repurchase and
retirement of common
stock

Share repurchase
excise tax

Net income
Net income
Net income

Other comprehensive
income

Balance as of March
31, 2023

Conversion of Class B
stock to Class A stock

Conversion of Class B
stock to Class A stock

Conversion of Class B
stock to Class A stock

Issuance of common
stock upon exercise
of options

Repurchase and
retirement of common
stock

Issuance of common
stock upon the
vesting and
settlement of RSUs

Issuance of common
stock upon the
vesting and
settlement of RSUs

Issuance of common
stock upon the
vesting and
settlement of RSUs

Stock-based
compensation

Shares withheld related
to net share
settlement

Shares withheld related
to net share
settlement

Shares withheld related
to net share
settlement
Net income
Other comprehensive
loss
Other comprehensive
loss
Other comprehensive
loss
Share repurchase
excise tax
Balance as of June 30,
2023

The accompanying notes are an integral part of these condensed consolidated financial statements.

10

ZipRecruiter, Inc.

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Three Months Ended
	March 31,
	Three Months Ended
	March 31,
	Three Months Ended
	March 31,
	Six Months Ended
	June 30,
	Six Months Ended
	June 30,
	Six Months Ended
	June 30,

2024

Cash flows from operating activities
Cash flows from operating activities
Cash flows from operating activities
Net income (loss)
Net income (loss)
Net income (loss)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:
Adjustments to reconcile net income (loss) to net cash provided by operating activities:
Adjustments to reconcile net income (loss) to net cash provided by operating activities:
Net income
Net income
Net income
Adjustments to reconcile net income to net cash provided by operating activities:

Adjustments to reconcile net income to net cash provided by operating activities:
Adjustments to reconcile net income to net cash provided by operating activities:
Stock-based compensation expense
Stock-based compensation expense
Stock-based compensation expense
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Provision for bad debts
Provision for bad debts
Provision for bad debts
Provision (recovery) for bad debts
Provision (recovery) for bad debts
Provision (recovery) for bad debts
Deferred income taxes
Deferred income taxes
Deferred income taxes
Non-cash lease expense
Non-cash lease expense
Non-cash lease expense
Amortization and accretion of marketable securities
Amortization and accretion of marketable securities
Amortization and accretion of marketable securities
Other
Other
Other
Change in operating assets and liabilities:
Change in operating assets and liabilities:
Change in operating assets and liabilities:
Accounts receivable
Accounts receivable
Accounts receivable
Prepaid expenses and other assets
Prepaid expenses and other assets
Prepaid expenses and other assets
Deferred commissions, net
Deferred commissions, net
Deferred commissions, net
Other assets
Other assets
Other assets

Accounts payable
Accounts payable
Accounts payable
Accrued expenses and other liabilities
Accrued expenses and other liabilities
Accrued expenses and other liabilities
Accrued interest
Accrued interest
Accrued interest
Deferred revenue
Deferred revenue
Deferred revenue
Operating lease liabilities
Operating lease liabilities
Operating lease liabilities
Net cash provided by operating activities
Net cash provided by operating activities
Net cash provided by operating activities

Cash flows from investing activities

Cash flows from investing activities

Cash flows from investing activities

Purchases of property and equipment
Purchases of property and equipment
Purchases of property and equipment
Capitalized internal-use software costs
Capitalized internal-use software costs
Capitalized internal-use software costs
Purchases of marketable securities
Purchases of marketable securities
Purchases of marketable securities
Paydowns, maturities, and redemptions of marketable securities
Paydowns, maturities, and redemptions of marketable securities
Paydowns, maturities, and redemptions of marketable securities
Net cash provided by investing activities
Net cash provided by investing activities
Net cash provided by investing activities
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities

Cash flows from financing activities

Cash flows from financing activities

Cash flows from financing activities

Repurchase of common stock
Repurchase of common stock
Repurchase of common stock
Proceeds from exercise of stock options
Proceeds from exercise of stock options
Proceeds from exercise of stock options
Payments of tax withholdings on net settlement of equity awards
Payments of tax withholdings on net settlement of equity awards
Payments of tax withholdings on net settlement of equity awards
Proceeds from issuance of stock under employee stock purchase plan
Proceeds from issuance of stock under employee stock purchase plan
Proceeds from issuance of stock under employee stock purchase plan
Net cash used in financing activities
Net cash used in financing activities
Net cash used in financing activities
Net decrease in cash and cash equivalents
Net decrease in cash and cash equivalents
Net decrease in cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Beginning of period
Beginning of period
Beginning of period
End of period
End of period
End of period

The accompanying notes are an integral part of these condensed consolidated financial statements.

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Organization and Description of Business

ZipRecruiter, Inc. was incorporated in the state of Delaware on June 29, 2010. Hereinafter, ZipRecruiter, Inc. and its wholly owned subsidiaries ZipRecruiter Israel Ltd., ZipRecruiter UK Ltd., and ZipRecruiter Canada Ltd. are collectively referred to as “ZipRecruiter” or the “Company.” The Company is a two-sided marketplace that enables employers and job seekers to connect with one another online to fill job opportunities.

2. Basis of Presentation, Principles of Consolidation, and Summary of Significant Accounting Policies

The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, certain information and disclosures normally included in consolidated financial statements presented in accordance with U.S. GAAP have been condensed or omitted.

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Form 10-K"). The condensed consolidated balance sheet as of December 31, 2023 has been derived from the Company's audited consolidated financial statements. Certain reclassifications have been made to the presentation of the prior year to conform to the presentation of the current year.

In the opinion of the Company's management, the unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for the fair statement of the condensed consolidated financial statements.

There have been no changes in the Company's accounting policies from those disclosed in the Company's audited consolidated financial statements and the related notes included in the 2023 Form 10-K.

The operating results for the three and six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results expected for the full year ending December 31, 2024 or any future period.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and footnotes thereto. Actual results could differ from those estimates.

Investments

The Company classifies and accounts for its money market mutual funds which have readily determinable fair values as equity securities, and it carries such securities at fair value with unrealized gains and losses reported in other income (expense), net in its condensed consolidated statements of operations.

The Company classifies and accounts for its debt securities as available-for-sale, and it carries such securities at fair value with unrealized gains and losses reported net of tax as a separate component of stockholders' equity in accumulated other comprehensive income (loss). During the three months ended March 31, 2024 and 2023, in connection with its available-for-sale debt securities, the Company recorded immaterial pre-tax unrealized gains and losses during the

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

pre-tax unrealized losses of \$0.1 million three and pre-tax unrealized gains of \$0.2 million six months ended June 30, 2024 and 2023, in other comprehensive income (loss), respectively, with no associated tax expense.

The Company determines any realized gains and losses on the sale of its available-for-sale debt securities using a specific identification method, and it records such gains and losses through other income (expense), net in its condensed consolidated statements of operations. During the three and six months ended March 31, 2024 June 30, 2024 and 2023, the Company did not have any sales of its available-for-sale debt securities and consequently, did not reclassify any amounts out of accumulated other comprehensive income (loss) into other income (expense), net in the condensed consolidated statements of operations.

Segments and Geographic Information

The Company operates as a single operating segment. The Company's Chief Operating Decision Maker, the CEO, regularly reviews financial information presented on a consolidated basis for purposes of assessing financial performance and allocating resources. Revenue is attributed to geographic regions based on locations where services are provided to the Company's customers. Foreign countries outside

of the United States, in aggregate, accounted for less than 2% of the Company's revenue for the three and six months ended March 31, 2024 June 30, 2024 and 2023. In addition, long-lived assets outside of the United States were not material as of March 31, 2024 June 30, 2024 and December 31, 2023.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, marketable securities, and accounts receivable. The Company maintains its cash accounts with large financial institutions and at times, the cash accounts may exceed Federal Deposit Insurance Corporation limits. The Company has not experienced any losses in such accounts. The Company monitors the relative credit standing of the financial institutions with which it transacts and limits its credit exposure to any singular entity. Accordingly, the Company believes minimal credit risk exists with respect to these cash balances.

The Company invests only in highly rated debt and equity securities. The Company believes the financial institutions that hold its investments are financially sound, and accordingly, are subject to minimal credit risk.

One customer accounted for 11% 12% and 10% of the Company's outstanding accounts receivable as of March 31, 2024 June 30, 2024 and December 31, 2023, and respectively. Additionally, a separate customer accounted for 10% of the Company's outstanding accounts receivable as of December 31, 2023 June 30, 2024. The Company closely monitors the financial condition of the foregoing customers, which have been in good credit standing. No other customer individually accounted for 10% or more of the Company's outstanding accounts receivable as of March 31, 2024 June 30, 2024 and December 31, 2023. The Company does not consider the concentration of its accounts receivable to be a material risk. For the three and six months ended March 31, 2024 June 30, 2024 and 2023, there were no customers that individually represented 10% or more of revenue.

The Company uses third parties to collect its credit card receivables and believes risk related to its credit card processors is minimal.

Share Repurchase Program

All shares repurchased under the Company's share repurchase program are purchased for immediate retirement. Repurchased shares reduce the Company's outstanding shares and its weighted average number of common shares outstanding for purposes of calculating basic and diluted earnings per share. All excess of repurchase price over par value for shares repurchased is allocated to retained earnings to the extent the Company has retained earnings. If the Company has an accumulated deficit, all excess of repurchase price over par value for shares repurchased is allocated first to additional paid-in capital, to the extent the Company has additional paid-in capital, until depleted, and then to accumulated deficit in the Company's condensed consolidated statements of changes in stockholders' equity (deficit). The Company

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

The Company may repurchase shares of common stock through open market or privately negotiated transactions, block purchases, or pursuant to one or more Rule 10b5-1 plans. For more information on the Company's share repurchase program, please see Note 9.

Recent Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands disclosure requirements about a public entity's reportable segments and significant segment expenses. This update also expands the interim segment disclosure requirements. Public entities that have a single reportable segment will be required to provide on both an interim and annual basis all the disclosures required by Topic 280, including those added by the amendments in ASU 2023-07. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the effects of the adoption of this update on its consolidated financial statements.

Net income (loss) per share, diluted:

Net income (loss) per share, diluted:

Net income (loss) per share, diluted:

Net income per share, diluted:

Numerator:

Numerator:

Numerator:

Net income (loss)

Net income (loss)

Net income (loss)

Net income

Net income

Net income

Denominator:

Denominator:

Denominator:

Weighted average shares of Class A and Class B common stock outstanding, basic

Weighted average shares of Class A and Class B common stock outstanding, basic

Weighted average shares of Class A and Class B common stock outstanding, basic

Effect of dilutive securities:

Effect of dilutive securities:

Effect of dilutive securities:

Options to purchase common stock

Options to purchase common stock

Options to purchase common stock

Unvested restricted stock units

Unvested restricted stock units

Unvested restricted stock units

Employee stock purchase plan

Employee stock purchase plan

Employee stock purchase plan

Weighted average shares of Class A and Class B common stock outstanding, diluted

Weighted average shares of Class A and Class B common stock outstanding, diluted

Weighted average shares of Class A and Class B common stock outstanding, diluted

Net income (loss) per share, diluted

Net income (loss) per share, diluted

Net income (loss) per share, diluted

Net income per share, diluted

The weighted average number of potentially dilutive common stock equivalents of 12.68.0 million and 5.96.8 million were excluded from the computation of diluted net income (loss) per share during the three and six months ended March 31, 2024 June 30, 2024, respectively, because their inclusion would have been anti-dilutive. The weighted average number of potentially dilutive common stock equivalents of

6.7 million and 2023, 6.3 million were excluded from the computation of diluted net income per share during the three and six months ended June 30, 2023, respectively, because their inclusion would have been anti-dilutive.

In April 2021, the Company granted a restricted stock unit (“RSU”) award (the “CEO Performance Award”), which included service, market, and performance-based vesting conditions. The CEO Performance Award is excluded from the above table because none of the market conditions had been met as of March 31, 2023 June 30, 2023. Additionally, in December 2023, the Company entered into a Cancellation Agreement with the CEO, which provided for the cancellation of the 1.4 million RSUs included in the CEO Performance Award. For more information on the Cancellation Agreement, please see Note 10.

4. Revenue Information

The Company disaggregates revenue into two streams: subscription revenue and performance-based revenue. The following table presents the Company’s revenue streams (in thousands):

	Three Months Ended			Six Months Ended		
	March 31,			June 30,		
	Three Months Ended			June 30,		
	March 31,			June 30,		
	2024		2024	2024	2023	2023
Subscription						
Subscription						
Subscription						
Performance-based						
Performance-based						
Performance-based						
Total revenue						
Total revenue						
Total revenue						

The Company recognized \$12.1 million \$12.2 million and \$18.6 million \$18.7 million of revenue during the three months ended June 30, 2024 and 2023, respectively, that was included in the deferred revenue balances as of March 31, 2024 and 2023, respectively.

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

The Company recognized \$12.5 million and \$19.1 million of revenue during the six months ended June 30, 2024 and 2023, respectively, that was included in the deferred revenue balances as of December 31, 2023 and 2022, respectively.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had no contract assets.

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

Performance Obligations

An immaterial amount of revenue was recognized during the three and six months ended June 30, 2024 from performance obligations satisfied in previous periods. No revenue was recognized during the three and six months ended March 31, 2024 and 2023 June 30, 2023 from performance obligations satisfied in previous periods.

As of March 31, 2024 June 30, 2024, the Company did not have any material remaining performance obligations expected to be recognized in the future. Generally, any remaining performance obligations relate primarily to subscription services such as time-based job posting plans, upsell services, and resume database plans that will be invoiced in future periods, and exclude (i) contracts with an original expected term of one year or less and (ii) contracts for which the Company only recognizes revenue at the amount to which it has the right to invoice for services performed.

5. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	March 31,		December 31,			
	June 30,		December 31,			
	2024	2024	2023	2024	2023	
Accrued compensation and benefits						
Accrued marketing						
Accrued commissions						
Accrued partner expenses						
Accrued refunds and customer liabilities						
Other accrued expenses						
Total accrued expenses						

6. Debt

Credit Facility

The Company has a \$250.0 million credit facility which matures in April 2026. The Company had no amounts outstanding under its credit facility and was in compliance with the financial covenants as of March 31, 2024 June 30, 2024. The amount available under the credit facility as of March 31, 2024 June 30, 2024 was \$245.6 million \$247.4 million, which is the credit limit less letters of credit outstanding of \$4.4 million \$2.6 million.

Senior Unsecured Notes

On January 12, 2022, the Company issued an aggregate principal amount of \$550.0 million senior unsecured notes (the "Notes") in a private placement. The Notes will mature on January 15, 2030 and bear interest at a rate of 5% per year. Interest on the Notes is payable semi-annually in arrears on January 15 and July 15 of each year. Unpaid interest amounts are included within accrued interest in the

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

Company's condensed consolidated balance sheets. At its sole discretion, the Company has the option to redeem the Notes at any time in whole or in part at specified redemption prices.

The Company includes its Notes, net of debt issuance costs, within long-term borrowings in its condensed consolidated balance sheets. As of **March 31, 2024** **June 30, 2024**, the Company had a carrying amount of approximately **\$7.2 million** **\$6.9 million** of debt issuance costs related to the Notes.

For both the three months ended **March 31, 2024** **June 30, 2024** and 2023, the Company recognized \$7.1 million in interest expense related to the Notes, and for both the six months ended **June 30, 2024** and 2023, the Company recognized \$14.3 million in interest expense related to the Notes, with an effective interest rate of 5.4% for **both quarters** **all periods**. Such

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements **(unaudited)**

interest expense includes \$0.3 million **and \$0.2 million** related to the amortization of debt issuance costs for **both** the three months ended **March 31, 2024** **June 30, 2024** and 2023, **respectively**, **and \$0.5 million** related to the amortization of debt issuance costs for **both** the six months ended **June 30, 2024** and 2023.

7. Commitments and Contingencies

Legal Matters

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. If the Company determines that it is probable that a loss has been incurred and the amount is reasonably estimable, the Company will record a liability. However, if the Company determines that a contingent loss is reasonably possible and the loss or range of loss can be estimated, the Company will disclose the possible loss in the condensed consolidated financial statements. Legal costs relating to loss contingencies are expensed as incurred.

Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scopes and terms to customers, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of the Company's breach of such agreements, services to be provided by the Company, or from certain claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company has never paid a material claim, nor has the Company been sued in connection with these indemnification arrangements. As of **March 31, 2024** **June 30, 2024**, the Company has not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is neither probable nor reasonably estimable.

8. Financial Instruments

Fair Value Measurements

The following table presents the Company's financial assets measured at fair value on a recurring basis, as well as the amortized cost basis and gross unrealized gains and losses of those assets as of **March 31, 2024** **June 30, 2024** (in thousands):

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

Balance
Sheet
Classification

Amortized	Amortized	Gross	Gross		Cash and		Amortized	Gross	Gross		Cash and	
Cost	Cost	Unrealized	Unrealized	Fair	Cash	Marketable	Cost	Unrealized	Unrealized	Fair	Cash	Marketable
Basis	Basis	Gains	Losses	Value	Equivalents	Securities	Basis	Gains	Losses	Value	Equivalents	Securities

Level 1:

- Cash
- Cash
- Cash
- Money market mutual funds
- U.S. treasury securities
- Subtotal

Level 2:

- Commercial paper
- Commercial paper
- Commercial paper
- Certificates of deposit
- Corporate notes and obligations
- Asset-backed securities
- Subtotal
- Subtotal
- Subtotal

Total cash,
cash
equivalents,
and
marketable
securities

As of December 31, 2023, the Company's financial assets consisted of the following (in thousands):

					Balance Sheet Classification	
	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash and Cash Equivalents	Marketable Securities
Level 1:						
Cash	\$ 237,104	\$ —	\$ —	\$ 237,104	\$ 237,104	\$ —
Money market mutual funds	23,762	—	—	23,762	23,762	—
U.S. treasury securities	138,893	38	(8)	138,923	—	138,923
Subtotal	399,759	38	(8)	399,789	260,866	138,923
Level 2:						
Commercial paper	25,899	—	—	25,899	6,495	19,404
Certificates of deposit	7,768	—	—	7,768	3,010	4,758
Corporate notes and obligations	71,545	12	(21)	71,536	12,672	58,864
Asset-backed securities	7,319	7	(10)	7,316	—	7,316
U.S. agency securities	7,814	—	(5)	7,809	—	7,809
Subtotal	120,345	19	(36)	120,328	22,177	98,151
Total cash, cash equivalents, and marketable securities	\$ 520,104	\$ 57	\$ (44)	\$ 520,117	\$ 283,043	\$ 237,074

The Company's money market mutual funds and treasury securities are measured at fair value using quoted prices in active markets for identical assets and are classified within Level 1 in the fair value hierarchy. The fair values of the Company's Level 2 commercial paper and certificates of deposit are determined using quoted prices in markets that are not active or using model-driven valuations employing significant inputs derived from observable market data. The fair values of the Company's Level 2 corporate notes and obligations, asset-backed securities, and U.S. agency securities are determined using an evaluated price based on a compilation of reported market information, such as benchmark yield curves, credit spreads and estimated default rates.

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

The carrying amounts of the Company's remaining financial instruments not discussed in the above table, including accounts receivable and accounts payable, approximate fair value because of their short-term maturities, except for the Company's senior unsecured notes which are valued on a quarterly basis for disclosure purposes only based on quoted prices for the Notes in less active markets and categorized accordingly as Level 2 in the fair value hierarchy. The aggregate fair value of the Notes was estimated to be approximately \$486.1 million \$477.1 million as of March 31, 2024 June 30, 2024 and approximately \$478.5 million as of December 31, 2023.

Equity Securities

The Company's investments in equity securities consist primarily of money market mutual funds. During the three and six months ended March 31, 2024 June 30, 2024 and 2023, the Company recorded no material unrealized gains or losses in connection with its money market mutual funds held as of March 31, 2024 June 30, 2024.

Available-for-sale Debt Securities

The following table summarizes the fair value of the Company's available-for-sale debt securities by contractual maturity as of March 31, 2024 June 30, 2024 (in thousands):

Due within 1 year	\$265,286	265,541
Due after 1 year through 5 years	3,395	10,383
Total available-for-sale debt securities	\$268,681	275,924

Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations.

The following table summarizes the available-for-sale debt securities which have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for more than 12 months as of March 31, 2024 June 30, 2024 (in thousands):

	Less Than 12 Months		Less Than 12 Months		12 Months or Greater		Total		Less Than 12 Months		12 Months or Greater		Total	
	Gross		Gross		Gross		Gross		Gross		Gross		Gross	
	Unrealized		Unrealized		Unrealized		Unrealized		Unrealized		Unrealized		Unrealized	
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Asset-backed securities														
Corporate notes and obligations														
U.S. treasury securities														
Total available-for-sale debt securities														
Total available-for-sale debt securities														
Total available-for-sale debt securities														

The following table summarizes the available-for-sale debt securities which have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for more than 12 months as of December 31, 2023 (in thousands):

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

Less Than 12 Months	12 Months or Greater	Total
---------------------	----------------------	-------

	Gross Unrealized		Gross Unrealized		Gross Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
Asset-backed securities	\$ 3,211	\$ (6)	\$ 1,027	\$ (4)	\$ 4,238	\$ (10)
Corporate notes and obligations	40,527	(21)	—	—	40,527	(21)
U.S. treasury securities	7,397	(8)	—	—	7,397	(8)
U.S. agency securities	7,809	(5)	—	—	7,809	(5)
Total available-for-sale debt securities	\$ 58,944	\$ (40)	\$ 1,027	\$ (4)	\$ 59,971	\$ (44)

The Company did not recognize any credit losses for its available-for-sale debt securities during the three and six months ended March 31, 2024 June 30, 2024 and 2023. The Company had no ending allowance balances for credit losses as of March 31, 2024 June 30, 2024 or December 31, 2023.

During the three and six months ended March 31, 2024 June 30, 2024 and 2023, the Company had no sales of its available-for-sale debt securities.

9. Share Repurchase Program

The Company's board of directors authorized the Company to repurchase up to \$550.0 million of outstanding shares of its common stock pursuant to a share repurchase program (the "Program"). Under the Program, the Company may repurchase shares of common stock through open market or privately negotiated transactions, block purchases, or pursuant to one or more Rule 10b5-1 plans. The Program does not obligate the Company to repurchase shares of common stock. There is no minimum or maximum number of shares to be repurchased under the Program.

During the three six months ended March 31, 2024 June 30, 2024, the Company repurchased an aggregate 0.5 1.4 million shares of its Class A common stock for an aggregate purchase price of \$6.4 \$15.0 million under the Program through open market purchases.

Approximately \$57.0 million \$48.4 million remains available for future repurchases of Class A common stock under the Program as of March 31, 2024 June 30, 2024.

All shares repurchased under the Program were immediately retired. Repurchased shares reduced the Company's outstanding shares and its weighted average number of shares of common stock outstanding for purposes of calculating basic and diluted earnings per share.

10. Stock-Based Compensation

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

10. Stock-Based Compensation

Total stock-based compensation expense is recorded in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended
	March 31,
	Three Months Ended
	March 31,
	Three Months Ended
	March 31,

	2024	2024			
			Three Months Ended	Six Months Ended	
			June 30,	June 30,	
	2024		2024	2023	2024
Cost of revenue					
Cost of revenue					
Cost of revenue					
Sales and marketing					
Sales and marketing					
Sales and marketing					
Research and development					
Research and development					
Research and development					
General and administrative					
General and administrative					
General and administrative					
Total stock-based compensation					
Total stock-based compensation					
Total stock-based compensation					

Equity Incentive Plan and Employee Stock Purchase Plan

Under the Company's 2021 Equity Incentive Plan, as of March 31, 2024 June 30, 2024, 30.8 million shares of Class A common stock were authorized, of which 17.3 million 17.8 million shares of Class A common stock were available for future issuance. The number of shares reserved for issuance was increased in January 2024 pursuant to the evergreen provisions set forth in the 2021 Equity Incentive Plan.

Under the Company's 2021 Employee Stock Purchase Plan (the "ESPP"), as of March 31, 2024 June 30, 2024, 3.7 million shares of Class A common stock were authorized. The number of shares reserved for issuance was increased in January 2024 pursuant to the evergreen provisions set forth in the ESPP.

The ESPP provides for concurrent six-month offering and purchase periods beginning February 15 and August 15 of each year. During the three months ended March 31, 2024 June 30, 2024, no shares of Class A common stock were purchased under the ESPP. During the six months ended June 30, 2024, 0.2 million shares of Class A common stock were purchased under the ESPP for an aggregate amount of \$2.6 million. As of March 31, 2024 June 30, 2024, the Company recorded a liability of \$0.7 million \$1.2 million related to the accumulated payroll deductions, which are refundable to employees who withdraw from the ESPP. This amount is included within accrued expenses in the condensed consolidated balance sheets.

Stock Options

A summary of the Company's stock option activity for the three six months ended March 31, 2024 June 30, 2024 is as follows (in thousands, except weighted average information):

	Number of Options Outstanding	Number of Options Outstanding	Weighted Average Exercise Price Per Share	Number of Options Outstanding	Weighted Average Exercise Price Per Share
Outstanding at December 31, 2023					

Granted
Exercised
Forfeited/Canceled
Outstanding at March 31, 2024
Exercisable at March 31, 2024
Outstanding at June 30, 2024
Exercisable at June 30, 2024

As of **March 31, 2024** **June 30, 2024**, total remaining stock-based compensation expense for unvested stock options is **\$0.8 million** **\$0.5 million**, which is expected to be recognized over a weighted average period of **0.5** **0.4** years.

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

Restricted Stock Units

On April 19, 2021, the Company granted the CEO Performance Award, which provided for a grant of **1.4 million** **1.4 million** RSUs consisting of five vesting tranches with a vesting schedule based upon achieving stock price targets as well as satisfying certain minimum service requirements. On December 21, 2023, the Company entered into the Cancellation Agreement with the CEO, which provided for the cancellation of

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

the 1.4 million market-based RSUs included in the CEO Performance Award. As of the date of the Cancellation Agreement, none of the stock price targets set forth in the CEO Performance Award had been met and all of the RSUs were unvested. The cancellation resulted in an acceleration of \$7.5 million in unrecognized stock-based compensation expense from future periods into the fourth quarter of 2023. Accordingly, the Company recorded no stock-based compensation expense related to the CEO Performance Award during the three **and six** months ended **March 31, 2024** **June 30, 2024**. During the three **and six** months ended **March 31, 2023** **June 30, 2023**, the Company recorded stock-based compensation expense of \$1.5 million **and \$3.0 million, respectively**, related to the CEO Performance Award.

For all RSUs, excluding the CEO Performance Award, the Company recorded stock-based compensation expense of **\$18.6** **\$16.1** million and **\$19.2** **\$34.7** million during the three **and six** months ended **March 31, 2024** **June 30, 2024**, respectively, and **2023**, **\$15.4 million and \$34.6 million during the three and six months ended June 30, 2023**, respectively.

A summary of the Company's RSU activity for the **three six** months ended **March 31, 2024** **June 30, 2024** is as follows (in thousands, except weighted average information):

	Number of Shares	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested at December 31, 2023					

Granted
Vested
Forfeited/Canceled
Unvested at March 31, 2024
Unvested at June 30, 2024

As of **March 31, 2024** **June 30, 2024**, total unrecognized stock-based compensation expense for unvested RSUs was **\$149.1 million** **\$121.5 million**, which is expected to be recognized over a weighted average period of **1.5** **1.4** years. The Company had no outstanding performance-based RSUs as of **March 31, 2024** **June 30, 2024**.

11. Income Taxes

The Company computes its provision for income taxes by applying the estimated annual effective tax rate to pretax income or loss and adjusts the provision for discrete tax items recorded in the period. The income tax expense, effective tax rates, and statutory federal income tax rates for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023 were as follows (in thousands, except percentages):

	Three Months Ended March 31,									
	Three Months Ended March 31,									
	Three Months Ended March 31,									
	2024									
	2024									
	Three Months Ended June 30,					Six Months Ended June 30,				
	2024					2024				
	2024					2023				
Income tax expense										
Income tax expense										
Income tax expense										
Effective tax rate										
Effective tax rate										
Effective tax rate	Effective tax rate	8.4	%		28.8	%		88.1	%	32.7
Statutory federal income tax rate	Statutory federal income tax rate	21	%		21	%		21	%	21
Statutory federal income tax rate										
Statutory federal income tax rate										

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

deductible expenses including limitations on the amount of deductible officer compensation, state taxes, and net tax benefits from research and development tax credits. The effective tax rate for the three and six months ended June 30, 2023 differed from the U.S. federal statutory tax rate of 21% primarily due to state taxes, tax detriments relating to the settlement of RSUs, certain non-deductible expenses including limitations on the amount of deductible officer compensation, and net tax benefits from research and development tax credits. The effective tax rate of 42.0% for the three months ended March 31, 2023 differed from the U.S. federal statutory tax rate of 21% primarily due to tax detriments relating to the settlement of RSUs, certain non-deductible expenses, including limitations on the amount of deductible officer compensation, and partially offset by net tax benefits from research and development tax credits.

ZipRecruiter, Inc.

Notes to Condensed Consolidated Financial Statements
(unaudited)

During the three and six months ended March 31, 2024 June 30, 2024, the Company continued to record reserves for the current year uncertain tax positions recognized within the effective tax rate. The Company believes that any change to the unrecognized tax benefits in the next 12 months will not be material to the condensed consolidated financial statements.

12. Subsequent Events

Increase to Credit Facility

On July 8, 2024, the Company entered into a supplement to its credit facility agreement which increased the aggregate revolving commitments available under the credit facility from \$250.0 million to \$290.0 million.

Breakroom Acquisition

On July 23, 2024, the Company acquired all of the outstanding share capital in Poplar Technologies Limited (d/b/a Breakroom) ("Breakroom"). Breakroom is a UK-based employee review platform focused on the next generation of frontline workers. The Company believes there is an opportunity with Breakroom to complement its employment sites in the United States.

Upon the close of the transaction, the Company paid \$12.6 million in cash. In addition, approximately \$3.9 million is expected to be paid out to certain employees and non-employee shareholders of Breakroom up to three years post-closing of this transaction. Such additional payments are subject to customary holdback provisions, with such payments to employees also being conditioned upon each such individual's continued employment with the Company, which will be expensed as incurred.

Given the recent timing of the closing of this transaction, the Company is in the process of determining the fair values of the acquired assets and assumed liabilities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and the related notes included in Item 1 “Financial Statements” in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should read the sections titled “Risk Factors” and “Note Regarding Forward-Looking Statements” for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

OVERVIEW

Our Mission is to actively connect people to their next great opportunity.

ZipRecruiter is a two-sided marketplace for work. We generate substantially all of our revenue from fees paid by employers to post jobs and access other features in our marketplace. We offer our employers flat rate pricing on terms typically ranging from a day to a year, or performance-based pricing, such as cost-per-click, to align with each employer’s hiring needs.

ZipRecruiter is free to use for job seekers. Job seekers come to ZipRecruiter in search of their next opportunity. After establishing a profile, job seekers are able to apply to jobs with a single click. Our artificial intelligence-powered career advisor, Phil, curates jobs and proactively sends alerts for new opportunities where they are a Great Match, which is a designation assigned by ZipRecruiter’s technology to indicate a high potential fit between a job seeker and a job. As our matching technology learns more about job seekers’ preferences and attributes, our technology offers increasingly higher quality matches.

We plan to continue to invest aggressively in our marketplace to improve functionality and drive growth for the foreseeable future. We have made significant investments in our business to expand our employer and job seeker footprints, increase their engagement and enhance our datasets and machine learning.

For the three months ended **March 31, 2024** **June 30, 2024**, our revenue was **\$122.2 million** **\$123.7 million** and we **had a generated net loss income** of **\$6.5 million** **\$7.0 million** and Adjusted EBITDA of **\$20.8** **\$27.8** million. For the three months ended **March 31, 2023** **June 30, 2023**, our revenue was **\$183.7 million** **\$170.4 million**, and we generated net income of **\$5.0 million** **\$14.4 million** and Adjusted EBITDA of **\$35.3 million** **\$43.3 million**. For the six months ended **June 30, 2024**, our revenue was **\$245.9 million** and we generated net income of **\$0.5 million** and Adjusted EBITDA of **\$48.6 million**. For the six months ended **June 30, 2023**, our revenue was **\$354.2 million**, and we generated net income of **\$19.4 million** and Adjusted EBITDA of **\$78.5 million**. Adjusted EBITDA is a financial measure not presented in accordance with GAAP. For a definition of Adjusted EBITDA, an explanation of our management’s use of this measure and a reconciliation of net income to Adjusted EBITDA, see the section titled “Key Operating Metrics and Non-GAAP Financial Measures.”

KEY OPERATING METRICS AND NON-GAAP FINANCIAL MEASURES

In addition to the measures presented in our consolidated financial statements, we use the following key operating metrics and non-GAAP financial measures to identify trends affecting our business, formulate business plans, and make strategic decisions:

March 31, 2023									
March 31, 2023									
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Quarterly Paid Employers									
Revenue per Paid Employer									

Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended June 30,		Six Months Ended June 30,	
2024		2024	2023	2024	2023
2024					
2024					
(in thousands, except percentages)					
(in thousands, except percentages)					
(in thousands, except percentages)				(in thousands, except percentages)	
Adjusted EBITDA					
Adjusted EBITDA margin	Adjusted EBITDA margin	23 %	25 %	20 %	22 %
Adjusted EBITDA margin					
Adjusted EBITDA margin					

Quarterly Paid Employers

We quantify the revenue-generating customer base as the number of Paid Employers in our marketplace. The Quarterly Paid Employer metric includes all actively recruiting employers (or entities acting on behalf of employers) on a paying subscription plan or performance marketing campaign for at least one day in a given quarter. Paid Employers excludes employers from our third-party sites or other indirect channels, employers who are not actively recruiting, and employers on free-trials. This group of employers excluded from our Paid Employer count does not contribute a significant amount of revenue.

In the quarter ended **March 31, 2024** **June 30, 2024**, Quarterly Paid Employers **increased** **decreased** slightly when compared to the quarter ended **December 31, 2023**, marking the first quarter with sequential stability in Quarterly Paid Employers since 2022. However, **the March 31, 2024. The** U.S. labor market continued to be impacted by high inflation and high interest rates, which posed challenges for many **businesses, and we** businesses. Employers continued to **observe employers moderating** **moderate** hiring plans **and reducing recruitment budgets** **given the uncertainty in** **response to economic uncertainty, the economy.**

Revenue per Paid Employer

We evaluate Revenue per Paid Employer as a key indicator of our efforts to increase value provided to employers in our marketplace. We define Revenue per Paid Employer as total company revenue in a given period divided by Quarterly Paid Employers in the same period.

In the quarter ended **March 31, 2024** **June 30, 2024**, Revenue per Paid Employer **decreased** **increased slightly** when compared to the quarter ended **December 31, 2023** **March 31, 2024**. While **we saw Quarterly Paid Employers decrease during the quarter ended June 30, 2024, reflecting the current softness in hiring demand amidst the challenging economic climate,** we believe our products and services continued to improve and offered more value for employers of all sizes including **offering solutions with the best matching technology to help employers identify and recruit standout candidates,** we saw employers decrease spend on products and services in our marketplace amidst the continued challenging economic climate during the quarter ended March 31, 2024. **sizes.**

Adjusted EBITDA and Adjusted EBITDA Margin

We define Adjusted EBITDA as our net income (loss) before interest expense, other income (expense), net, income tax expense (benefit) and depreciation and amortization, adjusted to eliminate stock-based compensation expense. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA for a period by revenue for the same period.

We believe Adjusted EBITDA and Adjusted EBITDA margin are helpful to investors, analysts and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. In addition, these measures are frequently used by analysts, investors and other interested parties to evaluate and assess performance. Adjusted EBITDA is not intended to be a substitute for any U.S. GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

Our Adjusted EBITDA and Adjusted EBITDA margin fluctuate from quarter to quarter depending on a variety of factors including, but not limited to, our investments in research and development, sales and marketing, headcount and our ability to generate revenue.

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for each of the periods indicated:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(in thousands)			
Net income ⁽¹⁾	\$ 7,014	\$ 14,380	\$ 509	\$ 19,391
Stock-based compensation	15,589	17,639	34,165	39,210
Depreciation and amortization	2,837	3,109	5,947	5,840
Interest expense	7,361	7,346	14,717	14,687
Other (income) expense, net	(5,599)	(5,014)	(10,478)	(10,036)
Income tax expense	647	5,812	3,769	9,442
Adjusted EBITDA	\$ 27,849	\$ 43,272	\$ 48,629	\$ 78,534

(1) Net income includes one-time charges resulting from our restructuring plan announced on May 31, 2023 to reduce our global workforce by approximately 20%. Restructuring costs were \$8.3 million for both the three and six months ended June 30, 2023. No restructuring costs were recorded during the three and six months ended June 30, 2024.

	Three Months Ended	
	March 31,	
	2024	2023
	(in thousands)	

Net income (loss)	\$	(6,505)	\$	5,011
Stock-based compensation		18,576		21,571
Depreciation and amortization		3,110		2,731
Interest expense		7,356		7,341
Other (income) expense, net		(4,879)		(5,022)
Income tax expense		3,122		3,630
Adjusted EBITDA	\$	20,780	\$	35,262

The following tables present net income (loss) margin and Adjusted EBITDA margin for each of the periods indicated:

	Three Months Ended March 31,			Three Months Ended March 31,			Three Months Ended March 31,		
	2024			2024					
	2024								
				Three Months Ended June 30,			Six Months Ended June 30,		
	2024			2024			2023		2024
									2023
	(in thousands, except percentages)						(in thousands, except percentages)		
	(in thousands, except percentages)								
	(in thousands, except percentages)								
Revenue									
Net income (loss)									
Net income (loss)									
Net income (loss)									
Net income (loss) margin									
Net income (loss) margin									
Net income (loss) margin									
Net income									
Net income margin	6	%		8	%		—	%	5 %
	Three Months Ended March 31,			Three Months Ended March 31,			Three Months Ended March 31,		
	Three Months Ended March 31,			Three Months Ended March 31,			Three Months Ended March 31,		
	Three Months Ended March 31,			Three Months Ended March 31,			Three Months Ended March 31,		
				Three Months Ended June 30,			Six Months Ended June 30,		

	2024		2024		2023		2024		2023
	2024								
	2024								
	(in thousands, except percentages)								
	(in thousands, except percentages)								
	(in thousands, except percentages)								
Revenue									
Adjusted EBITDA									
Adjusted EBITDA									
Adjusted EBITDA									
Adjusted EBITDA margin	Adjusted EBITDA margin	23	%	25	%	20	%	22	%
Adjusted EBITDA margin									
Adjusted EBITDA margin									

Impact of Macroeconomic Conditions

We had a lower number of Quarterly Paid Employers in our marketplace in the three months quarter ended March 31, 2024 June 30, 2024 compared to the prior year period. In the three months quarter ended March 31, 2024 June 30, 2024, we delivered \$122.2 million \$123.7 million in revenue, which is a 33% 27% decrease compared to the three months quarter ended March 31, 2023 June 30, 2023. The record-setting levels of hiring activity Despite Revenue per Paid Employer being higher in the quarter ended June 30, 2024 compared to the quarter ended June 30, 2023 as our products and services continued to improve and offered more value for employers, we saw throughout the first half of 2022 started to show signs of softening near the end of June 2022 employers significantly pull back on spend on products and proceeded to slow down significantly services in our marketplace during the latter half of 2022. This trend continued throughout quarter ended June 30, 2024 compared to the year quarter ended December 31, 2023, as June 30, 2023 amidst the U.S. labor market continued to be impacted by high interest rates and high inflation, which posed challenges for many businesses. As employers continued to feel the impact of rising operating expenses and other continuing challenging macroeconomic headwinds, we continued to observe employers moderating hiring plans and reducing recruitment budgets in response to economic uncertainty. Also, while in 2021 and 2022, workers left jobs for higher wages, wage inflation has since abated and macroeconomic uncertainty is keeping people in their current roles, resulting in fewer job openings and lower employee turnover. This has resulted in atypical seasonal hiring patterns, with online hiring demand declining throughout 2023 and continuing to decline into the first quarter of 2024.

conditions .

Components of Our Results of Operations

Revenue

We generate revenue primarily from fees paid by employers to post and distribute jobs in our marketplace, as well as multiple sites managed by Job Distribution Partners, which are third-party sites who have a relationship with us and advertise from our marketplace, and includes job boards, newspaper classifieds, search engines, social networks, talent communities and resume services.

Our subscription revenue consists of time-based job posting plans, upsells which complement or expand visibility and prominence to job posting plans, and resume database plans.

We offer job posting plans with terms typically ranging from a day to a year on a flat rate subscription basis to access our marketplace, where customers may create and manage job postings and review incoming candidate applications. We recognize revenue ratably over the subscription period beginning on the date the subscription service is made available to the customer. Our nonrefundable subscriptions are typically subject to renewal at the end of the subscription term.

Our upsell services complement or expand visibility to job posting plans and are typically sold on a subscription basis. Upsell services revenue is recognized ratably over the term of the agreement beginning on the date the upsell services are made available to the customer. Additionally, upsell services include job posting enhancements which are applied to individual job postings. Such services enhance job postings by providing customers with a temporary boost in the prominence of their job postings, expanding visibility to job postings by inviting strong fit potential candidates to apply to the job, or highlighting key attributes of job postings to make them stand out to job seekers. Revenue from job posting enhancements is recognized as the customer uses the enhancements on its job postings.

Resume database plans allow our customers to search and view resumes and revenue is recognized ratably over the subscription period.

Performance-based revenue is recognized when a candidate clicks on or applies to a job distributed by ZipRecruiter on behalf of a customer. For performance-based revenue, our customers pay an amount per click or per job application usually capped at a contractual maximum per job recruitment campaign.

For a description of our revenue accounting policies, see the section titled "Critical Note 2 – Basis of Presentation, Principles of Consolidation, and Summary of Significant Accounting Policies and Estimates" below to our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, or the 2023 Form 10-K.

Cost of Revenue and Gross Profit

Cost of Revenue

Cost of revenue consists of third-party hosting fees, credit card processing fees, personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for customer support employees, partner revenue share amounts, job distribution costs from performance-based revenue, and amortization of capitalized software costs associated with our marketplace technology to provide services for our customers. In addition, we allocate a portion of overhead costs, such as rent, IT costs, supplies, and depreciation and amortization, to cost of revenue based on headcount.

We expect cost of revenue to increase or decrease in absolute dollars in direct correlation to revenue in future periods due to payment processing fees, third-party hosting fees, personnel-related costs to support additional transaction volume, and amortization expense associated with our capitalized internal-use software and development cost. We expect our cost of revenue as a percentage of revenue to remain relatively flat from year to year but may vary from quarter to quarter as a percentage of our revenue due to the timing and extent of these expenses.

Gross Profit and Gross Margin

Our gross profit may fluctuate from period to period. Such fluctuations may be influenced by our revenue, timing and amount of investments to expand hosting capacity, our continued investments in our support teams, and the amortization expense associated with our capitalized internal-use software and development cost. We expect our gross margin to remain relatively flat from year to year but may vary from quarter to quarter as a percentage of our revenue due to the timing and extent of these expenses.

Costs and Operating Expenses

Sales and Marketing

Sales and marketing expense consists of personnel-related costs (including salaries, sales commissions, bonuses, benefits, and stock-based compensation) for our sales and marketing employees, marketing activities, and related allocated overhead costs. Marketing activities include advertising, online lead generation, customer and industry events, and candidate acquisition. We allocate a portion of overhead costs, such as rent, IT costs, supplies, and depreciation and amortization, to sales and marketing expense based on headcount. Sales and marketing costs are expensed as incurred.

We expect that sales and marketing expenses will increase or decrease on an absolute dollar basis as we adjust our highly variable sales and marketing spend budget throughout economic cycles to reallocate or conserve spend to where we see the greatest returns. Additionally, sales and marketing expenses may vary from period to period as a percentage of revenue for the foreseeable future as we constantly measure the expected returns of specific sales and marketing initiatives and adjust spend levels up or down accordingly. This discipline has been a key aspect of our strong financial performance through a wide range of macroeconomic conditions. We expect that these expenses will continue to be our largest operating expense category for the foreseeable future as we continue to expand on our sales and marketing efforts over time.

Research and Development

Research and development expense consists of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for our research and development employees, amortization of capitalized software costs associated with the development of internal databases, candidate insights, and reporting that support our marketplace technology and the cost of certain third-party service providers. We allocate a portion of overhead costs, such as rent, IT costs, supplies, and depreciation and amortization, to research and development expenses based on headcount. Research and development costs, other than software development costs qualifying for capitalization, are expensed as incurred.

We believe continued investments in research and development are important to attain our strategic objectives, and expect research and development expense to increase in absolute dollars. This expense may vary as a percentage of total revenue for the foreseeable future as we continue to invest in research and development activities related to ongoing improvements to, and maintenance of, our marketplace, expansion of our services, as well as other research and development programs, including the hiring of engineering, product development, and design employees to support these efforts.

General and Administrative

General and administrative expense consists of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for employees in our executive, finance, human resource and administrative departments, and fees for third-party professional services, including consulting, legal and accounting services. In addition, we allocate a portion of overhead costs, such as rent, IT costs, supplies, and depreciation and amortization, to general and administrative expense based on headcount.

We expect to continue to invest in corporate infrastructure and incur additional expenses associated with operating as a public company, including expenses related to compliance and reporting obligations pursuant to the rules and regulations of the Securities and Exchange Commission, or SEC, and higher expenses for professional services.

Interest Expense

Interest expense consists of interest costs associated with our outstanding borrowings, undrawn fees associated with our credit facility, and amortization of issuance costs for our credit facility and senior unsecured notes.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income recognized on cash, cash equivalents and marketable securities, gains and losses from foreign currency exchange transactions, and realized gains and losses recognized on sales of available-for-sale debt securities. We have foreign currency exposure primarily related to personnel-related expenses that are denominated in currencies other than the U.S. Dollar, principally the Canadian Dollar, British Pound and the Israeli New Shekel. Other income (expense), net also includes sublease income which consists of income earned from noncancellable sublease agreements related to some of our office facilities.

Income Tax Expense (Benefit)

We are subject to federal and state income taxes in the United States, as well as several international jurisdictions. The effective tax rate of (92.3)% rates for the three and six months ended March 31, 2024 June 30, 2024 differed from the U.S. federal statutory rate of 21% primarily due to state taxes, tax detriments relating to the settlement of restricted stock units, or RSUs, certain non-deductible expenses including limitations on the amount of deductible executive officer compensation, state taxes, and net tax benefits from research and development tax credits. The effective tax rate for the three and six months ended June 30, 2023 differed from the U.S. federal statutory tax rate of 21% primarily due to state taxes, tax detriments relating to the settlement of RSUs, certain non-deductible expenses including limitations on the amount of deductible officer compensation, partially offset by net tax benefits from research and development tax credits.

Results of Operations

The following table sets forth our consolidated results of operations for each of the periods presented:

	Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,				
	Three Months Ended June 30,			Six Months Ended June 30,	
	2024	2024	2023	2024	2023
	2024				
	2024				
	2024				
	(in thousands)				
	(in thousands)				
	(in thousands)			(in thousands)	
Revenue ⁽¹⁾					
Cost of revenue ⁽²⁾					
Cost of revenue ⁽²⁾					
Cost of revenue ⁽²⁾					
Gross profit					
Gross profit					
Gross profit					
Operating expenses					
Operating expenses					
Operating expenses					
Sales and marketing ^{(2) (3)}					
Sales and marketing ^{(2) (3)}					
Sales and marketing ^{(2) (3)}					
Research and development ^{(2) (3)}					
Research and development ^{(2) (3)}					
Research and development ^{(2) (3)}					
General and administrative ^{(2) (3)}					
General and administrative ^{(2) (3)}					
General and administrative ^{(2) (3)}					
Total operating expenses					
Total operating expenses					
Total operating expenses					
Income (loss) from operations					

Income (loss) from operations
Income (loss) from operations
Other income (expense)
Other income (expense)
Income from operations
Other income (expense)
Interest expense
Interest expense
Interest expense
Other income (expense), net
Other income (expense), net
Other income (expense), net
Total other income (expense), net
Total other income (expense), net
Total other income (expense), net
Income (loss) before income taxes
Income (loss) before income taxes
Income (loss) before income taxes
Income before income taxes
Income tax expense
Income tax expense
Income tax expense
Net income (loss)
Net income (loss)
Net income (loss)
Net income

(1) Revenue was comprised as follows:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended June 30,	Six Months Ended June 30,		
	2024	2024	2023	2024	2023
	2024				
	2024				
	(in thousands)				
	(in thousands)				
	(in thousands)			(in thousands)	

Subscription revenue
Performance-based revenue
Performance-based revenue
Performance-based revenue
Total revenue
Total revenue
Total revenue

(2) Includes stock-based compensation expense as follows:

		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended June 30,		Six Months Ended June 30,			
		2024	2024	2023	2024	2023	
		2024					
		2024					
		(in thousands)					
		(in thousands)					
		(in thousands)			(in thousands)		

Cost of revenue
Sales and marketing
Sales and marketing
Sales and marketing
Research and development
Research and development
Research and development
General and administrative
General and administrative
General and administrative
Total stock-based compensation
Total stock-based compensation
Total stock-based compensation

(3) Includes one-time charges resulting from our restructuring plan announced on May 31, 2023 to reduce our global workforce by approximately 20%. Restructuring costs are presented as \$3.9 million in sales and marketing, \$3.4 million in research and development, and \$1.0 million in general and administrative expenses for both the three and six months ended June 30, 2023.

Comparison of the Three and Six Months Ended March 31, 2024 June 30, 2024 and 2023

Revenue

		Three Months Ended March 31, 2024				Three Months Ended March 31, 2023				Three Months Ended June 30, 2024			
		2024		2023		2024		2023		2024		2023	
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)				(in thousands, except percentages)							
Total revenue	Total revenue	\$ 123,658	\$ 170,421	\$ \$(46,763)	(27)%	\$245,897	\$ 354,170	\$ \$(108,273)	(31)%				

Revenue decreased by \$61.5 million \$46.8 million, or 33% 27%, for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023, reflecting the lower number of Quarterly Paid Employers in our marketplace primarily due to the labor market continuing to be impacted by high inflation and high interest rates in the current period, which posed challenges to many businesses. Subscription revenue decreased by \$46.5 million, \$40.6 million, or 33% 30%, and performance-based revenue decreased by \$15.0 \$6.1 million, or 37% 18%, for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023. Despite Revenue per Paid Employer decreased slightly during being higher in the current period as our products and services continued to improve and offered more value for employers, we saw employers decrease significantly pull back on spend on products and services in our marketplace during the three months ended June 30, 2024 compared to the three months ended June 30, 2023 amidst the continuing challenging macroeconomic conditions conditions.

Revenue decreased by \$108.3 million, or 31%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023, reflecting the lower number of Quarterly Paid Employers in our marketplace primarily due to the labor market continuing to be impacted by high inflation and high interest rates in the current period, which posed challenges to many businesses. Subscription revenue decreased by \$87.2 million, or 31%, and performance-based revenue decreased by \$21.1 million, or 29%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. Despite Revenue per Paid Employer being higher in the current period as our

products and services continued to improve and offered more value for employers, we saw employers significantly pull back on spend on products and services in our marketplace during the three six months ended March 31, 2024. June 30, 2024 compared to the six months ended June 30, 2023 amidst the continuing challenging macroeconomic conditions.

Cost of Revenue and Gross Margin

		Three Months Ended March 31,				Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended June 30,											
		2024				2024							
		2024				2024				2024			
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)											
		(in thousands, except percentages)											
Cost of revenue	Cost of revenue	\$ 12,943	\$ 15,676	\$ \$(2,733)	(17)	(17)%	\$ 26,264	\$ 36,298	\$ \$(10,034)	(28)	(28)%		
Gross margin													
Gross margin													
Gross margin													

Cost of revenue decreased by \$7.3 million \$2.7 million, or 35% 17%, for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023, primarily due to a decrease of \$1.2 million in job distribution costs from performance-based revenue of \$2.2 million, credit card processing fees, a decrease of \$1.4 million \$0.7 million in third-party hosting fees, and a decrease of \$1.4 million \$0.5 million in partner revenue share. Gross margin was 90% and 91% in the three months ended June 30, 2024 and June 30, 2023, respectively, reflecting our continued commitment to operational efficiencies and maintaining costs proportionate to revenue.

Cost of revenue decreased by \$10.0 million, or 28%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023, primarily due to a decrease of \$2.6 million in credit card processing fees. The gross fees, a decrease of \$2.5 million in job distribution costs from performance-based revenue, a decrease of \$2.1 million in third-party hosting fees, and a decrease of \$1.6 million in partner revenue share. Gross margin was 89% and 90% in both the three six months ended March 31, 2024 June 30, 2024 and March 31, 2023 June 30, 2023, respectively, reflecting our continued commitment to operational efficiencies and maintaining costs proportionate to revenue.

Sales and Marketing

		Three Months Ended March 31,				Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended June 30,											
		2024				2024							
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change				
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)				(in thousands, except percentages)							
Sales and marketing	Sales and marketing	\$ 51,464	\$ 72,171	\$ \$(20,707)	(29)	(29)%	\$ 106,157	\$ 160,523	\$ \$(54,366)	(34)	(34)%		

Percentage of revenue

Percentage of revenue

Percentage of revenue

Sales and marketing expenses decreased by \$33.7 million \$20.7 million, or 38% 29%, for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023. The decrease was primarily driven by a \$25.0 million \$8.4 million decrease in marketing and advertising compared to the prior-year period reflecting our discipline in proactively adjusting marketing spend levels in relation to the macroeconomic conditions. On May 31, 2023, we announced and committed to The decrease was also driven by a restructuring plan to optimize our cost structure and drive long-term efficiency decrease of \$7.3 million in response to the impact of macroeconomic conditions. This plan resulted in a reduction in our global workforce of approximately 20%. As a result of our May 2023 reduction in force, personnel-related costs for our sales and marketing employees decreased corresponding with lower headcount in the current period. The decrease was further driven by \$7.1 million for one-time restructuring costs of \$3.9 million related to our May 2023 reduction in force incurred during the three months ended March 31, 2024 June 30, 2023.

Sales and marketing expenses decreased by \$54.4 million, or 34%, for the six months ended June 30, 2024 compared to the three six months ended March 31, 2023.

Research and Development

	Three Months Ended			
	March 31,		\$ Change	% Change
	2024	2023		
	(in thousands, except percentages)			
Research and development	\$ 36,076	\$ 38,294	\$ (2,218)	(6)%
Percentage of revenue	30 %	21 %		

Research and development expenses decreased by \$2.2 million, or 6%, for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The decrease was primarily driven by a \$33.3 million decrease in marketing and advertising compared to the prior-year period reflecting our discipline in proactively adjusting marketing spend levels in relation to the macroeconomic conditions. The decrease was also driven by a decrease of \$14.4 million in personnel-related costs for our sales and marketing employees corresponding with lower headcount in the current-year period. The decrease was further driven by one-time restructuring costs of \$3.9 million related to our May 2023 reduction in force incurred during the six months ended June 30, 2023.

Research and Development

	Three Months Ended				Six Months Ended			
	June 30,		\$ Change	% Change	June 30,		\$ Change	% Change
	2024	2023			2024	2023		
	(in thousands, except percentages)							
Research and development	\$ 33,310	\$ 38,617	\$ (5,307)	(14)%	\$ 69,386	\$ 76,911	\$ (7,525)	(10)%
Percentage of revenue	27 %	23 %			28 %	22 %		

Research and development expenses decreased by \$5.3 million, or 14%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The decrease was primarily driven by one-time restructuring costs of \$3.4 million related to our May 2023 reduction in force incurred during the three months ended June 30, 2023, as well as a \$1.6 million decrease in personnel-related costs attributable to a decrease for our research and development employees corresponding with lower headcount in headcount as a result of our May 2023 reduction in force. the current period. Research and development expenses as a percentage of revenue increased 9% 4% for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023, primarily driven by lower revenue. We expect to continue to invest in research and development activities, and we expect this expense may vary as a percentage of total revenue for the foreseeable future.

Research and development expenses decreased by \$7.5 million, or 10%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The decrease was primarily driven by one-time restructuring costs of \$3.4 million related to our May 2023 reduction in force incurred during the six months ended June 30, 2023, as well as a \$3.3 million decrease in personnel-related costs for our research and development employees corresponding with lower headcount in the current-year period. Research and development expenses as a percentage of revenue increased 6% for the six months ended June 30, 2024 compared to the six months ended June 30, 2023, primarily driven by lower revenue. We expect to continue to invest in research and development activities, and we expect this expense may vary as a percentage of total revenue for the foreseeable future.

General and Administrative

		Three Months Ended March 31,				Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended June 30,											
		2024				2024							
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change				
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)				(in thousands, except percentages)							
		(in thousands, except percentages)				(in thousands, except percentages)							
General and administrative	General and administrative	\$ 16,518	\$ 21,433	\$ \$(4,915)	(23)	(23)%	\$35,573	\$ 46,954	\$ \$(11,381)	(24)	(24)%		

Percentage of revenue

Percentage of revenue

Percentage of revenue

General and administrative expenses decreased by \$6.5 million \$4.9 million, or 25% 23%, for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023, primarily driven by a \$2.3 million decrease of \$1.8 million in stock-based compensation expense, a \$1.6 million decrease in personnel-related costs for our general and administrative employees attributable corresponding with lower headcount in the current period, and a \$1.0 million decrease due to a decrease in headcount as a result of one-time restructuring costs related to our May 2023 reduction in force incurred during the three months ended June 30, 2023.

General and administrative expenses decreased by \$11.4 million, or 24%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023, primarily driven by a \$1.8 million \$4.1 million decrease in stock-based compensation expense. expense, a \$3.4 million decrease in personnel-related costs for our general and administrative employees corresponding with lower headcount in the current-year period, and a \$1.0 million decrease due to one-time restructuring costs related to our May 2023 reduction in force incurred during the six months ended June 30, 2023.

Total Other Income (Expense), Net

		Three Months Ended March 31,			
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		Three Months Ended March 31,				Three Months Ended March 31,					
		Three Months Ended June 30,									
		2024				2024					
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change		
		(in thousands, except percentages)				(in thousands, except percentages)					
		(in thousands, except percentages)									
		(in thousands, except percentages)									
Total other income (expense), net	Total other income (expense), net	\$ (1,762)	\$ \$(2,332)	\$ \$ 570	(24)	(24)%	\$ (4,239)	\$ \$(4,651)	\$ \$ 412	(9)	(9)%
Total other income (expense), net, remained flat for the three and six months ended March 31, 2024 June 30, 2024 compared to the three and six months ended June 30, 2023.											

Income Tax Expense (Benefit)

		Three Months Ended June 30,				Six Months Ended June 30,			
		2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
		(in thousands, except percentages)							
Income tax expense	\$	647	\$ 5,812	\$ (5,165)	(89)%	\$ 3,769	\$ 9,442	\$ (5,673)	(60)%
Effective tax rate		8.4 %	28.8 %			88.1 %	32.7 %		

Income tax expense decreased \$5.2 million, or 89%, for the three months ended June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023.

Income Tax Expense

		Three Months Ended March 31,			
		2024	2023	\$ Change	% Change
		(in thousands, except percentages)			
Income tax expense	\$	3,122	\$ 3,630	\$ (508)	(14)%
Effective tax rate		(92.3)%	42.0 %		

The decrease in income tax expense is primarily attributable to a decrease in income before income taxes partially offset by an increase in income tax expense associated with stock-based compensation.

Income tax expense decreased \$0.5 million \$5.7 million, or 14% 60%, for the three six months ended March 31, 2024 June 30, 2024 compared to the three six months ended March 31, 2023 June 30, 2023. The decrease in income tax expense is primarily attributable to a decrease in income before income taxes partially offset by an increase in income tax expense associated with stock-based compensation.

Liquidity and Capital Resources

As of March 31, 2024 June 30, 2024, we had cash, cash equivalents, and marketable securities totaling \$513.0 million \$523.3 million and \$245.6 million \$247.4 million available in unused borrowing capacity under our current credit facility. We have financed our operations and capital expenditures primarily through cash generated from operations, sales of shares of common and preferred stock and from our senior unsecured notes, bank loans, and convertible notes. As of March 31, 2024 June 30, 2024, we had no amounts outstanding under our credit facility and were in compliance with the financial covenants. In addition, in July 2024, we entered into a supplement to our credit facility agreement which increased the aggregate revolving commitments available under the credit facility from \$250.0 million to \$290.0 million. Subsequent to the execution of the supplement, we continued to have no amounts outstanding under our credit facility.

We believe our existing cash, cash equivalents, marketable securities, cash flow from operations, and amounts available for borrowing under our bank loan agreement will be sufficient to meet our working capital requirements for at least the next 12 months. To the extent existing cash, cash equivalents, marketable securities, cash from operations, and amounts available for borrowing are insufficient to fund future activities, we may need to raise additional funds. In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors. There can be no assurances that we will be able to raise additional capital. The inability to raise capital could adversely affect our ability to achieve our business objectives.

Credit Facility

In April 2021, we entered into a \$250.0 million credit facility agreement with a syndicate of banks. In July 2024, we entered into a supplement to the credit facility agreement which increased the aggregate revolving commitments available under the credit facility from \$250.0 million to \$290.0 million. The credit facility has a maturity date of April 30, 2026 and bears interest at a rate based upon our Net Leverage Ratio. Our Net Leverage Ratio is defined as total debt less total cash and permitted investments outstanding at period end, with a maximum total cash and permitted investments adjustment of \$550.0 million, divided by the trailing 12 months of earnings, adjusted for items such as non-cash expenses and other nonrecurring transactions. We are also obligated to pay other customary fees including a commitment fee on a quarterly basis based on amounts committed but unused under the credit facility at a rate between 0.25% to 0.35%, depending on our Net Leverage Ratio. The amount available under the credit facility is reduced by letters of credit outstanding, which totaled \$4.4 million \$2.6 million as of March 31, 2024 June 30, 2024. The letters of credit outstanding relate to various leased office spaces.

The credit facility is collateralized by security interests in substantially all of our assets and includes customary events of default such as non-payment of principal, non-payment of interest or fees, inaccuracy of representations and warranties, violation of certain covenants, cross default to certain other indebtedness, bankruptcy and insolvency events, material judgments against us, and a change of control. The occurrence of an event of default could result in the acceleration of the obligations under the credit facility.

The credit facility agreement contains customary representations, warranties, affirmative covenants, such as financial statement reporting requirements, negative covenants, and financial covenants, such as maintenance of certain net leverage ratio requirements. The negative covenants include restrictions that, among other things, restrict our ability to incur liens and indebtedness, make certain investments, declare dividends, dispose of, transfer or sell assets, make stock repurchases and consummate certain other matters, all subject to certain exceptions.

For more information on the credit facility, please see Note 69 – Debt to our condensed audited consolidated financial statements included in this report, the 2023 Form 10-K.

We have no amounts outstanding under the credit facility and are in compliance with our debt covenants as of March 31, 2024 June 30, 2024.

Issuance of Senior Unsecured Notes

On January 12, 2022, we issued an aggregate principal amount of \$550.0 million senior unsecured notes due 2030 in a private placement. The senior unsecured notes were issued pursuant to an indenture dated as of January 12, 2022, or the Indenture. Pursuant to the Indenture, the senior unsecured notes will mature on January 15, 2030 and bear interest at a rate of 5% per year. Interest on the senior unsecured notes is payable semi-annually in arrears on January 15 and July 15 of each year.

The Indenture contains certain customary negative covenants, including, but not limited to, limitations on the incurrence of debt, limitations on liens, limitations on consolidations or mergers, and limitations on asset sales. The Indenture also contains customary events of default.

At any time prior to January 15, 2030, we have the option, at our sole discretion, to redeem all or a portion of our senior unsecured notes subject to the payment of certain premiums, make-whole provisions, and accrued and unpaid interest. Upon the occurrence of a change of control triggering event,

we must offer to repurchase the senior unsecured notes at a repurchase price equal to 101% of the aggregate principal amount to be repurchased, and any accrued and unpaid interest.

For more information on the senior unsecured notes, please see Note 69 – Debt to our condensed audited consolidated financial statements included in this report, the 2023 Form 10-K.

Share Repurchase Program

Our board of directors authorized us to repurchase up to \$550.0 million of our outstanding common stock, with no fixed expiration. During the three six months ended March 31, 2024 June 30, 2024, we repurchased an aggregate 0.5 million 1.4 million shares of our Class A common stock for an aggregate purchase price of \$6.4 \$15.0 million through open market purchases under our share repurchase program.

Approximately \$57.0 million \$48.4 million remains available for future repurchases of our Class A common stock under our share repurchase program as of March 31, 2024 June 30, 2024. For more information, see Note 9 – Share Repurchase Program to our condensed consolidated financial statements included in this report.

Investments

During the three and six months ended March 31, 2024 June 30, 2024, we continued investing primarily in highly rated debt securities and money market mutual funds to manage our excess cash reserves. The primary objectives in investing our excess cash reserves are to preserve capital, provide sufficient liquidity to satisfy both operational cash flow requirements and potential strategic investment opportunities, and to obtain a reasonable or market rate of return on investments. We consider all of our investments as available for use in current operations, including those with maturity dates beyond one year, and therefore classify these securities within current assets in our condensed consolidated balance sheets.

As of March 31, 2024 June 30, 2024, we held \$286.8 million \$290.6 million in total investments, consisting of money market mutual funds and available-for-sale debt securities. These investments are included within cash and cash equivalents and marketable securities within our condensed consolidated balance sheets. For more information, see Note 8 – Financial Instruments to our condensed consolidated financial statements included in this report.

Institutional Insured Liquid Deposit

In March 2023, we entered into a cash management program called Institutional Insured Liquid Deposit, or IILD, with Wells Fargo & Company, which acts as our agent and the custodian of our funds. With the IILD, our funds are placed into interest-bearing FDIC-insured accounts at participating network banks in increments of slightly less than the FDIC insurance limit of \$250,000. Both principal and interest earned are eligible for FDIC insurance under our IILD program. As of March 31, 2024, we had \$122.2 million in the IILD program.

Cash Flows

The following table summarizes our cash flows for the periods presented (in thousands):

	Three Months Ended		Six Months Ended	
	March 31,		June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities				
Net cash provided by operating activities				
Net cash provided by operating activities				
Net cash provided by investing activities				
Net cash provided by (used in) investing activities				
Net cash used in financing activities				
Net decrease in cash and cash equivalents				
Net increase (decrease) in cash and cash equivalents				

Operating Activities

The primary source of operating cash inflows is cash collected from our customers for our services. Our primary uses of cash from operating activities are for personnel-related expenditures, marketing costs and third-party costs incurred to support our marketplace.

For the three six months ended March 31, 2024 June 30, 2024, cash provided by operating activities was \$2.0 million \$23.9 million resulting from our net loss income of \$6.5 million, \$0.5 million, adjusted by non-cash charges of \$7.0 \$37.3 million and a net increase decrease of \$1.6 \$13.9 million in our operating assets and liabilities. The non-cash charges primarily resulted from \$18.6 \$34.2 million for stock-based compensation expense, \$3.1 million \$5.9 million pertaining to amortization of intangible assets and depreciation, and \$1.0 million \$2.0 million pertaining to non-cash lease expense, partially offset by \$13.7 million \$5.3 million in amortization and accretion of marketable securities and \$0.9 million related to the change in our deferred tax assets driven by our current year capitalization of research costs from a tax perspective, and \$2.6 million in amortization and accretion perspective. The decrease of marketable securities. The increase of \$1.6 \$13.9 million related to changes in our operating assets and liabilities was primarily driven by a \$5.6 \$9.2 million increase decrease in our accounts payable and accrued expenses and other liabilities, a \$2.0 million decrease \$2.8 million increase in prepaid expenses and other assets, and a \$1.6 million decrease in accounts receivable associated with a decrease in revenue due to a lower number of Quarterly Paid Employers in our marketplace compared to the prior-year period, partially offset by a \$6.9 million decrease in our accrued interest associated with our senior unsecured notes, and a \$1.3 million \$2.7 million decrease in our operating lease liabilities.

For the three six months ended March 31, 2023 June 30, 2023, cash provided by operating activities was \$6.4 million \$39.5 million resulting from our net income of \$5.0 million \$19.4 million, adjusted by non-cash charges of \$18.9 million \$35.2 million and a net decrease of \$17.6 million \$15.1 million in our operating assets and liabilities. The non-cash charges primarily resulted from \$21.6 million \$39.2 million for stock-based compensation expense, \$2.7 million \$5.8 million pertaining to amortization of intangible assets and depreciation, and \$1.0 million \$2.1 million pertaining to non-cash lease expense, partially offset by \$4.6 million \$8.3 million related to the change in our deferred tax assets driven by our current year capitalization of research costs from a tax perspective and the tax-related impact of stock-based compensation, and \$3.0 million \$5.8 million in amortization and accretion of marketable securities. The decrease of \$17.6 million \$15.1

million related to changes in our operating assets and liabilities was primarily driven by a \$18.9 million \$22.7 million decrease in our accrued expenses and other liabilities and accounts payable a \$6.9 million decrease in accrued interest associated with our senior unsecured notes, and a \$1.5 million \$3.1 million decrease in our operating lease liabilities, partially offset by a \$7.2 million \$10.2 million decrease in accounts receivable associated with a decrease in revenue due to a lower number of Quarterly Paid Employers in our marketplace compared to the prior-year period, and a \$2.4 million \$2.2 million decrease in prepaid expenses and other assets.

Investing Activities

For the three six months ended March 31, 2024 June 30, 2024, cash used in investing activities was \$15.4 million resulting from \$297.8 million used in purchases of marketable securities and \$5.3 million capitalized for software development costs, partially offset by \$288.0 million received from paydowns, maturities and redemptions of marketable securities.

For the six months ended June 30, 2023, cash provided by investing activities was \$5.7 million \$84.6 million resulting from \$151.5 million \$292.0 million received from paydowns, maturities and redemptions of marketable securities, partially offset by \$142.7 million used in purchases of marketable securities and capitalized software development costs of \$2.9 million.

For the three months ended March 31, 2023, cash provided by investing activities was \$38.0 million resulting from \$158.6 million received from paydowns, maturities and redemptions of marketable securities, partially offset by \$117.1 million \$201.8 million used in purchases of marketable securities and an increase in capitalized software development costs of \$3.1 million \$5.2 million.

Financing Activities

For the three six months ended March 31, 2024 June 30, 2024, cash used in financing activities was \$8.3 million \$19.9 million which consisted of \$6.4 million \$15.0 million used for the repurchase of common stock and \$4.8 million \$8.1 million for the net settlement of taxes on RSUs, equity awards, partially offset by \$2.6 million of proceeds from the issuance of stock under the employee stock purchase plan, and \$0.3 million \$0.6 million of proceeds from the exercise of stock options.

For the three six months ended March 31, 2023 June 30, 2023, cash used in financing activities was \$57.2 million \$112.7 million which consisted of \$58.7 million \$110.9 million used for the repurchase of common stock and \$4.5 million \$9.1 million for the net settlement of taxes on RSUs, partially offset by \$4.2 million of proceeds from the issuance of stock under the employee stock purchase plan, and \$1.8 million \$3.0 million of proceeds from the exercise of stock options.

Obligations and Other Commitments

See our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, or the 2023 Form 10-K for our future minimum commitments related to certain software service agreements. Through March 31, 2024 June 30, 2024, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of

America. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions, including, but not limited to, those related to revenue recognition, stock-based compensation, and income taxes. We base our estimates on historical experience and on various other estimates and assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates and assumptions.

Our significant accounting policies are discussed in Note 2 – Basis of Presentation, Principles of Consolidation, and Summary of Significant Accounting Policies to our condensed consolidated financial statements included in this report. There have been no changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates discussed in the 2023 Form 10-K.

Recent Accounting Pronouncements

See Note 2 – Basis of Presentation, Principles of Consolidation, and Summary of Significant Accounting Policies to our condensed consolidated financial statements included in this report for more information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include changes in interest rates and fluctuations in foreign currency exchange rates.

Interest Rate Risk

We are subject to interest rate risk in connection with our credit facility which bears a floating interest rate. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our condensed consolidated financial statements.

We do not believe we are subject to interest rate risk in connection with the senior unsecured notes. Our senior unsecured notes are carried at amortized cost and fluctuations in interest rates do not impact our condensed consolidated financial statements. However, the fair value of our senior unsecured notes, which pay interest at a fixed rate, will generally fluctuate with movements of interest rates, increasing in periods of declining rates of interest and declining in periods of increasing rates of interest.

Lastly, we are subject to interest rate risk in connection with our investments. The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significantly increasing risk. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to fluctuation in interest rates, which may affect our interest income and the fair value of our investments. To minimize interest rate risk, we maintain our portfolio of cash equivalents and marketable securities in a variety of securities, including commercial market, money market mutual funds, U.S. government and agency securities, and corporate debt securities. To assess interest rate risk associated with our investment portfolio, we performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the portfolio. Based on investment positions as of **March 31, 2024** **June 30, 2024**, a hypothetical increase in interest rates of 100 basis points across all maturities would result in a \$0.5 million decrease in the fair value of the portfolio. Such losses would only be realized if we sold the investments prior to maturity.

Foreign Currency Risk

We are exposed to fluctuations in foreign exchange risk related primarily to expenses denominated in currencies other than the U.S. Dollar, principally the Canadian Dollar, British Pound, and Israeli New Shekel. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We have experienced, and will continue to experience, fluctuations in our net income (loss) as a result of transaction gains and losses related to the remeasurement of our asset and liability balances that are denominated in currencies other than the U.S. Dollar. A hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our condensed consolidated financial statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of **March 31, 2024** **June 30, 2024**. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of **March 31, 2024** **June 30, 2024**, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act during the quarter ended **March 31, 2024** **June 30, 2024** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

Refer to the disclosure under the heading "Legal Matters" in Note 7 – Commitments and Contingencies to our condensed consolidated financial statements included in this report for legal proceedings. From time to time, we may be involved in various legal proceedings arising from the normal course of our business activities.

Item 1A. Risk Factors

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, before making a decision to invest in our Class A common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. If any of the following risks occur, our business, financial condition, operating results, and future prospects could be materially and adversely affected. In that event, the price of our Class A common stock could decline, and you could lose part or all of your investment.

Risk Related to Our Business

Operational Risks

Our business is significantly affected by fluctuations in general economic conditions. There is risk that any economic recovery may be delayed, short-lived and/or uneven, and may not result in increased demand for our services.

Our business depends on the overall demand for labor and on the economic health of current and prospective employers and job seekers that use our marketplace. Demand for recruiting and hiring services is significantly affected by the general level of economic activity and employment in the United States and the other countries in which we operate. Any significant weakening of the economy in the United

States or the global economy, increased unemployment, reduced credit availability, reduced business confidence and activity, decreased government spending, economic uncertainty, financial turmoil affecting the banking system or financial markets, including actual or perceived instability in the banking industry, trade wars and higher tariffs, volatility in interest rates, inflation in the cost of goods and services including labor, and other adverse economic or market conditions may adversely impact our business and operating results. Significant swings in, or periods of reduced, economic activity historically have had a disproportionately negative impact on hiring activity and related efforts to find candidates. We may also experience more pricing pressure during periods of economic downturn.

Economic recoveries are difficult to predict, and may be delayed, short-lived, and/or uneven, with some regions, or countries within a region, continuing to experience declines or weakness in economic activity while others improve. Differing economic conditions and patterns of economic growth or contraction in the geographical regions in which we operate may affect demand for our marketplace. We may not experience uniform, or any, increases in demand for our marketplace within the markets where our business is concentrated.

There has been volatility in financial markets as a result of a number of factors, including, but not limited to, banking instability, global conflict, including the war in Ukraine and the **Israel-Hamas war, Middle East**, inflation, changes in interest rates, and volatile markets. There is a risk that as a result of these macroeconomic factors, we could continue to experience declines in all, or in portions, of our business. Economic uncertainty may cause some of our current or potential employers to curtail spending in our marketplace and may ultimately result in cost challenges to our operations. For example, our employers, including those of our employers that are banks, may be adversely affected by any bank failure or other event affecting financial institutions. Any resulting adverse effects to our employers' liquidity or financial performance could reduce the demand for our services or affect our allowance for expected credit losses and collectability of accounts receivable. These adverse conditions could result in reductions in revenue, increased operating expenses, longer sales cycles, slower adoption of new technologies, and increased competition. We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally. There is also risk that when overall global economic conditions are positive, our business could be negatively impacted by decreased demand for job postings and our services. If general economic conditions significantly deviate from present levels, our business, financial condition, and operating results could be adversely affected.

Substantially all of our revenue is generated by our business operations in the United States. Prior to 2020, the United States had largely experienced positive economic and employment trends since our founding in 2010 and therefore we do not have a significant operating history in periods of weak economic environments and cannot predict how our business will perform in such periods. Any significant economic downturn in the United States or other countries in which we operate could have a material adverse effect on our business, financial condition and results of operations.

We face intense competition and could lose market share to our competitors, which could adversely affect our business, operating results, and financial condition.

We face intense competition from many well-established online job sites such as CareerBuilder, Craigslist, Glassdoor, Indeed, LinkedIn and Monster as well as from newer entrants such as Google or Facebook. Many of our existing and potential competitors are considerably larger or more established than we are and have larger workforces and more substantial marketing and financial resources. Price competition for job marketplaces such as ours is likely to remain high, which could limit our ability to maintain or increase our market share, subscriber base, revenue and/or profitability.

We also compete with companies that utilize emerging technologies and assets, such as large language models (LLMs), machine learning, and other types of artificial intelligence. These competitors may offer products and services that may, among other things, provide automated alternatives to the services that employers or job seekers would otherwise seek from ZipRecruiter, use machine learning algorithms to connect employers with job seekers more effectively than we do, or otherwise change the way that employers engage with job seekers or the way job seekers find work so as to make our marketplace less attractive. We may face increased competition from these competitors as they mature and expand their capabilities.

Many of our larger competitors have long-standing relationships or access to employers, including our Paid Employers¹, as well as those whom we may wish to pursue. Some employers may be hesitant to use a new platform and prefer to upgrade products offered by these incumbent platforms for reasons that include price, quality, sophistication, familiarity and global presence. These platforms could offer competing products on a standalone basis at a low price or bundled as part of a larger product sale.

Many of our competitors are able to devote greater resources to the development, promotion, sale, and support of their products and services. Furthermore, our current or potential competitors may be acquired by third parties with greater available resources and the ability to initiate or withstand substantial price competition. Our competitors may also establish cooperative relationships among themselves or with

third parties to enhance their product offerings and/or resources. If our competitors' products, platforms, services or technologies maintain or achieve greater market acceptance than ours, if they are successful in bringing their products or services to market earlier than ours, or if their products, platforms or services are more technologically capable than ours, then our revenue could be adversely affected. Also, some of our competitors may offer their products and services at a lower price. If we cannot optimize pricing, our operating results may be negatively affected. Pricing pressures and increased competition could result in

¹ "Paid Employer(s)" means any employer(s) (or entities acting on behalf of an employer) on a paying subscription plan or performance marketing campaign for at least one day. Paid Employer(s) excludes employers from our Job Distribution Partners or other indirect channels, employers who are not actively searching for candidates, but otherwise have access to previously posted jobs, and employers on free trial.

competition could result in reduced sales, reduced margins, losses or a failure to maintain or improve our competitive market position, any of which could adversely affect our business.

The number of employers distributing their job posting service purchases among a broader group of competitors may increase which may make it more difficult to retain or maintain our current share of business with existing Paid Employers. We also face the risk that employers may decide to provide similar services internally or reduce or redirect their efforts to recruit job seekers through online job advertisements. As a result, there can be no assurance that we will not encounter increased competition in the future.

Our marketplace functions on software that is highly technical and complex and if it fails to perform properly, our reputation could be adversely affected, our market share could decline and we could be subject to liability claims.

Our marketplace functions on software that is highly technical and complex and may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors in our software code may be discovered only after the code has been deployed. Any errors, bugs, or vulnerabilities discovered in our code after deployment, inability to identify the cause or causes of performance problems within an acceptable period of time, or difficulty maintaining and improving the performance of our marketplace could result in damage to our reputation or brand, loss of employers and job seekers, loss of revenue, or liability for damages, any of which could adversely affect our business and results of operations.

As the usage of our marketplace grows, we will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to operate our marketplace. If we cannot continue to effectively scale and grow our technical infrastructure to accommodate these increased demands, it may adversely affect our user experience. We also rely on third-party software and infrastructure, including the infrastructure of the internet, to provide our marketplace. Any failure of or disruption to this software and infrastructure, whether intentional or malicious in nature or due to our activities or those of our vendors, could also make our marketplace unavailable to our users. If our marketplace is unavailable to our subscribers or job seekers for any period of time, our business could be adversely affected.

Our marketplace technology is constantly changing with new updates, which may contain undetected errors when first introduced or released. Any errors, defects, disruptions in service, or other performance or stability problems with our marketplace, or the insufficiency of our efforts to adequately prevent or timely remedy errors or defects, could result in negative publicity, loss of or delay in market acceptance of our marketplace, loss of competitive position, our inability to timely and accurately maintain our financial records, inaccurate or delayed invoicing of Paid Employers, delay of payment to us, claims by users for losses sustained by them, corrective action taken by gatekeepers of components integral to our marketplace, or investigation and corrective action taken by a regulatory agency. In such an event, we may be required, or may choose, for user relations or other reasons, to expend additional resources to help resolve the issue. Accordingly, any errors, defects, or disruptions in our marketplace could adversely impact our brand and reputation, revenue, and operating results.

Because of the large amount of data that our Paid Employers collect and manage by means of our services, it is possible that failures or errors in our systems could result in data loss or corruption, or cause the information that we or our Paid Employers collect to be incomplete or contain inaccuracies that our Paid Employers regard as significant. Furthermore, the availability or performance of our marketplace could be adversely affected by a number of factors, including users' inability to access the internet or to send or receive email messages, the

failure of our network or software systems, security breaches or variability in user traffic for our services. We may be required to issue credits or refunds for prepaid amounts related to unused services or otherwise be liable to our users for damages they may incur resulting from certain of these events. In addition to potential liability, if we experience interruptions in the availability of our marketplace, our reputation could be adversely affected and we could lose employers and job seekers.

Our errors and omissions insurance may be inadequate or may not be available in the future on acceptable terms, or at all. In addition, our policy may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention.

Our future success depends in part on employers purchasing and renewing or upgrading subscriptions and performance-based services from us. Any decline in our user renewals or upgrades or performance-based services could harm our future operating results.

Many of our Paid Employers pay for access to our marketplace on a per-job-per-day basis, rather than entering into new longer term paid time-based job posting plans, renewing their paid time-based job posting plans when such contract terms expire, or purchasing performance-based services from us. Employers who enter into paid plans have no obligation to renew their plans after the expiration of their contract period, which typically range from one day to 12 months. In addition, employers may renew for lower subscription amounts or for shorter contract lengths. Historically, some of our Paid Employers have elected not to renew their agreements with us and as we expand into new products and markets, we have a limited ability to reliably predict future renewal rates. Our future renewal rates for both existing and potential new products may be lower, possibly significantly lower, than historical trends.

Our future success also depends in part on our ability to sell upsell services to employers who use our marketplace. If employers do not purchase upsell services from us, our revenue may decline and our operating results may be harmed.

Our Paid Employer subscription renewals, performance-based services, and upsells may decline or fluctuate as a result of a number of factors, including user usage, user satisfaction with our services and user support, our prices, the prices of competing services, mergers and acquisitions affecting our user base, the effects of U.S. and global economic conditions, or reductions in our Paid Employers' spending levels generally.

If we fail to scale our business effectively, our business, operating results, and financial condition could be adversely affected.

We have experienced a period of significant growth in recent years and expect to continue to invest strategically across our company to support measured growth, while also scaling back certain areas of our business in response to changing macroeconomic conditions. Although we have experienced rapid growth historically, we may not return to prior growth rates or sustain our growth rates, nor can we assure you that our investments to support our growth or to manage expenses by scaling back other areas of our business will be successful. The effective scaling of our business will place significant demands on our management as well as on our administrative, operational, and financial resources. To manage any future growth effectively, we must continue to improve our operational, financial, and management information systems; expand, motivate, and effectively manage and train our workforce; and effectively collaborate with our third-party partners. If we cannot manage any future growth successfully, our business, operating results, financial condition, and ability to successfully advertise our marketplace and serve our employers and job seekers could be adversely affected.

Over time, we expect to expand our operations and personnel significantly. However, from time to time, we realign our resources and talent to respond to macroeconomic changes and to streamline our organization and optimize our cost structure, including through furloughs, layoffs and reductions in force. For example, in May 2023, in response to current market conditions and after reducing other discretionary expenses, we reduced our workforce. If there are unforeseen expenses associated with such realignments in our business strategies, and we incur unanticipated charges or liabilities, then we may not be able to effectively realize the expected cost savings or other benefits of such actions. In addition, the loss of certain personnel, through such reduction in force or otherwise, presents significant risks including, among other things, failure to maintain adequate controls and procedures. Failure to manage any growth or any scaling back of our operations could have an adverse effect on our business, operating results, and financial condition.

In addition, our historical growth should not be considered indicative of our future performance. We have encountered in the past, and will encounter in the future, risks, challenges, and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks, challenges, and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our financial condition and operating results could differ materially from our expectations, we may be unable to effectively scale our business, and our business would be adversely impacted.

Significant segments of the market for job advertisement services may have hiring needs and service preferences that are subject to greater volatility than the overall economy.

The employers in the United States' private sector are diverse across a number of business characteristics, including company size, geography, and industry, among other factors. Hiring activity may vary significantly among businesses with different characteristics and accordingly, any concentration we may have among businesses with certain characteristics may subject us to high volatility in our financial results. Smaller businesses, for example, typically have less persistent hiring needs and may experience greater volatility in their need for job advertisement services and preferences among providers of such services. Along with a relatively shorter sales cycle, smaller businesses may be more likely to change platforms based on short-term differences in perceived price, value, service level, or other factors. Difficulty in acquiring and/or retaining these employers may adversely affect our operating results.

Our efforts and ability to sell to a broad mix of businesses could adversely affect our operating results in a given period.

Our ability to increase revenue and maintain profitability depends, in part, on widespread acceptance and utilization of our marketplace by businesses of all sizes and types. Because our customers reflect a wide variety of businesses, we face a variety of challenges, including but not limited to, pricing pressure, cost variances and marketing strategies that vary based on the business type and size, varying lengths of sales cycles, and less predictability in completing some of our sales. For example, some of our larger prospective customers may need us to provide greater levels of education regarding the use and benefits of our marketplace and services, because the prospective customer's decision to use our marketplace and services may be a company-wide decision. We are in the early stages of developing the analytical tools that will allow us to determine how prospective customers can be most effectively directed within, and addressed by, our sales organizations. As a result, we may not always approach new opportunities in the most cost-effective manner or with the most appropriate resources. Developing and successfully implementing these tools will be important as we seek to efficiently capitalize on new and expanding market opportunities. In addition, because we are a relatively new company with a limited operating history when compared to some of our existing competitors, our target employers and job seekers may prefer to use offerings from more established competitors that are more tailored to their specific requirements.

Our business depends largely on our ability to attract and retain talented employees, including senior management and key personnel. If we lose the services of Ian Siegel, our Chief Executive Officer, or other members of our senior management team, we may not be able to execute on our business strategy.

Our future success depends in large part on the continued services of our senior management and other key personnel and our ability to retain and motivate them. In particular, we are dependent on the services of Ian Siegel, our Chief Executive Officer, and our technology, marketplace, future vision, and strategic direction could be compromised if he were to take another position, become ill or incapacitated, or otherwise become unable to serve as our Chief Executive Officer. We rely on our leadership team in the areas of marketing, sales, finance, support, product development, human resources, and technology. Our senior management and other key personnel are all employed on an at-will basis, which means that they could terminate their employment with us at any time, for any reason, and without notice. If we lose the services of senior management or other key personnel, or if we cannot attract, train, and retain the highly highly skilled personnel we need, or if we fail to implement succession plans for such key personnel, our business, operating results, and financial condition could be adversely affected.

Our future success also depends on our continuing ability to attract, train, and retain highly skilled personnel, including software engineers and sales personnel. We face intense competition for qualified personnel from numerous software and other technology companies. This competition for highly skilled personnel is especially intense in the regions where we have significant operations, and we

may incur significant costs to attract and retain them. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. We may incur significant costs to attract and retain highly skilled personnel, and we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. In addition, in a tight labor market, we may experience increased difficulty in hiring and retaining, or increased costs in attracting and retaining, highly skilled personnel, or we may lose new employees to our competitors or other technology companies at a greater rate. To the extent we move into new geographies, we would need to attract and recruit skilled personnel in those areas. Moreover, uncertainty arising from economy-wide shifts toward remote work could negatively impact our ability to recruit or retain talent, particularly in light of our workforce historically being concentrated largely in the Los Angeles and Phoenix metropolitan areas. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity or equity awards declines, it may adversely affect our ability to retain highly skilled employees. If we cannot attract and retain suitably qualified individuals who are capable of meeting our growing technical, operational, and managerial requirements, on a timely basis or at all, our business may be adversely affected.

If internet search engines' methodologies or other channels that we use to direct traffic to our website are modified to our disadvantage, or our search result page rankings decline for other reasons, our user growth could decline.

We depend in part on various internet search engines, such as Google, as well as other channels to direct a significant amount of traffic to our website. Our ability to maintain the number of visitors directed to our website is not entirely within our control. For example, our competitors' search engine optimization and other efforts such as paid search may result in their websites receiving a higher search result page ranking than ours, internet search engines or other channels that we utilize to direct traffic to our website could revise their methodologies in a manner that adversely impacts traffic to our website, or we may make changes to our website that adversely impact our search engine optimization rankings and traffic. As a result, links to our website may not be prominent enough to drive sufficient traffic to our website, and we may not be able to influence the results.

Search engines and other channels that we use to drive employers and job seekers to our website periodically change their algorithms, policies, and technologies, sometimes in ways that cause traffic to our website to decline. These changes can also result in an interruption in their ability to access our website or a drop in our search ranking, or have other adverse impacts that negatively affect our ability to maintain and grow the number of employers and job seekers that visit our website. We may also be forced to significantly increase marketing expenditures in the event that market prices for online advertising and paid listings escalate or our organic ranking decreases. Any of these changes could have an adverse impact on our business, user acquisition, and operating results.

Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business, which makes our future results difficult to predict.

Our quarterly results of operations, including the levels of our revenue, gross margin, and profitability, may vary significantly in the future and period to period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. We also have a limited operating history and make pricing and other changes from time to time, all of which make it difficult to forecast our future results. As a result, you should not rely upon our past quarterly operating results as indicators of future performance.

Factors that may cause fluctuations in our quarterly financial results include, without limitation, those listed below:

- our ability to attract new employers and job seekers;
- Paid Employer renewal rates;
- Paid Employers purchasing upsell services;
- the addition or loss of large Paid Employers, including through acquisitions or consolidations;
- the timing of recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- network outages or security breaches;

- general economic, industry and market conditions, including inflationary pressures, a volatile interest rate environment, increasing borrowing costs, actual or perceived instability in the global banking industry and the impacts therefrom, cybersecurity incidents, uncertainty with respect to the U.S. presidential and other federal, debt ceiling state and budget and potential government shutdowns related thereto local elections, and the impacts of the war in Ukraine and the Israel-Hamas war; Middle East;
- changes in our pricing policies or those of our competitors;
- seasonal variations in sales of our products, which have historically been most pronounced in the fourth quarter of our fiscal year;
- the timing and success of new product or service introductions by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors or strategic partners; and
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies.

Our success depends on our ability to maintain the value and reputation of the ZipRecruiter brand.

We believe that our brand is important to attracting and retaining both employers and job seekers. Maintaining, protecting, and enhancing our brand depends largely on the success of our marketing efforts, our ability to provide a compelling job marketplace, including services, features, content, and support related to our marketplace, and our ability to successfully secure, maintain, and defend our rights to use the “ZipRecruiter” mark, our logo, and other trademarks important to our brand. While we constantly measure the expected returns of specific sales and marketing initiatives and adjust spend levels up or down accordingly, it is not certain that these and any future investments have had or will have sufficient positive impact on our brand awareness, and any reduction in our levels of investments in brand awareness may harm our brand awareness. We believe that the importance of our brand will increase as competition further intensifies and brand promotion activities may require substantial expenditures. Our brand could be harmed if we cannot achieve these objectives or if our public image were to be tarnished by negative publicity. Unfavorable publicity about us could diminish confidence in our marketplace and services. Such negative publicity also could have an adverse effect on the volume, engagement and loyalty of our employers and job seekers and could have an adverse effect on our business.

If we are not able to provide successful enhancements, and new products, services, and features, our business could be adversely affected.

The market for job-posting marketplaces is characterized by frequent product and service introductions and enhancements, changing user demands, and rapid technological change. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. The success of our business will depend, in part, on our ability to adapt and respond effectively and timely to these changes. We invest substantial resources in researching and developing new products and services and enhancing our marketplace by incorporating additional features, improving functionality, and adding other improvements to meet our employers' and job seekers' evolving demands in our highly competitive industry. If we cannot provide enhancements and new features or services that achieve market acceptance or that keep pace with rapid technological developments and the competitive landscape, our business could be adversely affected. The success of any enhancements or improvements to, or new features of, our marketplace or any new products and services depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with new and existing technologies in our marketplace and third-party partners' technologies, overall market acceptance, and resulting user activity that is consistent with the intent of such products or services. We cannot be sure that we will succeed, either timely or cost effectively, in developing, marketing, and delivering enhancements or new features, products and services to our marketplace that respond to continued changes in the market for job placement services, nor can we be sure that any enhancements or new features to our existing or any new products and services will achieve market acceptance or produce the intended effect. In addition, if new technologies emerge that allow our competitors to deliver similar services at lower prices, more efficiently, more conveniently, or more securely, such technologies could adversely impact our ability to compete.

Additionally, because our marketplace operates on a variety of third-party systems and platforms, we will need to continuously modify and enhance our offerings to keep pace with changes in internet-related hardware, operating systems, cloud computing infrastructure, and other software, communication, browser and open source technologies. We may not be successful in either developing these modifications and enhancements or in bringing them to market timely. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Parts of the technology stack supporting our marketplace may also become difficult to maintain and service as there become fewer software engineers

who are skilled with respect to the programming languages used to build such pieces of software. Any failure of our marketplace to operate effectively with future network systems and technologies could reduce the demand for our marketplace, result in user dissatisfaction and adversely affect our business.

Issues with the use of artificial intelligence (including machine learning) in our marketplace may result in reputational harm or liability, or could otherwise adversely affect our business.

Artificial intelligence, or AI, is enabled by or integrated into some of our marketplace and is a significant element of our business. As with many developing technologies, AI presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. AI algorithms may be flawed. Datasets may be insufficient, of poor quality, or contain biased information. Inappropriate or controversial data practices by data scientists, engineers, and end-users of our systems or elsewhere (including the integration or use of third-party AI tools) could impair the acceptance of AI solutions and could result in burdensome new regulations that may limit our ability to use existing or new AI technologies. If the recommendations, forecasts, or analyses that AI applications assist in producing are deficient or inaccurate, we could be subject to competitive harm, potential legal liability, and brand or reputational harm. Some AI scenarios present ethical issues. If we enable or offer AI solutions that are controversial because of their purported or real impact on human rights, privacy, employment, or other social issues, we may experience brand or reputational harm. In addition, we expect that there will continue to be new laws or regulations concerning the use of AI. It is possible that certain governments may seek to regulate, limit, or block the use of AI in our products and services or otherwise impose other restrictions that may affect or impair the usability or efficiency of our products and services for an extended period of time or indefinitely.

The forecasts of growth of online recruitment may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, we cannot assure you that our business will grow at a similar rate, if at all.

Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not ultimately be accurate and are not under our control. The forecasts relating to the expected growth of the online recruitment market may prove to be inaccurate. Even if the market experiences the growth we forecast, we may not grow our business at a similar rate, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, any forecasts of market growth included in this Quarterly Report on Form 10-Q should not be taken as indicative of our future growth.

The growth of our marketplace depends in part on the success of our strategic relationships with our Job Distribution Partners and Job Acquisition Partners.

To grow our business and the number of job seekers and employers in our marketplace, we anticipate that we will continue to depend, in part, on relationships with Job Distribution Partners and Job Acquisition Partners. Job Distribution Partners are third-party sites who have a relationship with us and advertise jobs from our marketplace, and include job boards, newspaper classifieds, search engines, social networks, talent communities and resume services, while Job Acquisition Partners are third-party sites and ATSS who have a relationship with us and from whom we receive jobs for our marketplace. Our competitors may be effective in providing incentives to these Job Distribution Partners to favor their products or services or to prevent or reduce engagement with our marketplace. In addition, acquisitions of our Job Distribution Partners or Job Acquisition Partners by our competitors could reduce the number of our current and potential employers and job seekers as well as the number of job postings accessible by our marketplace. We cannot guarantee that the Job Distribution Partners and Job Acquisition Partners with which we have strategic relationships will continue to offer the services for which we rely on them, devote the resources necessary to expand our reach, or support an increased number of employers and job seekers and associated use cases. Further, some of our Job Distribution Partners and Job Acquisition Partners offer, or could offer, competing products and services or also work with our competitors. They may also choose to develop alternative products and services in addition to, or in lieu of, our marketplace, either on their own or in collaboration with others, including our competitors.

While these relationships have not generated substantial revenue in recent periods and are not expected to generate substantial revenue in the future, they are strategically important in ensuring an appropriate balance of and interaction between jobs and job seekers in our marketplace. If we are unsuccessful in establishing or maintaining our relationships with our Job Distribution Partners and Job Acquisition Partners, or if such Job Distribution Partners or Job Acquisition Partners choose to end their relationships with us, our ability to compete with our competitors and grow our marketplace could be impaired and our operating results may be negatively impacted.

Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity, and teamwork fostered by our culture, and our business may be harmed.

We believe that our corporate culture has been a key contributor to our success. If we do not continue to develop our corporate culture as we grow and evolve, it could harm our ability to foster the innovation, creativity, and teamwork we believe that we need to support our growth. As our organization grows and we are required to implement more complex organizational structures, we may find it increasingly difficult to maintain the beneficial aspects of our corporate culture, which could negatively impact our future success.

Furthermore, our restructuring plan enacted in May 2023 may result in increased attrition beyond our intended reduction in force, reduce employee morale, and negatively impact employee recruiting and retention. If we fail to attract new personnel, or fail to retain and motivate our current personnel, our business and growth prospects could be harmed.

Additionally, our hybrid working environment may impede our ability to foster a creative environment and adversely affect the productivity of our team members and overall operations, which could have a material adverse effect on our business, results of operations, financial condition, and future prospects. Our return-to-work approach may change at any time, and may vary among geographies, depending on applicable health protocols and local conditions and corresponding changes in laws. Any prolonged diversion of resources may have an adverse effect on our operations.

Technological advances may significantly disrupt the labor market and weaken demand for human capital at a rapid rate.

Our success is directly dependent on our employers' demands for talent. As technology continues to evolve, more tasks currently performed by people may be replaced by automation, robotics, AI, including machine learning, and other technological advances outside of our control. This trend poses a risk to the job posting and distribution industry as a whole, particularly in lower-skill job categories that may be more susceptible to such replacement.

Our business is seasonal.

Our business is seasonal, reflecting typical behavior in hiring markets, where hiring activity tends to decelerate in the fourth quarter. Such seasonality also causes our revenue to vary from quarter to quarter depending on the variability in the overall job market. This seasonality can make forecasting more difficult and may adversely affect our ability to predict financial results accurately.

We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We track certain performance metrics, including Quarterly Paid Employers and Revenue per Paid Employer, which are not independently verified by any third party. Our internal tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we report. If the internal tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. In addition, limitations or errors with respect to how we measure data (or the data that we measure) may affect our understanding of certain details of our business, which could affect our longer-term strategies. While we periodically implement new or enhanced information systems in order to better manage our business operations, align our global organizations and enable future growth, implementation of new business processes and information systems requires the commitment of significant personnel, training and financial resources, and entails risks to our business operations. If we do not successfully implement information systems improvements, or if there are delays or difficulties in implementing these systems, we may not realize anticipated productivity improvements or cost efficiencies, and may experience interruptions in service and operational difficulties, including our ability to effectively aggregate financial data and report operating results, and otherwise effectively manage our business. If our performance metrics are not accurate representations of our business, user base, or traffic levels; if we discover material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, our reputation may be harmed, we may be subject to legal or regulatory actions, and our operating and financial results could be adversely affected.

We derive substantially all of our revenue from job advertisements.

We derive substantially all of our revenue from sales of products and services related to the distribution of job advertisements to job seekers across the internet. As such, any factor adversely affecting the sale of these products and services, including market acceptance, product competition, performance and reliability, reputation, price competition, intellectual property claims, legal or regulatory restrictions, and economic and market conditions, could harm our business and operating results.

Failure to effectively expand our sales and marketing capabilities could harm our ability to increase our user base and achieve broader market acceptance of our services.

Our ability to increase our Paid Employer base and achieve broader market acceptance of our marketplace will depend significantly on our ability to continue to expand our sales and marketing operations. We plan to continue to expand our sales force and to dedicate significant and increasing resources to sales and marketing programs. We are expanding our sales and marketing capabilities to target additional potential Paid Employers, including some larger organizations, but there is no guarantee that we will be successful attracting and maintaining these businesses as users, and even if we are successful, these efforts may divert our resources away from and negatively impact our ability to attract and maintain our current Paid Employer base. All of these efforts will require us to invest significant financial and other resources. If we cannot find efficient ways to deploy our marketing spend or to hire, develop, and retain talented sales personnel in numbers required to maintain and support our growth, if our new sales personnel cannot achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective, our ability to increase our Paid Employer base and achieve broader market acceptance of our services could be harmed.

Paid Employers may demand more configuration and integration services, or customized features and functions that we do not offer, which could adversely affect our business and operating results.

Our current and future Paid Employers may demand more configuration and integration services, which would increase our upfront investment in sales and deployment efforts, with no guarantee that these Paid Employers will increase their use of our services. As a result of these factors, we may need to devote a significant amount of sales support and professional services resources to individual Paid Employers, which may increase the cost and time required to complete sales. If prospective Paid Employers require customized features or functions that we do not offer, and that would be difficult for them to deploy themselves, then the market for our marketplace will be more limited and our business could suffer. As a result, we may need to devote resources to continue to develop features and technology which may impact our operating results.

Any failure to offer high-quality technical support services may adversely affect our relationships with our Paid Employers and our financial results.

Once our products and services are deployed, our Paid Employers depend on our technical support organization to assist Paid Employers with service support and optimization, and resolve technical issues. We may be unable to respond quickly enough to accommodate short-term increases in demand for support services. We also may be unable to modify the format of our support services to compete with changes in support services provided by our competitors. Increased demand for these services, without corresponding revenue, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on our services and business reputation and on positive recommendations from our existing Paid Employers. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our services to existing and prospective Paid Employers, and our business, operating results and financial position.

We have incurred net losses in the past, anticipate increasing our operating expenses in the future, and may not sustain profitability.

While we earned net income of \$49.1 million, \$61.5 million, and \$3.6 million for the years ended December 31, 2023, 2022, and 2021, respectively, we have incurred significant net losses in the past, including a net loss of \$6.5 million for the three months ended March 31, 2024. As of **March 31, 2024** **June 30, 2024**, we had an accumulated deficit of **\$12.0 million** **\$5.0 million**. We expect to incur additional expenses in connection with legal, accounting, and other administrative expenses related to operating as a public company in addition to ongoing stock-based compensation expense related to the vesting of our RSUs. Additionally, we expect to make significant future expenditures related to the development and expansion of our business, including investing in our technology to improve our marketplace and investing in sales and marketing channels to enhance our brand promotion efforts. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. If our revenue declines or fails to grow at a rate faster than increases in our operating expenses, we will not be able to maintain profitability in future periods. As a result, we may generate losses. We cannot ensure that we will continue to achieve profitability in the future or that we can sustain profitability.

We rely on Amazon Web Services, or AWS, to host our marketplace, and any disruption of service from AWS or material change to our arrangement with AWS could adversely affect our business.

We currently host our marketplace and support most of our operations using AWS, a provider of cloud infrastructure services. We do not control the operations of AWS's facilities. AWS's facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures, and similar events or could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. The occurrence of any of these events, a decision to close the facilities or cease or limit providing services to us without adequate notice, or other unanticipated problems could result in interruptions to our marketplace, which may be lengthy. Our marketplace's continuing and uninterrupted performance is critical to our success and employers and job seekers may become dissatisfied by service interruption. Sustained or repeated system failures could reduce the attractiveness of our marketplace to employers and job seekers, cause employers and job seekers to decrease their use of or stop using our marketplace, and adversely affect our business. Moreover, negative publicity from disruptions could damage our reputation.

AWS does not have an obligation to renew its agreements with us on commercially reasonable terms, or at all. If we cannot renew our agreement or are unable to renew on commercially reasonable terms, we may experience costs or downtime in connection with the transfer to, or the addition of, new cloud infrastructure or other data center. If these providers charge high costs for or increase the cost of their services, we will experience higher costs to operate our business and may have to increase the fees to use our marketplace and our operating results may be adversely impacted.

Upon expiration or termination of our agreement with AWS, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete. Switching our operations from AWS to another cloud or other data center provider would also be technically difficult, expensive, and time consuming.

Many people are using mobile devices to access the internet. If we cannot optimize our websites for mobile access or offer a compelling mobile app, we may not remain competitive and could lose employers and job seekers.

Many employers and job seekers access our marketplace through our mobile website and job seekers also have the ability to access our marketplace through our mobile app. We must ensure that the experience for our mobile offerings is optimized to ensure a positive experience. It requires us to develop and enhance our offerings to be specifically designed for mobile devices, such as social media job postings. If we cannot optimize our websites and apps cost effectively and improve the monetization capabilities of our mobile services, we may not remain competitive, which may negatively affect our business and results of operations.

Additionally, there is no guarantee that job seekers will use our mobile app rather than competing marketplaces. We are dependent on the interoperability of our mobile app with popular third-party mobile operating systems such as Apple's iOS and Google's Android, and their placement in popular app stores like the Apple App Store and Google Play Store, and any changes in such systems that degrade our apps' functionality or give preferential treatment or app store placement to competitive apps could adversely affect the access and usage of our apps on mobile devices. If it is more difficult for employers and job seekers to access and use our app on their mobile devices, our growth and engagement levels could be harmed.

We face risks associated with having operations and employees located in Israel.

A significant portion of our technology team is located in Israel. As a result, political, economic and military conditions in Israel may directly affect our business. In October 2023, Hamas conducted several terrorist attacks in Israel resulting in ongoing war throughout the country, as well as significant military activity, loss of life, casualties, damage to property in the region, and the temporary closure of our office in Israel for several days. In addition, some of our employees located in Israel are obligated to perform annual reserve duty in the Israel Defense Forces, and may be called to active military duty in emergency circumstances, including the war against Hamas. Hamas and other terrorist or military organizations which have subsequently engaged in hostilities with Israel. We cannot assess the impact that emergency conditions in Israel and any escalation or broadening thereof may have on our business, operations, financial condition or results of operations, but the impact of such conditions could be material. For example, instability in the region could directly impact our ability to operate our business (or any local contractors' ability to operate their businesses) or cause international currency markets to fluctuate. Additionally, if a significant portion of our employees located in Israel are called for active duty for a significant period of time, or if international political instability and geopolitical tensions continue or increase in the greater Middle East region, our operations, including the development and launch of additional products or services, may be disrupted, which could materially and adversely affect our business and results of operations.

Legal and Regulatory Risks

If we or our third-party partners or vendors experience a security breach, such as a hacking or phishing attack, or other data privacy or security incident, our marketplace may be perceived as not being secure, our reputation may be harmed, demand for our marketplace may be reduced, our operations may be disrupted, we may incur significant legal costs or liabilities, and our business could be adversely affected.

Our business involves the storage, processing, and transmission of proprietary, confidential, and personal information as well as the use of third-party partners and vendors who also store, process, and transmit such user information. We also maintain certain other proprietary and confidential information relating to our business and personal information of our personnel. We have previously experienced multiple data security incidents involving the unauthorized access to personal information of job seekers utilizing our services (including their resumes) as well as affecting our business clients' accounts, some of which have required us to notify affected individuals and/or regulators. Although upon detection of these security incidents we immediately investigate them and have taken steps to reinforce our security practices and enhance our security monitoring and controls, there are no assurances that other data security incidents will not occur in the future. These incidents and any future data security breach, such as a hacking or phishing attack, or other data privacy or security incident, whether intentionally or unintentionally caused by us or by third parties, that we experience could result in: unauthorized access to, misuse of, or unauthorized acquisition of our, our personnel's, or our users' data; the loss, corruption,

or alteration of this data; interruptions in our operations; or damage to our computers or systems or those of our users. Any of these could expose us to claims, litigation, fines, other potential liability, and reputational harm.

An increasing number of online services have also disclosed security breaches, some of which involved sophisticated and highly targeted attacks, and as our profile and name recognition increase, we may be targeted more frequently. Additionally, malware, viruses, social engineering (including business email compromise), and general hacking in our industry have become more prevalent and more complex. Further, due to the shift to remote and hybrid work, there is an increased risk that we may experience cybersecurity related incidents, including breaches of information systems security, as a result of our employees, service providers, and third parties working remotely on less secure systems. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not foreseeable or recognized until launched against a target, we and our third-party partners and vendors may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our or our third-party partners' or vendors' security or privacy or other data privacy or security incident occurs, public perception of the effectiveness of our security measures and brand could be harmed, and we could lose users and business.

Data security breaches and other data privacy and security incidents may also result from non-technical means, for example, through human error. Any such security compromise could result in a violation of applicable data privacy, security, breach notification and other laws, regulatory or other governmental investigations, enforcement actions, litigation, and legal and financial exposure, including potential

contractual liability. We may need to expend significant resources to protect against, and to address issues created by, security breaches and other privacy and security incidents. These liabilities may exceed the amounts covered by our insurance or our insurance coverage may not extend to or be adequate for liabilities actually incurred, or our insurance may not continue to be available to us on economically reasonable terms, or at all. Any such compromise could also result in damage to our reputation and a loss of confidence in our security measures. Our systems, and the systems of our third-party partners and vendors, may also be vulnerable to computer viruses and other malicious software, physical or electronic break-ins, or weakness resulting from intentional or unintentional service provider actions, and similar disruptions that could make all or portions of our website or applications unavailable for periods of time. Any of these effects could adversely impact our business.

We face payment and fraud risks that could adversely impact our business.

Requirements in our marketplace relating to user authentication and fraud detection are complex. If our user authentication and fraud detection measures are not effective, our marketplace may be perceived as not being secure, our reputation may be harmed, and our business may be adversely impacted. In addition, bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized or fraudulent use of another's identity, payment information, or other information; misrepresentation of the user's identity or skills, including using accounts that they have purchased, sold, or leased; and acquisition or use of credit or debit card details and bank account information. This conduct in our marketplace could result in any of the following, each of which could adversely impact our business:

- bad actors may use our marketplace, including our payment processing and disbursement methods, to engage in unlawful or fraudulent conduct, such as identity theft, money laundering, terrorist financing, fraudulent sale of services, bribery, breaches of security, leakage of data, piracy or misuse of software and other copyrighted or trademarked content, and other misconduct;
- we may be held liable for the unauthorized use of an account holder's credit card or bank account number and required by card issuers or banks to return the funds at issue and pay a chargeback or return fee, and if our chargeback or return rate becomes excessive, credit card networks may

also require us to pay fines or other fees and the California Department of Business Oversight may require us to hold cash reserves;

- we may be subject to additional risk and liability exposure, including for negligence, fraud, or other claims, if employees or third-party service providers fraudulently misappropriate our banking or other information or user information;
- employers and job seekers that are subjected or exposed to the unlawful or improper conduct of other employers and job seekers or other third parties, or law enforcement or administrative agencies, may seek to hold us responsible for the conduct of employers and job seekers, lose confidence in our marketplace, decrease or cease use of our marketplace, seek to obtain damages and costs, or impose fines and penalties;
- we may be subject to additional risk if employers in our marketplace cannot pay hired job seekers for services rendered, as such job seekers may seek to hold us responsible for the employers' conduct and may lose confidence in our marketplace, decrease or cease use of our marketplace, or seek to obtain damages and costs; and

- we may suffer reputational damage as a result of the occurrence of any of the above.

Despite measures we have taken to detect, prevent, and mitigate these risks, we do not have control over the employers and job seekers in our marketplace and cannot ensure that any of our measures will stop or minimize the use of our marketplace for, or to further, illegal or improper purposes. We may receive complaints from employers, job seekers and other third parties concerning misuse of our marketplace and wrongful conduct of other employers and job seekers. We may also bring claims against employers and job seekers and other third parties for their misuse of our marketplace in the future. Even if these claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the attention and resources of our management and adversely affect our business and operating results.

Changes in laws or regulations relating to data privacy or the protection, collection, storage, processing, transfer, or use of personal data, or AI, or any actual or perceived failure by us to comply with such laws and regulations or our privacy policies, could adversely affect our business.

We receive, collect, store, process, transfer, and use personal information and other user data. There are numerous federal, state, local, and international laws and regulations regarding data privacy, data protection, AI (including machine learning), information security, and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other content. The scope of these laws and regulations is changing, subject to differing interpretations, and may be inconsistent among countries or between U.S. states, or conflict with other laws and regulations.

We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection, AI, and information security. The regulatory framework for privacy and data protection worldwide is uncertain and complex, and these or other actual or alleged obligations may be interpreted and applied in ways we do not anticipate or that are inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Further, any significant change to applicable laws, regulations, or industry practices regarding the collection, use, retention, security, or disclosure of the data of our employers and job seekers, employees, contractors, or others, or their interpretation, or any changes regarding the manner in which the express or implied consent of employers and job seekers for the collection, use, retention, or disclosure of such data must be obtained, could increase our costs and require us to modify our services and features, which may be material or not cost-effective, and may limit our storage and processing of user data or develop new services and features.

We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in various jurisdictions. For example, in 2018, European legislators adopted the General Data Protection Regulation,

or the GDPR, which imposes more stringent European Union, or EU, data protection requirements, and provides for significant penalties for noncompliance. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR has been and will continue to be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and may subject us to governmental investigations or enforcement actions, fines and penalties, claims, litigation, and reputational harm in connection with any European activities. Further, the United Kingdom, or the UK, has enacted the UK GDPR, which, together with the amended UK Data Protection Act 2018, or DPA, retains the GDPR in UK national law. Fines for certain breaches of the GDPR and the UK data protection regime are significant (e.g., fines for certain breaches of the GDPR or the UK GDPR are up to the greater of 20 million Euros (or 17.5 million GBP under the UK GDPR) or 4% of total global annual turnover).

Additionally, the California Consumer Privacy Act, or CCPA, which afforded new data privacy rights for consumers and new operational requirements for companies, came into force in 2020, and also provides for fines for noncompliance. The California Privacy Rights and Enforcement Act of 2020, or CPRA, which took effect on January 1, 2023, further expanded the CCPA with additional data privacy compliance requirements and rights for California consumers, and established a new regulatory agency dedicated to enforcing those requirements. Comprehensive privacy legislation has also been enacted in more than **one-fourth** **one-third** of U.S. states (with several states

going into effect in the near future) and each imposes similar, but not identical, compliance obligations. In addition, several data privacy proposals (including proposed comprehensive legislation) are pending before U.S. federal and state legislative and regulatory bodies, which may impose significant obligations and restrictions. The effects of these laws are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply, and increase our potential exposure to regulatory enforcement and/or litigation. In addition, New York City currently regulates the use of automated employment decision tools by employers and employment agencies. The costs of compliance with, and other burdens imposed by, the GDPR, the UK GDPR, the DPA, the CCPA, and others may limit the use and adoption of our products and services and could have an adverse impact on our business. As a result, we may need to modify the way we treat, process, or store such information.

Further, in July 2023, the SEC adopted new cybersecurity disclosure rules for public companies that require disclosure regarding cybersecurity risk management in Annual Reports on Form 10-K and the disclosure of material cybersecurity incidents in Current Reports on Form 8-K within four business days of determining an incident is material.

Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to employers and job seekers, employees, contractors, or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection, AI, or information security may result in governmental and regulatory investigations or enforcement and/or assessment notices (for a compulsory audit), orders to cease or change our processing of our data, litigation, claims (including representative actions and other class action type litigation, where individuals have suffered harm), or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our employers and job seekers to lose trust in us, and otherwise have an adverse effect on our reputation and business. Furthermore, the costs of compliance with such laws, regulations and policies may limit the adoption and use of, and reduce the overall demand for, our marketplace.

Failure to comply with anti-corruption and anti-money laundering laws, including the Foreign Corrupt Practices Act, or FCPA, and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences.

We have voluntarily implemented policies and procedures designed to allow us to comply with U.S. economic sanctions laws and prevent our marketplace from being used to facilitate business in countries or with persons or entities included on designated lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, and equivalent foreign authorities. We may be subject to fines or other penalties in one or more jurisdictions levied by federal, state or local regulators, in the event that we engage in any conduct, intentionally or not, that facilitates money laundering, terrorist financing, or other illicit activity, or that violates sanctions or otherwise constitutes sanctionable activity.

Regulators continue to increase their scrutiny of compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures that we use to verify the identity of our users and to monitor our marketplace for potential illegal activity. In addition, any policies and procedures that we implement to comply with OFAC regulations may not be effective, including in preventing users from using our services within the OFAC-sanctioned countries of North Korea, Syria, Cuba, Iran, Russia, and the breakaway regions of Ukraine (which currently include Crimea, Donetsk and Luhansk), or additional countries or regions that may be included from time-to-time. Given the technical limitations in developing controls to prevent, among other things, the ability of users to publish in our marketplace false or deliberately misleading information or to develop sanctions-evasion methods, it is possible that we may inadvertently and without our knowledge provide services to individuals or entities that have been designated by OFAC or are located in a country subject to an embargo by the United States that may not be in compliance with the economic sanctions regulations administered by OFAC.

Consequences for failing to comply with applicable rules and regulations could include fines, criminal and civil lawsuits, forfeiture of significant assets, or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. In addition, any perceived or actual breach of compliance by us, our employers and job seekers, or payment partners with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing employers and job seekers, prevent us from obtaining new employers and job seekers, cause other payment

partners to terminate or not renew their agreements with us, require us to expend significant funds to remedy problems caused by violations and to avert further violations, and expose us to legal risk and potential liability, all of which may adversely affect our business, operating results, and financial condition and may cause the price of our common stock to decline.

We are also subject to the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and the UK Bribery Act 2010, and may be subject to other anti-bribery, anti-money laundering, and sanctions laws in countries in which we conduct activities or have employers and job seekers. The FCPA prohibits providing, offering, promising, or authorizing, directly or indirectly, anything of value to government officials, political parties, or political candidates for the purposes of obtaining or retaining business or securing any improper business advantage. The provisions of the Bribery Act extend beyond bribery of government officials and create offenses in relation to commercial bribery including private sector recipients. The provisions of the Bribery Act also create offenses for accepting bribes in addition to bribing another person. We face significant risks if we cannot comply with the FCPA, the Bribery Act and other applicable anti-corruption laws. We have implemented an anti-corruption compliance policy, but we cannot ensure that all of our employees, employers and job seekers, and agents, as well as those contractors to which we outsource certain of our business operations, will not take actions in violation of our policies or agreements and applicable law, for which we may be ultimately held responsible.

Any violation of the FCPA, the Bribery Act, other applicable anti-corruption laws, and other laws could result in investigations and actions by federal or state attorneys general or foreign regulators, loss of export privileges, severe criminal or civil fines and penalties or other sanctions, forfeiture of significant assets, debarment from government contracts, whistleblower complaints, and adverse media coverage, which could have an adverse effect on our reputation, business, operating results, and prospects. In addition, responding to any enforcement action or internal investigation related to alleged misconduct may result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

We are subject to a wide variety of foreign and domestic laws. As we look to expand our international footprint over time and as new domestic laws are implemented, we may become obligated to comply with additional laws and regulations of the countries or markets in which we operate or have employers and job seekers.

We and our employers and job seekers are subject to a wide variety of foreign and domestic laws. Laws, regulations, and standards governing issues that may affect us, such as employment, payments,

whistleblowing and worker confidentiality obligations, intellectual property, consumer protection, taxation, privacy, data security, AI, benefits, unionizing and collective action, arbitration agreements and class action waiver provisions, unfair competition, terms of service, website accessibility, modern slavery obligations, background checks, and escheatment are often complex and subject to varying interpretations, and, as a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies. Many of these laws do not contemplate or address the unique issues of the internet, mobile, and related technologies. Other laws and regulations in response to internet, mobile, and related technologies may also be adopted, implemented, or interpreted to apply to us and other online services marketplaces or our users. Likewise, these laws affect our users, and their application, or uncertainty around their application, may affect demand for our marketplace.

Further, in June 2024, the U.S. Supreme Court reversed its longstanding approach under the Chevron doctrine, which provided for judicial deference to regulatory agencies. As a result of this decision, we cannot be sure whether there will be increased challenges to existing agency regulations or how lower courts will apply the decision in the context of other regulatory schemes without more specific guidance from the U.S. Supreme Court. For example, the U.S. Supreme Court's decision could significantly impact consumer protection, advertising, privacy, artificial intelligence, anti-corruption and anti-money laundering practices and other regulatory regimes with which we are required to comply.

New approaches to policymaking and legislation may also produce unintended harms for our business, which may impact our ability to operate our business in the manner in which we are accustomed. Any of these regulations could negatively impact our users, including perceptions regarding their use of our marketplace, or have a material adverse effect on the demand for job postings in our marketplace or on how we operate our marketplace.

As we look to expand our international footprint over time, we may become obligated to comply with additional laws and regulations of the countries or markets in which we operate or have customers or job seekers. We may be harmed if we are found to be subject to new or existing laws and regulations or if those laws are interpreted and applied to us in a manner that harms our business or is inconsistent with the application of U.S. laws, including with respect to those subjects mentioned above. In addition, contractual provisions that are designed to protect and mitigate against risks, including terms of service, arbitration and class action waiver provisions, disclaimers of warranties, limitations of liabilities, releases of claims, and indemnification provisions, could be deemed unenforceable as to the application of these laws and regulations by a court, arbitrator, or other decision-making body. If we cannot comply with these laws and regulations or manage the complexity of global operations and support an international user base successfully or cost effectively, or if these laws and regulations are deemed to apply to our users or cause a decline in demand for our marketplace, our business, operating results, and financial condition could be adversely affected.

We plan to expand our international operations which could subject us to additional costs and risks, and our continued expansion internationally may not be successful.

We plan to expand our operations internationally in the future. Outside of the United States, we currently have operations in the United Kingdom, Israel, and Canada. There are significant costs and risks inherent in conducting business in international markets, including:

- establishing and maintaining effective controls at foreign locations and the associated costs;
 - adapting our marketplace to non-U.S. employers' and job seekers' preferences and customs;
 - increased competition from local providers;
 - longer sales or collection cycles in some countries;
-
- compliance with foreign laws and regulations, including data privacy frameworks like the GDPR, UK GDPR and DPA;
 - adapting to doing business in other languages or cultures;
-
- compliance with local tax regimes, including potential double taxation of our international earnings, and potentially adverse tax consequences due to U.S. and foreign tax laws as they relate to our international operations;
 - compliance with anti-bribery laws, such as the FCPA and the Bribery Act;
 - currency exchange rate fluctuations and related effects on our operating results;
 - economic and political instability in some countries;
 - the uncertainty of obtaining and protecting intellectual property rights in some countries and practical difficulties of enforcing rights abroad; and
 - other costs of doing business internationally.

These factors and other factors could harm our international operations and, consequently, materially impact our business, operating results, and financial condition.

Further, we may incur significant operating expenses as a result of our international expansion, and it may not be successful. We have limited experience with regulatory environments and market practices internationally, and we may not be able to penetrate or successfully operate in new markets. We also have more limited brand recognition in certain parts of the world, leading to delayed acceptance of our marketplace by international employers and job seekers. If we cannot continue to expand internationally and manage the complexity of our global operations successfully, our financial condition and operating results could be adversely affected.

Privacy concerns and laws or other domestic or foreign regulations may reduce the effectiveness of our marketplace, disrupt our communication processes, and adversely affect our business.

In order to use our marketplace, employers, job seekers, and, to a lesser extent, other third parties including advertisers, partners, and our own employees, entrust us to collect, use, and store their personal information. Our ability to leverage this information and to effectively and efficiently provide our services, including by communicating electronically and otherwise with employers and job seekers of our marketplace, is critical to our business. By way of example, our services may include the sending and receiving of emails, SMS/text messages, in-platform messages, and push notifications on mobile devices. Certain federal, state and foreign government bodies and agencies have adopted, and others are considering adopting, or may adopt in the future, laws and regulations regarding the collection, use, transfer, storage and disclosure of personal information obtained from consumers, customers, employees, and other individuals, and the conditions under which businesses may communicate with such individuals and other third parties. A determination that there have been violations of laws relating to our practices under communications-based laws, such as the Telephone Consumer Protection Act (TCPA), could also expose us to significant damage awards, fines and other penalties that could, individually or in the aggregate, materially harm our business. In addition, the costs of compliance with, and other burdens imposed by, such laws and regulations that are applicable to the businesses of our employers and job seekers may limit the use of our marketplace and reduce overall demand, or lead to significant fines, penalties or liabilities for any noncompliance with such privacy laws. Moreover, third-party gatekeepers and service providers and their interpretation and application of privacy and data protection laws, rules, regulations, and best practices, may limit, disrupt, or require alteration of our operations, service offerings, and ability to communicate with and among employers and job seekers, and may adversely affect our business.

From time to time, we may be subject to legal proceedings, regulatory disputes, and governmental investigations that could cause us to incur significant expenses, divert our management's attention, and materially harm our business, financial condition, and operating results.

From time to time, we may be subject to claims, lawsuits (including class actions), government investigations, arbitrations and other proceedings involving competition and antitrust, intellectual property, privacy (including claims that the collection or provision of certain information, including personal information, by us or by third parties with whom we interact breached laws or regulations relating to privacy or data protection), consumer protection, securities, tax, labor and employment, commercial disputes, and other matters that could adversely affect our business operations and financial condition. The outcome of any legal proceeding, regardless of its merits, is inherently uncertain. Regardless of the merits, pending or future legal proceedings could result in a diversion of management's attention and resources and reputational harm, and we may be required to incur significant expenses defending against these claims or pursuing claims against third parties to protect our rights. If we do not prevail in litigation, we could incur substantial liabilities. We may also determine in certain instances that a settlement may be a more cost-effective and efficient resolution for a dispute.

Where we can make a reasonable estimate of the liability relating to pending litigation and determine that it is probable, we record a related liability. As additional information becomes available, we assess the potential liability and revise estimates as appropriate. However, because of uncertainties relating to litigation, the amount of our estimates could be wrong as determining reserves for pending legal proceedings is a complex, fact-intensive process that is subject to judgment calls. The results of legal and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment.

There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business. Any adverse determination related to legal proceedings or a settlement agreement could require us to change our technology or our business practices in costly ways, prevent us from offering certain products or services, require us to pay monetary damages, fines, or penalties, or require us to enter into royalty or licensing arrangements, and could adversely affect our operating results and cash flows, harm our reputation, or otherwise negatively impact our business.

Our failure or inability to protect our intellectual property rights, or claims by others that we are infringing upon or unlawfully using their intellectual property, could diminish the value of our brand and weaken our competitive position, and adversely affect our business, financial condition, operating results, and prospects.

Our success depends in large part on our proprietary technology and other intellectual property rights, or IPR. We currently rely on a combination of copyright, trademark, trade secret, and unfair competition laws, as well as confidentiality agreements and procedures and licensing arrangements, to establish and protect our IPR. We currently do not own any patents. We have devoted substantial resources to the development of our proprietary technologies and related processes. To protect our proprietary technologies and processes, we rely in part on trade secret laws and confidentiality agreements with our employees, licensees, independent contractors, commercial partners, and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. We cannot be certain that the steps taken by us to protect our IPR will be adequate to prevent infringement of such rights by others. Additionally, the process of obtaining protection for trademarks and other IPR is expensive and time-consuming, and we may not be able to apply for all necessary or desirable trademark and other IPR applications at a reasonable cost or in a timely manner. Additionally, the process of obtaining patent or trademark protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications or apply for all necessary or desirable trademark applications at a reasonable cost or in a timely manner. Moreover, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect our IPR as fully as in the United States, and it may be more difficult for us to successfully challenge the unauthorized use of our IPR by other parties in these countries. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our IPR, and our failure or inability to obtain or maintain IPR protection or otherwise protect our IPR could adversely affect our business.

We may in the future be subject to patent infringement and trademark claims and lawsuits in various jurisdictions, and we cannot be certain that our products or activities do not violate the patents, trademarks, or other IPR of third-party claimants. Companies in the technology industry and other patent, copyright, and trademark holders seeking to profit from royalties in connection with grants of licenses own large numbers of patents, copyrights, trademarks, domain names, and trade secrets and frequently commence litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. As we face increasing competition and gain an increasingly high profile, the likelihood of IPR claims against us has grown and will likely continue to grow.

Further, from time to time, we may receive letters from third parties alleging that we are infringing upon their IPR or inviting us to license their IPR. We could also be subject to claims based upon the content that is accessible from our website through links to other websites or information on our website supplied by third parties or claims that our collection of information from third-party sites without a license violates certain federal or state laws or website terms of use. Successful infringement claims against us could result in significant monetary liability, prevent us from selling some of our products and services, or require us to change our branding. In addition, resolution of claims may require us to redesign our products, license rights from third parties at a significant expense, or cease using those rights altogether. We may in the future bring claims against third parties for infringing our IPR. Costs of supporting such litigation and disputes may be considerable, and there can be no assurances that a favorable outcome will be obtained. Patent infringement, trademark infringement, trade secret misappropriation, and other intellectual property claims and proceedings brought against us or brought by us, whether successful or not, could require significant attention of our management and resources and have in the past and could further result in substantial costs, harm to our brand, and have an adverse effect on our business.

Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our employers and job seekers, which could increase the costs of our services and adversely impact our business.

The application of federal, state, local and international tax laws to services provided electronically is evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time (possibly with retroactive effect), and could be applied solely or disproportionately to services provided over the internet. These enactments could adversely affect our sales activity due to the inherent cost increase the taxes would represent and ultimately result in a negative impact on our operating results and cash flows.

In addition, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us (possibly with retroactive effect), which could require us or our employers and job seekers to pay additional tax amounts, as well as require us or our employers and job seekers to pay fines or penalties and interest for past amounts. If we are unsuccessful in collecting such taxes from our employers and job seekers, we could be held liable for such costs, thereby adversely impacting our operating results and cash flows.

Furthermore, the Inflation Reduction Act imposes a 1% non-deductible excise tax on the fair market value of any stock repurchased by a publicly traded domestic corporation during any taxable year, with the fair market value of such repurchased stock reduced by the fair market value of certain stock issued by such corporation during such taxable year. This tax applies to our share repurchase program beginning in 2023, where such program is described in the below risk factor titled “Our share repurchase program could affect the price of our Class A common stock and increase volatility and may be suspended or terminated at any time, which may result in a decrease in the trading price of our Class A common stock.”

Other Risks Related to Our Business

Our business is subject to the risk of earthquakes, fire, power outages, floods, public health crises, including pandemics, and other catastrophic events, and to interruption by man-made problems such as terrorism.

Our business is vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins, public health crises such as global pandemics, and similar events. Additionally, the third-party systems and operations, such as the data centers and online services we use in our company operations, are subject to similar risks. Our insurance policies may not cover losses from these events or may provide insufficient compensation that does not cover our total losses. To the extent a significant public health threat, or the related macroeconomic impacts, has an impact on our business, results of operations, and financial condition, it is likely also to have the effect of heightening many of the other risks described in this “Risk Factors” section. Such events have impacted, and could in the future impact, demand for products sold in our marketplace, which in turn could adversely affect our revenue and results of operations. In addition, acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas, could also cause disruptions in our business or the economy as a whole. A significant portion of our technology team is located in Israel, which is located in a region of the world that historically has experienced elevated levels of geopolitical instability (see “—We face risks associated with having operations and employees located in Israel” above for additional information regarding risks related to our operations in Israel). Our corporate offices and our primary data center facilities are located in California, a state that frequently experiences earthquakes and wildfires. We may not have sufficient protection or recovery plans. As we rely heavily on our data center facilities, computer and communications systems, and the internet to conduct our business and provide high-quality user service, these disruptions could negatively impact our ability to run our business.

Our indebtedness could adversely affect our liquidity and financial condition.

We had \$550.0 million of indebtedness (excluding intercompany indebtedness) and **\$245.6** **\$247.4** million available under our credit facility as of **March 31, 2024** **June 30, 2024**. In addition, in July 2024, we increased the aggregate revolving commitments available under our credit facility by \$40.0 million from \$250.0 million to \$290.0 million. Our indebtedness could have important consequences, including:

- making it more difficult for us to satisfy our debt obligations;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to adverse changes in general economic, industry and competitive conditions; and

- increasing our cost of borrowing.

In addition, the credit agreement that governs our credit facility and the indenture governing the \$550.0 million aggregate principal amount of our senior unsecured notes that we issued in January 2022 contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default under the credit agreement that governs our credit facility or the indenture governing the senior unsecured notes which, if not cured or waived, could result in the acceleration of substantially all of our indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and results of operations, which in turn are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend on, among other things, the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations.

Further, the credit agreement governing our credit facility contains, and any future credit facility or other debt instrument may contain, provisions that will restrict our ability to dispose of assets and use the proceeds from any such disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

If we cannot make the scheduled payments on our debt, we will be in default and, as a result, the lenders under our credit facility and the holders of the senior unsecured notes could declare all outstanding principal and interest to be due and payable, the lenders under our credit facility could terminate their commitments to loan money and foreclose against the assets securing the borrowings under such credit facility, and we could be forced into bankruptcy or liquidation, which could result in an adverse impact to your investment in our company.

Covenants in our debt agreements may restrict our operations, and if we do not effectively manage our business to comply with these covenants, our financial condition could be adversely impacted.

We entered into a Credit Agreement with the lenders named therein, and JPMorgan Chase Bank, N.A., as administrative agent, in April 2021, which provides for a \$250.0 million \$290.0 million secured line of credit. We also entered into an indenture in January 2022, which governs the senior unsecured notes. The credit facility and the indenture that governs the senior unsecured notes contain various restrictive covenants, including, among other things, net leverage ratio requirements, and restrictions on our ability to dispose of assets, make acquisitions or investments, incur debt or liens, make distributions to our stockholders, or enter into certain types of related party transactions. These restrictions may restrict our current and future operations, particularly our ability to respond to certain changes in our business or industry, or take future actions. Pursuant to the credit agreement, we granted the lenders thereto a security interest in substantially all of our assets. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for additional information.

Our ability to meet these restrictive covenants can be impacted by events beyond our control and we may be unable to do so. Our credit agreement and the indenture governing the senior unsecured notes provides that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, the lender could elect to declare all amounts outstanding under its debt agreements to be immediately due and payable, and holders of the senior unsecured notes could declare all outstanding principal and interest to be due and payable. In addition, the lender would have the right to proceed against the assets we provided as collateral pursuant to the credit agreement. If the debt under our credit agreement or the senior unsecured notes were to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient collateral to repay such debts, which would have an immediate adverse effect on our business, liquidity, and financial condition.

We may engage in merger and acquisition activities, which could require significant management attention, disrupt our business, dilute stockholder value, consume resources that are necessary to sustain our business, and adversely affect our operating results.

As part of our business strategy, we may make investments in other companies, products, or technologies. At any given time, we may be engaged in discussions or negotiations with respect to one or more of these types of transactions. Any acquisition, investment, or business relationship may result in unforeseen or additional operating difficulties, risks, and expenditures. 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. If we do complete acquisitions in the future, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by employers and job seekers. In addition, if we cannot successfully integrate such acquisitions, or the assets, technologies or personnel associated with such acquisitions, into our company, the anticipated benefits of any acquisition, investment, or business relationship may not be realized. Additionally, we may be exposed to unknown or additional risks and liabilities.

We may in the future seek to acquire or invest in additional businesses, products, technologies, or other assets. We also may enter into relationships with other businesses to expand our marketplace or our ability to provide our marketplace in foreign jurisdictions, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing, or investments in other companies. Negotiating these transactions can be time consuming, difficult, and expensive, and our ability to close these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if undertaken and announced, may not close. Acquisitions may disrupt our ongoing operations, divert management from their primary responsibilities, dilute our corporate culture, subject us to additional liabilities, increase our expenses, and adversely impact our business, financial condition, operating results, and cash flows. We may not successfully evaluate or use the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash, incur debt, or issue equity securities to pay for any such acquisition, each of which could affect our financial condition, result in dilution to our stockholders or increase our fixed obligations.

We may require additional capital to support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, and may result in stockholder dilution.

We expect that our existing cash, cash equivalents, and marketable securities will be sufficient to meet our anticipated cash needs for the foreseeable future. However, we intend to continue to make investments to support our business growth and may require additional capital to fund our business and to respond to competitive challenges, including the need to promote and enhance our marketplace, develop new products and services, enhance our operating infrastructure, and potentially to acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such additional funding will be available on terms attractive to us, or at all. Our inability to obtain additional funding when needed could have an adverse effect on our business, financial condition, and operating results. If additional funds are raised through the issuance of equity or convertible debt securities, holders of our Class A common stock could suffer significant dilution, and any new shares we issue could have rights, preferences, and privileges superior to those of our Class A common stock. Additionally, a substantial number of shares of our common stock are available for future sale pursuant to stock options, RSUs, or issuance pursuant to our equity incentive plans and employee stock purchase plan. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

The requirements of being a public company, including maintaining adequate internal control over our financial and management systems, may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, the rules subsequently implemented by the SEC, the rules and regulations of the listing standards of the New York Stock Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs and strains our financial and management systems, internal controls, and employees.

The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results. Moreover, the Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control over financial reporting. We are required to make a formal assessment and provide an annual management report on the effectiveness of our internal control over financial reporting. We have not identified any material weaknesses in our internal control over financial reporting during 2023, 2022 and 2021. However, to maintain and, if required, improve our disclosure controls and procedures, and internal control over financial reporting to meet the standards of the Sarbanes-Oxley Act, additional and potentially significant resources and management oversight may be required.

Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our business or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on our stock price.

The new rules and regulations applicable to public companies, and stockholder litigation brought against recently public companies, have made it more expensive for us to obtain and maintain director and officer liability insurance, and we may be required to incur substantially higher costs to obtain and maintain the same or similar coverage.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. We are subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition, and operating results.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board (FASB), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and stockholders' equity/deficit, and the amount of revenue and expenses that are not readily apparent from other sources. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of our Class A common stock.

Fluctuations in currency exchange rates could harm our operating results and financial condition.

Transactions generated in countries other than the United States as well as those incurred by our international subsidiaries are often denominated in the currencies of the local countries. As a result, our consolidated U.S. dollar financial statements are subject to fluctuations

due to changes in exchange rates as the financial results of our international subsidiaries are translated from local currencies into U.S. dollars. Our financial results are also subject to changes in exchange rates that impact the settlement of transactions in non-local currencies. To date, we have not engaged in currency hedging activities to limit the risk of exchange fluctuations and, as a result, our financial condition and operating results could be adversely affected by such fluctuations.

Risks Related to the Ownership of Our Class A Common Stock

Market volatility may affect the value of an investment in our Class A common stock and could subject us to litigation.

Technology stocks have historically experienced high levels of volatility. The price of our Class A common stock also could be subject to wide fluctuations in response to the risk factors described in this Quarterly Report on Form 10-Q and others beyond our control, including:

- the number of shares of our Class A common stock and Class B common stock publicly owned and available for trading;
 - actual or anticipated fluctuations in our financial condition, operating results and other operating and non-GAAP metrics;
 - our actual or anticipated operating performance and the operating performance of our competitors;
 - changes in the projected operational and financial results we provide to the public or our failure to meet those projections;
 - any major change in our board of directors, management, or key personnel;
 - the impact of, including but not limited to, market volatility and macroeconomic conditions such as inflation and any recession;
 - rumors and market speculation involving us or other companies in our industry;
-
- announcements by us or our competitors of significant innovations, new products, services, features, integrations or capabilities, acquisitions, strategic investments, partnerships, joint ventures, or capital commitments;
 - lawsuits threatened or filed against us;
 - other events or factors, including those resulting from a pandemic, war, incidents of terrorism, natural disasters, or responses to these events; and
 - sales or expected sales of our Class A common stock by us, and our officers, directors, and principal stockholders.

Furthermore, the stock market has recently experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies and financial services and technology companies in particular. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, interest rate changes, or international currency fluctuations, may negatively impact the market price of our Class A common stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

The dual class structure of our common stock concentrates voting control with those stockholders who held our capital stock prior to our listing, including our directors, executive officers, and 5% stockholders. This ownership will limit or preclude your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction.

Our Class B common stock has twenty votes per share and our Class A common stock has one vote per share. As of **March 31, 2024** **June 30, 2024**, the holders of our outstanding Class B common stock beneficially owned approximately 22.8% of our outstanding

common stock as a class and held approximately 85.5% of the voting power of our outstanding common stock as a class. Because of the twenty-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively control a substantial majority of the combined voting power of our common stock and therefore are able to control all matters submitted to our stockholders for approval until the earliest of (1) the first business day falling on or after 180 days after the date on which Ian Siegel beneficially owns less than 4,000,000 shares of Class B common stock, (2) the date which is (a) 90 days after the date of death or disability of Mr. Siegel or (b) such later date, not to exceed a total period of 180 days after the date of death or disability of Mr. Siegel, as may be approved prior to the date that is 90 days after the date of death or disability of Mr. Siegel by a majority of our independent directors then in office, and (3) the first business day falling on or after the date on which Mr. Siegel elects to convert all then-outstanding shares of Class B common stock into shares of Class A common stock. This concentrated control limits or precludes your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain permitted transfers, including certain transfers to family members, trusts solely for the benefit of the stockholder or their family members, affiliates under common control with the stockholder, and partnerships, corporations, and other entities exclusively owned by the stockholder or their family members, in each case as fully described in our amended and restated certificate of incorporation, incorporation, as amended. The conversion of Class B common stock to Class

to Class A common stock 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.

The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

Several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. As a result, the dual class structure of our common stock may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure and may result in large institutional investors not purchasing shares of our Class A common stock. Any actions or publications by stockholder advisory firms or institutional investors critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock.

Our share repurchase program could affect the price of our Class A common stock and increase volatility and may be suspended or terminated at any time, which may result in a decrease in the trading price of our Class A common stock.

As of March 31, 2024 June 30, 2024, the board of directors has authorized us to repurchase up to \$550.0 million of our common stock through open market or privately negotiated transactions, block purchases, or pursuant to one or more Rule 10b5-1 plans, in compliance with applicable securities laws and other legal requirements. The timing and actual number of shares repurchased will depend on a variety of factors including price, market conditions, corporate and regulatory requirements, and other investment opportunities. Approximately \$57.0 million \$48.4 million remains available for future repurchases under our \$550.0 million share repurchase program as of March 31, 2024 June 30, 2024.

Repurchases pursuant to our share repurchase program could affect the price of our Class A common stock and increase its volatility. The existence of our share repurchase program could also cause the price of our Class A common stock to be higher than it would be in the absence of such a program and could reduce the market liquidity for our Class A common stock. Additionally, repurchases under our share repurchase program will diminish our cash reserves, which could impact our ability to further develop our business and service our indebtedness. There can be no assurance that any repurchases will enhance stockholder value because the market price of our Class A common stock may decline below the levels at which we repurchased such shares. Any failure to repurchase shares after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our Class A

common stock price. Although our share repurchase program is intended to enhance long-term stockholder value, short-term price fluctuations could reduce the program's effectiveness.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business or our future prospects, the price of our Class A common stock 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 control over these securities analysts. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If one or more of these analysts cease coverage of us or cannot publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our Class A common stock price and trading volume to decline.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by the restrictions under the terms of our credit agreement. We anticipate that for the foreseeable future we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may limit attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation, **as amended**, and amended and restated bylaws may have the effect of delaying or preventing a merger, acquisition, or other change of control of our company that the stockholders may consider favorable. In addition, because our board of directors is responsible for appointing the members of our management team, 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 our board of directors. Among other things, our amended and restated certificate of incorporation, **as amended**, and amended and restated bylaws include provisions that:

- provide that our board of directors will be classified into three classes of directors with staggered three-year terms;
- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation, **as amended**, and amended and restated bylaws, including provisions relating to the classified board, the size of the board, removal of directors, special meetings, actions by written consent, and designation of our preferred stock;
- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- provide that only the chairman of our board of directors, our chief executive officer, our lead independent director, or a majority of our board of directors will be authorized to call a special meeting of stockholders;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit cumulative voting;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- provide for a dual class common stock structure in which holders of our Class B common stock may have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;

- provide that the board of directors is expressly authorized to make, alter, or repeal our bylaws; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Moreover, Section 203 of the Delaware General Corporate Law, or DGCL, may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock. See the section titled “Description of Class A Common Stock” in Exhibit 4.6 to the 2023 Form 10-K for additional information. In addition, under the indenture governing the senior unsecured notes, if certain “change of control” events occur, each holder of the notes may require us to repurchase all of such holder’s notes at a purchase price equal to 101% of the principal amount of such notes. Additionally, our credit facility provides for an event of default upon the occurrence of certain specified “change of control” events.

Our amended and restated certificate of incorporation, as amended, and our amended and restated bylaws contain exclusive forum provisions for certain claims, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation, as amended, to the fullest extent permitted by law, provides that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation, as amended, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our amended and restated bylaws provide that the U.S. federal district courts will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or a Federal Forum Provision. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities will be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit our stockholders’ ability to bring a claim in a judicial forum they find favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum

provision contained in our amended and restated certificate of incorporation, as amended, or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended March 31, 2024 June 30, 2024 was as follows (in thousands, except per share amounts):

Period	Period Purchased	Total Number of Shares	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾	Period Purchased	Total Number of Shares	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
January 1, 2024 to January 31, 2024										
February 1, 2024 to February 29, 2024										
February 1, 2024 to February 29, 2024										
February 1, 2024 to February 29, 2024										
April 1, 2024 to April 30, 2024										
May 1, 2024 to May 31, 2024										
May 1, 2024 to May 31, 2024										
May 1, 2024 to May 31, 2024										

Open market repurchases
Open market repurchases
Open market repurchases
March 1, 2024 to March 31, 2024
March 1, 2024 to March 31, 2024
March 1, 2024 to March 31, 2024
June 1, 2024 to June 30, 2024
June 1, 2024 to June 30, 2024
June 1, 2024 to June 30, 2024
Open market repurchases
Open market repurchases
Open market repurchases

Total
Total
Total

(1) As of March 31, 2024 June 30, 2024, the board of directors authorized us to repurchase up to \$550.0 million of our common stock under the share repurchase program, of which \$493.0 million \$501.6 million had been utilized. The remaining \$57.0 million \$48.4 million in the table represents the amount available to repurchase shares under the share repurchase program as of March 31, 2024 June 30, 2024. We may repurchase shares of common stock through open market or privately negotiated transactions, block purchases, or pursuant to one or more Rule 10b5-1 plans. The share repurchase program has no expiration date and will continue until otherwise suspended, terminated, or modified at any time for any reason by the board of directors. For more information, see Note 9 – Share Repurchase Program to our condensed consolidated financial statements included in this report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended **March 31, 2024** June 30, 2024, the following trading plan for Qasim Saifee, our prior Chief Operating Officer, was terminated in connection with his resignation from our company on April 8, 2024. No other individual(s) serving as a director and/or an officer (as defined in Rule 16a-1(f) of the Exchange Act) of our company adopted or terminated a trading plan for the purchase or sale of our securities as described in Item 408 of Regulation S-K. The material terms of these plans, each of which is intended to satisfy S-K during the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act (the "Rule 10b5-1 Plans"), are as follows:

- On March 4, 2024, Lora Bartolome, our Senior Vice President, Accounting and Controller, adopted a Rule 10b5-1 Plan for the potential sale of up to 32,361 shares of common stock. The plan's expiration date is June 30, 2025 quarter ended June 30, 2024.

Each of the 10b5-1 Plans included a representation from the officer to the broker administering the plan that they were not in possession of any material nonpublic information regarding our company or the securities subject to the plan. A similar representation was made to us in connection with the adoption of the plan under our insider trading policy. Those representations were made as of the date of adoption of the 10b5-1 Plans, and speak only as of that date. In making those representations, there is no assurance with respect to any material nonpublic information of which the officer was unaware, or with respect to any material nonpublic information acquired by the officer or us after the date of the representation.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Sixth Amended and Restated Certificate of Incorporation, as amended.					X
10.1	A Augmenting Lender Sent to Supplement the Sublease Agreement, dated effective as of December 27, 2023 July 8, 2024, between SwitchUp Ltd. by and among ZipRecruiter, Israel Ltd. Inc., Wells Fargo Bank, National Association, and JPMorgan Chase Bank, N.A., as administrative agent.					X
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL.					X

Signatures

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Santa Monica, California, on May 9, 2024 August 7, 2024.

ZIPRECRUITER, INC.

By: /s/ Ian Siegel

Ian Siegel

Chief Executive Officer

By: /s/ Timothy Yarbrough

Timothy Yarbrough

Executive Vice President, Chief Financial
Officer

71 72

Exhibit 10.1 3.1

ZIPRECRUITER, INC.

CERTIFICATE OF AMENDMENT TO THE SUBLEASE AGREEMENT OF BETWEEN ZIPRECRUITER ISRAEL LTD. SIXTH AMENDED AND SWITCHUP LTD. RESTATED CERTIFICATE OF INCORPORATION

This ZipRecruiter, Inc. (hereinafter called the “**Amendment**” is made as of December 27, 2023 (“**Amendment Effective Date**”) by and between SwitchUp Ltd., Co. No. 515676583 (“**Landlord Corporation**”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “**General Corporation Law**”), does hereby certify as follows:

1. That the name of this Corporation is ZipRecruiter, Israel Ltd. Inc., Co. No. 515247740 and that this Corporation was originally incorporated pursuant to the General Corporation Law on June 29, 2010. The Sixth Amended and Restated Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on May 14, 2021 (the "**Restated Charter**").

2. Amendment to Article VIII

(a) Article VIII of the Restated Charter is hereby amended and restated in its entirety as follows:

"ARTICLE VIII: LIMITATION OF LIABILITY

1. **Limitation of Liability.** To the fullest extent permitted by law, neither a director of the Corporation nor an officer of the corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director or officer, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

2. **Change in Rights.** Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Article VIII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director or officer of the Corporation existing at the time of such amendment, repeal or adoption of such an inconsistent provision."

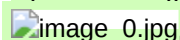
3. That the foregoing amendment was duly adopted by the Board of Directors of the Corporation in accordance with Sections 141 and 242 of the General Corporation Law and was approved by the holders of the requisite number of shares of capital stock of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, this corporation has caused this Certificate of Amendment to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated: June 11, 2024 ZipRecruiter, Inc.

By: /s/ Ian Siegel

image_0.jpg

Name: Ian Siegel

Title: Chief Executive Officer

ZIPRECRUITER, INC.

SIXTH AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

ZipRecruiter, Inc., a Delaware corporation, hereby certifies as follows:

1. The name of this corporation is ZipRecruiter, Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State was June 29, 2010.

2. The Restated Certificate of Incorporation of this corporation attached hereto as Exhibit A, which is incorporated herein by this reference, and which restates, integrates and further amends the provisions of the Certificate of Incorporation of this corporation, as previously amended and/or restated, has been duly adopted by this corporation's Board of Directors and by the stockholders in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, with the approval of this corporation's stockholders having been given by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this corporation has caused this Restated Certificate of Incorporation to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated: May 14, 2021

ZipRecruiter, Inc.

By: /s/ Ian Siegel

Name: Ian Siegel

Title: Chief Executive Officer

EXHIBIT A

ZIPRECRUITER, INC.

SIXTH AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

ARTICLE I: NAME

The name of this corporation is ZipRecruiter, Inc. (the “**Corporation**”).

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Zip Code 19808, and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

ARTICLE III: PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “**General Corporation Law**”).

ARTICLE IV: AUTHORIZED STOCK

1. Total Authorized.

1.1 The total number of shares of all classes of stock that the Corporation has authority to issue is 1,450,000,000 shares, consisting of three classes: 700,000,000 shares of Class A Common Stock, \$0.00001 par value per share (“**Tenant Class A Common Stock**”); 700,000,000 shares of Class B Common Stock, \$0.00001 par value per share (“**Class B Common Stock**” and together with the Class A Common Stock, the “**Common Stock**”); and 50,000,000 shares of Preferred Stock, \$0.00001 par value per share (the “**Preferred Stock**”).

1.2 The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, and no vote of the holders of the Class A Common Stock or Class B Common Stock voting separately as a class shall be required therefor.

2. Preferred Stock.

2.1 The Corporation’s Board of Directors (“**Board of Directors**”) is authorized, subject to any limitations prescribed by the law of the State of Delaware, by resolution or resolutions adopted from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, and, contains changes, modifications, revisions, and additions by filing a certificate of designation pursuant to the Sublease Agreement dated January 31, 2018, signed between Landlord and Tenant (the “applicable law of the State of Delaware (“**Agreement Certificate of Designation**”). Capitalized terms defined, to establish from time to time the number of shares to be included in each such series, to fix the designation, powers (including voting powers), preferences and relative,

participating, optional or other special rights (and the qualifications, limitations or restrictions thereof) of the shares of each such series and, except where otherwise provided in the **Agreement** applicable Certificate of Designation, to increase (but not above the total number of authorized shares of the Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, unless a separate vote of the holders of one or more series is required pursuant to the terms of any Certificate of Designation.

2.2 Except as otherwise expressly provided in any Certificate of Designation designating any series of Preferred Stock pursuant to the foregoing provisions of this Article IV, (i) any new series of Preferred Stock may be designated, fixed and **used** determined as provided herein by the Board of Directors without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and (ii) any such new series may have powers, preferences and rights, including, without limitation, voting powers, dividend rights, liquidation rights, redemption rights and conversion rights, senior to, junior to or pari passu with the rights of the Common Stock, any series of the Preferred Stock, or any future class or series of capital stock of the Corporation.

3. Rights of Class A Common Stock and Class B Common Stock.

3.1 Equal Status. Except as otherwise provided in this **Amendment** Restated Certificate of Incorporation or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same **respective meanings** rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the Corporation), share ratably and be identical in all respects and as to all matters.

3.2 Voting Rights. Except as otherwise expressly provided by this Restated Certificate of Incorporation or as required by law, the holders of shares of Class A Common Stock and Class B Common Stock shall (a) at all times vote together as a single class on all matters (including the election of directors) submitted to a vote of the stockholders of the Corporation, (b) be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation (as the same may be amended and/or restated from time to time, the "**Bylaws**") and (c) be entitled to vote upon such matters and in such manner as may be provided by applicable law; *provided, however,* that, except as otherwise required by law, holders of shares of Class A Common Stock and Class B Common Stock shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock). Except as otherwise expressly provided herein or required by applicable law, each holder of Class A Common Stock shall have the right to one (1) vote per share of Class A Common Stock held of record by such holder and each holder of Class B Common Stock shall have the right to twenty (20) votes per share of Class B Common Stock held of record by such holder.

3.3 Dividends and Distribution Rights. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board of Directors

out of any assets of the Corporation legally available therefor; *provided, however*, that in the event a dividend is paid in the form of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares), then holders of Class A Common Stock shall receive shares of Class A Common Stock (or rights to acquire such shares, as the case may be) and holders of Class B Common Stock shall receive shares of Class B Common Stock (or rights to acquire such shares, as the case may be), with holders of shares of Class A Common Stock and Class B Common Stock receiving, on a per share basis, an identical number of shares of Class A Common Stock or Class B Common Stock, as applicable. Notwithstanding the foregoing, the Board of Directors may pay or make a disparate dividend or distribution per share of Class A Common Stock or Class B Common Stock (whether in the amount of such dividend or distribution payable per share, the form in which such dividend or distribution is payable, the timing of the payment, or otherwise) if such disparate dividend or distribution is approved in advance by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

3.4 Subdivisions, Combinations or Reclassifications. Shares of Class A Common Stock or Class B Common Stock may not be subdivided, combined or reclassified unless the shares of the other class are concurrently therewith proportionately subdivided, combined or reclassified in a manner that maintains the same proportionate equity ownership between the holders of the outstanding Class A Common Stock and Class B Common Stock on the record date for such subdivision, combination or reclassification; *provided, however*, that shares of one such class may be subdivided, combined or reclassified in a different or disproportionate manner if such subdivision, combination or reclassification is approved in advance by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

3.5 Liquidation, Dissolution or Winding Up. Subject to the preferential or other rights of any holders of Preferred Stock then outstanding, upon the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, holders of Class A Common Stock and Class B Common Stock will be entitled to receive ratably, on a per share basis, all assets of the Corporation available for distribution to its stockholders unless disparate or different treatment of the shares of each such class with respect to distributions upon any such liquidation, dissolution or winding up is approved in advance by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

3.6 Merger or Consolidation. In the case of any distribution or payment made or other consideration paid in respect, or upon conversion or exchange, of the shares of Class A Common Stock or Class B Common Stock upon the merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, such distribution or payment shall be made,

or other consideration shall be paid, ratably on a per share basis among the holders of the Class A Common Stock and Class B Common Stock as a single class; provided, however, that shares of one such class may receive different or disproportionate distributions, payments, or other consideration in connection with such merger, consolidation or other transaction if (i) the only difference in the per share distribution, payment, or other consideration to the holders of the Class A Common Stock and Class B Common Stock is that any securities that a holder of a share of Class B Common Stock receives as part of such merger, consolidation or other transaction upon conversion or in exchange for such holder's Class B Common Stock shall have twenty (20) times the voting power of any securities that a holder of a share of Class A

Common Stock receives as part of such merger, consolidation or other transaction upon conversion or in exchange for such holder's Class A Common Stock, or (ii) such merger, consolidation or other transaction is approved by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

ARTICLE V: CLASS B COMMON STOCK CONVERSION

1. Optional Conversion. Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to convert any of such holder's shares of such Class B Common Stock into shares of Class A Common Stock, such holder shall deliver an instruction, duly signed and authenticated in accordance with any procedures set forth in the Agreement, unless clearly otherwise defined Bylaws or any policies of the Corporation then in effect, at the principal corporate office of the Corporation or of any transfer agent for the Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office of such holder's election to convert the same and shall state therein the name or names in which the shares of Class A Common Stock issuable on conversion thereof are to be registered on the books of the Corporation. The Corporation shall, as soon as practicable thereafter, register on the Corporation's books ownership of the number of shares of Class A Common Stock to which such record holder of Class B Common Stock, or to which the nominee or nominees of such record holder, shall be entitled as aforesaid. Such conversion shall be deemed to have occurred immediately prior to the close of business on the date such notice of the election to convert is received by the Corporation, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such date.

2. Automatic Conversion. Each share of Class B Common Stock shall automatically, without further action by the Corporation or the holder thereof, be converted into one (1) fully paid and nonassessable share of Class A Common Stock immediately prior to the close of business on the earliest of (a) 5:00 p.m. New York time on the first Business Day falling on or after the date which is 180 days after the date on which the Founder Beneficially Owns less than 4,000,000 shares of Class B Common Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like); (b) 5:00 p.m. New York time on the Business Day which is (i) ninety (90) days after the date of death or Disability of the Founder or

(ii) such later date, not to exceed a total period of one hundred eighty (180) days after the date of death or Disability of the Founder, as may be approved prior to the date that is ninety (90) days after the date of death or Disability of the Founder by a majority of the Independent Directors then in office (which such later date, if any, shall be maintained by the secretary of the Corporation in writing as part of the books and records of the Corporation, a copy of which shall be furnished, without cost, to any stockholder who makes a request therefor); and (c) 5:00 p.m. New York time on the first Business Day falling on or after the date on which the Founder elects to convert all then-outstanding shares of Class B Common Stock into shares of Class A Common Stock (each of the events referred to in (a), (b), and (c) are referred to herein as an “**Automatic Conversion**”). The Corporation shall provide notice of the Automatic Conversion of shares of Class B Common Stock pursuant to this **Amendment**. Article Fourth to record holders of such shares of Class B Common Stock as soon as practicable following the Automatic Conversion. Such notice shall be provided by any means then permitted by the General Corporation Law; provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the Automatic Conversion. Upon and after the Automatic Conversion, the person registered on the Corporation’s books as the record holder of the shares of Class B Common Stock so converted immediately prior to the Automatic Conversion shall be registered on the Corporation’s books as the

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record holder of the **mutual covenants contained** shares of Class A Common Stock issued upon Automatic Conversion of such shares of Class B Common Stock, without further action on the part of the record holder thereof. Immediately upon the effectiveness of the Automatic Conversion, the rights of the holders of shares of Class B Common Stock as such shall cease, and the holders shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock into which such shares of Class B Common Stock were converted.

3. Conversion on Transfer. Each share of Class B Common Stock shall automatically, without further action by the Corporation or the holder thereof, be converted into one (1) fully paid and nonassessable share of Class A Common Stock, upon the occurrence of a Transfer (as defined below), other than a Permitted Transfer (as defined below), of such share of Class B Common Stock.

4. Policies and Procedures. The Corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or this Restated Certificate of Incorporation or the Bylaws, relating to the conversion of shares of the Class B Common Stock into shares of Class A Common Stock as it may deem necessary or advisable. If the Corporation has reason to believe that a Transfer that is not a Permitted Transfer has occurred, the Corporation may request that the purported transferor furnish affidavits or other evidence to the Corporation as it reasonably deems necessary to determine whether a Transfer that is not a Permitted Transfer has occurred, and if such transferor does not within ten (10) days after the date of such request furnish sufficient (as determined by the Board of Directors or a committee thereof) evidence to the Corporation (in the manner provided in the **Agreement** request) to enable the Corporation to determine that no such Transfer has occurred, any such shares of Class B Common Stock, to the extent not previously converted, shall be automatically converted into shares of Class A Common Stock on a one-to-one basis, and such conversion shall thereupon be registered on the books and records of the Corporation. In connection with any action of stockholders taken at a meeting, the stock ledger of

the Corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders and the classes of shares held by each such stockholder and the number of shares of each class held by such stockholder.

5. **Definitions.**

(a) **“Beneficially Owned”** has such meaning as is set forth in Rule 13d-3 of the U.S. Securities Exchange Act of 1934, as amended. **“Beneficial Ownership,” “Beneficially Own”** and **“Beneficial Owner”** shall have correlative meanings.

(b) **“Business Day”** shall mean a day, other than Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by applicable law to close.

(c) **“Convertible Security”** shall mean any evidences of indebtedness, shares of Preferred Stock or other securities (other than shares of Class B Common Stock) convertible into or exchangeable for Class A Common Stock or Class B Common Stock, either directly or indirectly.

(d) **“Disability”** shall mean the Founder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months as determined by a licensed medical practitioner. In the event of a dispute whether the Founder has suffered a Disability, no Disability of the Founder shall be deemed to have occurred unless and until

an affirmative ruling regarding such Disability has been made by a court of competent jurisdiction, and such ruling has become final and non-appealable.

(e) **“Effective Date”** shall mean the date on which the Securities and Exchange Commission (the **“Commission”**) declares effective the Corporation’s registration statement on Form S-1 (No. 333-255488).

(f) **“Family Member”** shall mean with respect to any natural person who is a Qualified Stockholder, the spouse, domestic partner, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such Qualified Stockholder. Lineal descendants shall include adopted persons, but only so long as they are adopted while a minor.

(g) **“Founder”** means Ian Siegel.

(h) **“Independent Directors”** means members of the Board of Directors that are not officers or otherwise employees of the Corporation or its subsidiaries (provided that a director shall not be considered an officer or employee of the Corporation solely due to such director’s position as a member of the Board of Directors or the board of directors or similar governing body of one or more subsidiaries of the Corporation).

(i) **“Option”** shall mean rights, options, restricted stock units or warrants to subscribe for, purchase or otherwise acquire Class A Common Stock, Class B Common Stock or Convertible Securities (as defined above).

(j) **“Parent”** of an entity shall mean any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

(k) **“Permitted Entity”** shall mean with respect to a Qualified Stockholder: (a) a Permitted Trust solely for the benefit of any combination of the following: (i) such Qualified Stockholder, (ii) one or more Family Members of such Qualified Stockholder, and/or (iii) any other Permitted Entity of such Qualified Stockholder; and/or (b) any general partnership, limited partnership, limited liability company, corporation or other entity exclusively owned by any combination of the following: (i) such Qualified Stockholder, (ii) one or more Family Members of such Qualified Stockholder, and/or (iii) any other Permitted Entity of such Qualified Stockholder.

(l) **“Permitted Transfer”** shall mean, and be restricted to, any Transfer of a share of Class B Common Stock:

(i) by a Qualified Stockholder to (A) one or more Family Members of such Qualified Stockholder, (B) any Permitted Entity of such Qualified Stockholder, or (C) to such Qualified Stockholder’s revocable living trust, which revocable living trust is itself both a Permitted Trust and a Qualified Stockholder;

(ii) by a Permitted Entity of a Qualified Stockholder to (A) such Qualified Stockholder or one or more Family Members of such Qualified Stockholder, or (B) any other Permitted Entity of such Qualified Stockholder; or

(iii) by a general partnership or limited partnership that was the record holder of a share of Class B Common Stock as of the Effective Date to a member of the Board of Directors who is the “Beneficial Owner” of such shares of Class B Common Stock within the meaning of

the Exchange Act; provided, however, that in the event that such a member of the Board of Directors who has received such a Permitted Transfer from a general partnership or limited partnership subsequently is no longer a member the Board of Directors, then holders of a majority of the then outstanding shares of Class B Common Stock, voting as a separate class, may cause the shares of such former director to convert automatically into an equal number of shares of Class A Common Stock upon a date specified in writing by such remaining majority of the then outstanding shares of Class B Common Stock.

(m) **“Permitted Transferee”** shall mean a transferee of shares of Class B Common Stock received in a Permitted Transfer.

(n) **“Permitted Trust”** shall mean a bona fide trust where each trustee is (i) a Qualified Stockholder, (ii) a Family Member, or (iii) a professional in the business of providing trustee services, including private professional fiduciaries,

trust companies and bank trust departments.

(o) **“Qualified Stockholder”** shall mean: (a) the record holder of a share of Class B Common Stock as of the Effective Date; (b) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the Effective Date pursuant to the exercise or conversion of any Option or Convertible Security that, in each case, was outstanding as of the Effective Date; (c) each natural person who, prior to the Effective Date, Transferred shares of capital stock of the Corporation to a Permitted Entity that is or becomes a Qualified Stockholder; (d) each natural person who Transferred shares of, or equity awards for, Class B Common Stock (including any Option exercisable or Convertible Security exchangeable for or convertible into shares of Class B Common Stock) to a Permitted Entity that is or becomes a Qualified Stockholder; and (e) a Permitted Transferee.

(p) **“Transfer”** of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in Beneficial Ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control over such share by proxy or otherwise; provided, however, that the following shall not be considered a “Transfer” within the meaning of this Amendment, Section 3 of this Article Fourth:

(i) the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

(ii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (i) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (ii) either has a term not exceeding one (1) year or is terminable by the holder of the shares subject thereto at any time and (iii) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

(iii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) pursuant to a written agreement to which the Corporation is a party;

(iv) the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction

for so long as such stockholder continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such shares or other good similar action by the pledgee shall constitute a Transfer unless such foreclosure or similar action qualifies as a Permitted Transfer;

(v) the fact that, as of the Effective Date or at any time after the Effective Date, the spouse of any holder of Class B Common Stock possesses or obtains an interest in such holder's shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a Transfer of such shares of Class B Common Stock; provided that any transfer of shares by any holder of shares of Class B Common Stock to such holder's spouse, including a transfer in connection with a divorce proceeding, domestic relations order or similar legal requirement, shall constitute a "Transfer" of such shares of Class B Common Stock unless otherwise exempt from the definition of Transfer;

(vi) entering into a trading plan pursuant to Rule 10b5-1 under the Exchange Act, with a broker or other nominee; provided, however, that a sale of such shares of Class B Common Stock pursuant to such plan shall constitute a "Transfer" at the time of such sale; or

(vii) in connection with a merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, that has been approved by the Board of Directors, the entering into a support, voting, tender or similar agreement or arrangement (in each case, with or without the grant of a proxy) that has also been approved by the Board of Directors.

A Transfer shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (i) an entity that is a Permitted Entity, if there occurs any act or circumstance that causes such entity to no longer be a Permitted Entity or (ii) an entity that is a Qualified Stockholder, if, in either case, there occurs a Transfer on a cumulative basis, from and **valuable consideration, notwithstanding** after the Effective Date, of a majority of the voting power of the voting securities of such entity or any direct or indirect Parent of such entity, other than a Transfer to parties that are, as of the Effective Date, holders of voting securities of any such entity or Parent of such entity.

(q) **"Voting Control"** shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.

6. Status of Converted Stock. In the event any shares of Class B Common Stock are converted into shares of Class A Common Stock pursuant to this Article V, the shares of Class B Common Stock so converted shall be retired and shall not be reissued by the Corporation.

7. Effect of Conversion on Payment of Dividends. Notwithstanding anything to the contrary in Sections 1, 2 or 3 of this Article V, if the **Agreement, Landlord and Tenant agree as follows:**

1. The option date on which any share of Class B Common Stock is converted into Class A Common Stock pursuant to extend the Term provisions of Sections 1, 2 or 3 of this Article V occurs after the record date for the determination of the Sublease holders of Class B Common Stock entitled to receive any dividend or distribution to be paid on the shares of Class B Common Stock, the holder of such shares of Class B Common Stock as of such record date will be entitled to receive such dividend or distribution on such payment date; provided, that, notwithstanding any other provision of this Restated Certificate of Incorporation, to the extent that any such dividend or distribution is payable in Section 6.2.3 shares of the Agreement shall be amended as follows:
 - a. The Tenant will notify the Landlord by January 21, 2024, 11:59 PM U.S. Pacific Time (**"Deadline"**) of either: (i) Tenant's desire to exercise the option to extend the Term of the Sublease as specified in Section 6.2 of the Agreement (**"Extension Option"**); Class B Common Stock, such dividend or (ii) Tenant's desire to terminate the Term of the Sublease and move to a new office (**"New Office"**) in the Landlord's portfolio (**"Move Option"**).

- b. In the event Tenant elects to proceed with the Move Option, the following shall apply: (i) the parties must draft and execute a letter of intent that specifies the commercial terms of the New Office ("LOI") by the Deadline; (ii) the parties can finalize the lease documents, agreements, and negotiations for the New Office after the Deadline; and (iii) the Tenant can remain in the Tenancy until the New Office is ready for Tenant's occupancy.
- c. For clarity, in the event the parties do not execute an LOI for the Move Option by the Deadline, then Tenant distribution shall be deemed to have exercised been declared, and shall be

payable in, shares of Class A Common Stock and no shares of Class B Common Stock shall be issued in payment thereof.

8. Reservation. The Corporation shall at all times reserve and keep available, out of its authorized and unissued shares of Class A Common Stock, solely for the Extension Option purpose of effecting conversions of shares of Class B Common Stock into Class A Common Stock, such number of duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock. If at any time the number of authorized and unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock, the Corporation shall promptly take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, obtaining the requisite stockholder approval of any necessary amendment to this Restated Certificate of Incorporation. All shares of Class A Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable shares. The Corporation shall take all such action as may be necessary to ensure that all such shares of Class A Common Stock may be so issued without violation of any applicable law or regulation.

ARTICLE VI: AMENDMENT OF BYLAWS

The Board of Directors shall have the power to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by the Board of Directors shall require the approval of a majority of the Whole Board. For purposes of this Restated Certificate of Incorporation, the term "**Whole Board**" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. The stockholders shall also have power to adopt, amend or repeal the Bylaws; *provided, however*, that, notwithstanding any other provision of this Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser or no vote, but in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Restated Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal any provision of the Bylaws, *provided, further*, that, in the case of any proposed adoption, amendment or repeal of any provisions of the Bylaws that is approved by at least two-thirds (2/3) of the Whole Board and submitted to the stockholders for adoption thereby, then only the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to adopt, amend or repeal any such provision of the Bylaws.

ARTICLE VII: MATTERS RELATING TO THE BOARD OF DIRECTORS

1. **Director Powers.** Except as otherwise provided by the General Corporation Law or this Restated Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. **Number of Directors.** Subject to the special rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the total number of directors constituting the Whole Board shall be fixed from time to time exclusively by resolution adopted by a majority of the Whole Board.

3. **Classified Board.** Subject to the special rights of the holders of one or more series of Preferred Stock to elect directors, the directors shall be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively (the “**Classified Board**”). The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes of the Classified Board. The number of directors in each class shall be divided as nearly equal as is practicable. The initial term of office of the Class I directors shall expire at the Corporation's first annual meeting of stockholders following the Effective Date, the initial term of office of the Class II directors shall expire at the Corporation's second annual meeting of stockholders following the Effective Date, and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of stockholders following the Effective Date. At each annual meeting of stockholders following the Effective Date, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office expiring at the third succeeding annual meeting of stockholders after their election.

4. **Term and Removal.** Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon notice to the Corporation given in writing or by any electronic transmission. Subject to the special rights of the holders of any series of Preferred Stock, no director may be removed from the Board of Directors except for cause and only by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class. In the event of any increase or decrease in the authorized number of directors, (a) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board among the classes of directors so as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board shall shorten the term of any director.

5. **Vacancies and Newly Created Directorships.** Subject to the special rights of the holders of any series of Preferred Stock to elect directors, any vacancy occurring in the Board of Directors for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the

stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been assigned expires and until such director's successor shall have been duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal.

6. **Vote by Ballot.** Election of directors need not be by written ballot unless the Bylaws shall so provide.

ARTICLE VIII: DIRECTOR LIABILITY

1. **Limitation of Liability.** To the fullest extent permitted by law, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

2. **Change in Rights.** Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Article VIII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, repeal or adoption of such an inconsistent provision.

ARTICLE IX: MATTERS RELATING TO STOCKHOLDERS

1. **No Action by Written Consent of Stockholders.** Subject to the rights of any series of Preferred Stock then outstanding, no action shall be taken by the stockholders of the Corporation except at a duly called annual or special meeting of stockholders and no action shall be taken by the stockholders of the Corporation by written consent in lieu of a meeting.

2. **Special Meeting of Stockholders.** Special meetings of the stockholders of the Corporation may be called only by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director (as defined in the Bylaws) or the Board of Directors acting pursuant to **Section 6.2** a resolution adopted by a majority of the **Agreement** Whole Board, and may not be called by the stockholders or any other person or persons.

All other terms. 3. **Advance Notice of Stockholder Nominations and conditions Business Transacted at Special Meetings.** Advance notice of stockholder nominations for the election of directors of the **Agreement** Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the Bylaws. Business transacted at special meetings of stockholders shall be limited to the purpose or purposes stated in the notice of meeting.

ARTICLE X: SEVERABILITY

If any provision of this Restated Certificate of Incorporation shall be held to be invalid, illegal, or unenforceable, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of this Restated Certificate of Incorporation (including without limitation, all portions of any section of this Restated Certificate of Incorporation containing any such provision held to be invalid, illegal, or unenforceable, which is not invalid, illegal, or unenforceable) shall remain in full force and effect. In

ARTICLE XI: AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION

1. **General.** The Corporation reserves the event right to amend or repeal any provision contained in this Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any provision of this Restated Certificate of Incorporation (including any Certificate of Designation) or any provision of law that might otherwise permit a lesser vote or no vote (but subject to Section 2 of Article IV hereof), but in addition to any vote of the holders of any conflict between class or series of the stock of the Corporation required by law or by this Restated Certificate of Incorporation (including any Certificate of Designation), and subject to Sections 1 and 2.1 of Article IV, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to amend or repeal, or adopt any provision inconsistent with, this Section 1 of this Article XI, Sections 1.2 and 2 of Article IV, or Article V, Article VI, Article VII, Article VIII, Article IX, Article X or Article XII (the "**Specified Provisions**"); provided, further, that if two-thirds (2/3) of the Whole Board has approved such amendment or repeal of, or any provision inconsistent with, the Specified Provisions, then only the

affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class (in addition to any other vote of the holders of any class or series of stock of the Corporation required by law or by this Restated Certificate of Incorporation, including any Certificate of Designation), shall be required to amend or repeal, or adopt any provision inconsistent with, the Specified Provisions.

2. **Changes to or Inconsistent with Section 3 of Article IV.** Notwithstanding any other provision of this Restated Certificate of Incorporation (including any Certificate of Designation) or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Restated Certificate of Incorporation (including any Certificate of Designation), the affirmative vote of the holders of Class A Common Stock representing at least seventy-five percent (75%) of the voting power of all of the then-outstanding shares of Class A Common Stock, voting separately as a single class, and the affirmative vote of the holders of Class B Common Stock representing at least seventy-five percent (75%) of the voting power of all of the then-outstanding shares of Class B Common Stock, voting separately as a single class, shall be required to amend or repeal, or to adopt any provision inconsistent with, Section 3 of Article IV or this Section 2 of this Article XI.

ARTICLE XII: CHOICE OF FORUM; EXCLUSIVE FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action asserting a claim that is based upon a breach of a fiduciary duty owed by, or other wrongdoing by, any current or former director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders; (c) any action asserting a claim against the Corporation or any current or former director, officer, stockholder, employee or agent of the Corporation arising pursuant to any provision of the General Corporation Law, this Restated Certificate of Incorporation or the Bylaws or as to which the General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action to interpret, apply, enforce or determine the validity of this Restated Certificate of Incorporation or the Bylaws; (e) any action asserting a claim against the Corporation governed by the internal affairs doctrine; or (f) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the General Corporation Law. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, or any successor thereto or, to the fullest extent permitted by law, under the Exchange Act, or any successor thereto. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XII. Failure to enforce the foregoing provisions of this Article XII would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions.

Exhibit 10.1

AUGMENTING LENDER SUPPLEMENT

This AUGMENTING LENDER SUPPLEMENT, dated as of July 8, 2024 (this "Supplement"), by and among each of the signatories hereto, to the Credit Agreement, dated as of April 30, 2021 (as amended by that certain Amendment No. 1, dated as of November 19, 2021, as further amended by that certain Amendment No. 2, dated as of January 10, 2022, as further amended by that certain Amendment No. 3, dated as of April 26, 2022, as further amended by that certain Amendment No. 4, dated as of March 28, 2023 and as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among ZipRecruiter, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.22 thereof that any bank, financial institution or other entity may extend Revolving Commitments under the Credit Agreement subject to the approval of the Borrower and the Administrative Agent, by executing and delivering to the Borrower and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a Revolving Commitment of \$40,000,000.00, thereby making the aggregate amount of the total Revolving Commitments under the Credit Agreement equal to \$290,000,000.00.

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and **conditions** (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

Wells Fargo Bank, National Association 2141 Rosecrans Ave, 4th
Floor
El Segundo, CA 90245

Exhibit 10.1

4. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

8. This Supplement is a "Loan Document" for purposes of the Credit Agreement.

[remainder of this Amendment and the terms and conditions of the Agreement, this Amendment shall prevail. page intentionally left blank]

Exhibit 10.1

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment Supplement to be executed and delivered by a duly authorized officer on the Agreement is hereby executed by an authorized representative of each party hereto date first above written.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Dewey Briglia

Name: Dewey Briglia

Title: Senior Vice President

[Signature Page to Augmenting Lender Supplement]

Exhibit 10.1

Acknowledged as of the dates set forth below. date first written above:

SwitchUp Ltd. ZipRecruiter Israel Ltd.

ZIPRECRUITER, INC.

By: /s/ Oren Shalit /s/ Tim Yarbrough By: /s/ Kasra Shafiee

Name: Tim Yarbrough

Title: Chief Financial Officer

[Signature Page to Augmenting Lender Supplement]

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.

as Administrative Agent

Name: By: Oren Shalit Name: Kasra Shafiee /s/ Lauren Shake

Name: Lauren Shake

Title: Chief Business Authorized Officer Title: Sr. Corporate Counsel of ZipRecruiter, Inc.

Date: 1/5/2024 Date: 1/5/2024

[Signature Page to Augmenting Lender Supplement]

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ian Siegel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZipRecruiter, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 14d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, August 7, 2024

/s/ Ian Siegel

Ian Siegel

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy Yarbrough, certify that:

- 1. I have reviewed this Quarterly Report on Form 10-Q of ZipRecruiter, Inc.;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting

(as defined in Exchange Act Rules 13a-15(f) and 14d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, August 7, 2024

/s/ Timothy Yarbrough

Timothy Yarbrough

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of ZipRecruiter, Inc., a Delaware corporation (the "Company"), for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ian Siegel, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, August 7, 2024

/s/ Ian Siegel

Ian Siegel

Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of ZipRecruiter, Inc., a Delaware corporation (the "Company"), for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Timothy Yarbrough, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (1) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, August 7, 2024

/s/ Timothy Yarbrough

Timothy Yarbrough

Chief Financial Officer

(Principal Financial Officer)

DISCLAIMER

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