

REFINITIV

DELTA REPORT

10-Q

VACASA, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2494
CHANGES	217
DELETIONS	814
ADDITIONS	1463

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)



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


For the quarterly period ended **September 30, 2023** **March 31, 2024**

or



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

For the transition period from _____ to _____
Commission File Number: 001-41130

 Vacasa Identity Lockup Horizontal RGB-Blue.gif

Vacasa, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

87-1995316
(I.R.S. Employer Identification No.)

850 NW 13th Avenue
Portland, OR 97209

(Address of principal executive offices)(Zip Code)

(503) 946-3650

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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, par value \$0.00001 per share	VCSA	The Nasdaq Stock Market LLC

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 ☐

Non-accelerated filer ☐

Accelerated filer ☒

Smaller reporting company ☐

Emerging growth company ☒

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 ☒

As of November 3, 2023 May 6, 2024, 12,453,362 14,451,666 shares of the registrant's Class A Common Stock were outstanding, 9,485,517 7,663,011 shares of the registrant's Class B Common Stock were outstanding, and 316,666 shares of the registrant's Class G Common Stock were outstanding.

Table of Contents	
	Page
Cautionary Note Regarding Forward-Looking Statements	4
PART I	6 8
Item 1 - Condensed Consolidated Financial Statements (unaudited)	6 8
Condensed Consolidated Balance Sheets	6 8
Condensed Consolidated Statements of Operations	7 9
Condensed Consolidated Statements of Comprehensive Income (Loss) Loss	8 10
Condensed Consolidated Statements of Cash Flows	9 11
Condensed Consolidated Statements of Equity (Deficit)	11 13
Index to Notes to Condensed Consolidated Financial Statements	13 14
Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Item 3 - Quantitative and Qualitative Disclosures About Market Risk	48 46
Item 4 - Controls and Procedures	48 46
PART II	50 48
Item 1. Legal Proceedings	50 48
Item 1A. Risk Factors	50 48
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	50 87
Item 3. Defaults Upon Senior Securities	50 87
Item 4. Mine Safety Disclosures	50 87
Item 5. Other Information	50 87
Item 6. Exhibits	50 87
Signatures	53 90

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our results of operations, financial position, growth strategy, seasonality, business strategy, policies, and approach, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Without limiting the foregoing, in some cases, you can identify forward-looking statements by terms such as "aim," "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would," or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. No forward-looking statement is a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties, and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

- our ability to execute our business plan and achieve the expected benefits of the Reorganization (as defined below) and other cost saving measures we may take in the future;
- any indebtedness we may incur from time to time and our cash position and our ability to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings and additional financing may not be available on acceptable terms or at all, or could be dilutive to our stockholders or impose additional restrictive debt covenants on our activities;
- our ability to achieve profitability;
- our ability to grow manage the impacts the Reorganization will have on our business; systems, process and controls, including our ability to address competitive challenges, manage our employee base, or maintain our corporate culture;

- our expectations regarding past growth may not be indicative of our financial performance, including future prospects;
 - our revenue, costs, and Adjusted EBITDA; ability to compete in our industry;
 - our ability to attract and retain homeowners and guests;
 - our ability to compete in our industry; provide high-quality customer service;
 - our expectations regarding the health of the travel ability to develop new or enhanced offerings and hospitality industries, including in areas such as domestic travel, short-distance travel, services;
 - our ability to maintain relationships with distribution partners;
 - our ability to cost-effectively drive traffic to our platform;
 - our ability to maintain and travel outside of top cities; enhance our brand and reputation, and avoid negative publicity that could damage our brand;
 - the effects safety or perception of seasonal safety of our platform and other trends on services;
 - our results of ability to manage our international operations;
 - anticipated trends, developments, our ability to consummate or successfully integrate recent and challenges in our industry, business, and the highly competitive markets in which we operate, including changes in guest booking patterns and levels of supply of vacation rental homes; future acquisitions;
 - the sufficiency of our cash ability to attract and cash equivalents, revolving credit facility, retain capable management and other sources of liquidity to meet our liquidity needs; employees;
 - increased personnel costs or labor shortages;
 - declines or disruptions to the travel and hospitality industries or general economic downturns;
 - the effects of seasonal and other trends on our ability to anticipate market needs or develop new or enhanced offerings and services to meet those needs; results of operations;
 - our ability to expand into new markets and businesses, expand obtain adequate insurance coverage for the needs of our range of homeowner services, and pursue strategic partnership and acquisition opportunities; business;
 - any future impairment of our long-lived assets or goodwill;
 - significant fluctuations in our results of operations from quarter to quarter and year to year as a result of seasonality and other factors;
 - operational metrics subject to inherent challenges in measurement and real or perceived inaccuracies;
 - upticks or downturns in bookings are not immediately reflected in our results of operations;
 - our ability to manage funds held on behalf of customers;
 - our expectations regarding our tax liabilities and the adequacy of our reserves;
 - any further expansion into international markets; undetected errors on our platform;
 - our ability to adapt to changes in technology and the evolving demands of homeowners and guests;
 - our ability to protect our intellectual property and our data;
 - our use of "open source" software;
 - our use of artificial intelligence, or AI, in our business;
-
- our ability to stay in compliance with laws and regulations, including tax laws, that currently apply or may become applicable to our business both in the United States and internationally and our expectations regarding the impact of various laws, regulations, and restrictions that relate to our business;
 - our expectations regarding our tax liabilities and risks related to the adequacy ownership of our reserves;
 - our ability to effectively manage and expand our infrastructure, and maintain our corporate culture;
 - our ability to identify, recruit, and retain skilled personnel, including key members of senior management;
 - the effects of labor shortages and increases in wage and labor costs in our industry;
 - the safety, affordability, and convenience of our platform and our offerings, including the safety of, in and around the homes we manage;
 - our ability to keep pace with technological and competitive developments;
 - our ability to maintain and enhance brand awareness;
 - our ability to successfully defend litigation brought against us and our ability to secure adequate insurance coverage to protect the business and our operations;
 - our ability to make required payments under our credit agreement and to comply with the various requirements of our indebtedness;
 - our ability to effectively manage our exposure to fluctuations in foreign currency exchange rates;
 - the anticipated increase in expenses associated with being a public company;
 - our ability to remain in compliance with Nasdaq listing requirements;
 - our ability to maintain, protect, and enhance our intellectual property;
 - our use of artificial intelligence, or AI, in our business; Class A Common Stock; and
-
- those risks, uncertainties, and assumptions identified in Part I, Item 1A. "Risk Factors" and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 (the "2022 "2023 Annual Report"), in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A. "Risk Factors" of our Quarterly Reports on Form 10-Q for the quarterly periods ended March

31, 2023 ("Q1 2023 Quarterly Report") and June 30, 2023 ("Q2 2023 Quarterly Report") and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A, "Risk Factors" in this Quarterly Report, and in our subsequent filings with the Securities and Exchange Commission.

There may be additional risks that we currently consider immaterial or which are unknown. It is not possible to predict or identify all such risks.

The forward-looking statements in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements, and our actual future results, levels of activity, performance, and achievements may be materially different from what we expect.

These forward-looking statements speak only as of the date of this Quarterly Report. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report, whether as a result of any new information, future events, or otherwise.

Basis of Presentation

Vacasa, Inc. was incorporated on July 1, 2021 under the laws of the state of Delaware as a wholly owned subsidiary of Vacasa Holdings LLC ("Vacasa Holdings") for the purpose of consummating the business combination described herein. In December 2021, Vacasa, Inc. merged with TPG Pace Solutions Corp. ("TPG Pace"), with Vacasa, Inc. continuing as the surviving entity, following which Vacasa, Inc. consummated a series of reorganization transactions through which Vacasa, Inc. became the sole manager and owner of approximately 50.3% of the outstanding equity interests in, Vacasa Holdings, and Vacasa Holdings cancelled its ownership interest in Vacasa, Inc. The business combination was accounted for as a reverse recapitalization (the "Reverse Recapitalization") in accordance with accounting principles generally accepted in the United States of America ("GAAP"). For the period from inception to December 6, 2021, Vacasa, Inc. had no operations, assets or liabilities. Unless otherwise indicated, the financial information included herein is that of Vacasa Holdings, which, following the business combination, became the business of Vacasa, Inc. and its subsidiaries.

Additionally, unless the context otherwise requires, references herein to the "Company," "we," "us," "Company," "we," "us," or "our" "our" refer (a) after December 6, 2021, to Vacasa, Inc. and its consolidated subsidiaries and (b) prior to December 6, 2021, to Vacasa Holdings and its consolidated subsidiaries.

Risk Factor Summary

Our business is subject to numerous risks and uncertainties, including those described in Part II, Item 1A, "Risk Factors" in this Quarterly Report and in Part I, Item 1A, "Risk Factors" in our 2023 Annual Report. You should carefully consider these risks and uncertainties when investing in our common stock. The principal risks and uncertainties affecting our business include, but are not limited to, the following:

- our ability to execute our business plan and achieve the expected benefits of the Reorganization and other cost saving measures we may take in the future;
- any indebtedness we may incur from time to time and our cash position and our ability to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings and additional financing may not be available on acceptable terms or at all, or could be dilutive to our stockholders or impose additional restrictive debt covenants on our activities;
- our ability to achieve profitability;
- our ability to manage the impacts the Reorganization will have on our systems, process and controls, including our ability to address competitive challenges, manage our employee base, or maintain our corporate culture;
- our past growth may not be indicative of our future prospects;
- our ability to appropriately manage the strain to our business brought by its rapid historical growth, and our ability to improve our systems, processes and controls;
- our ability to compete in our industry;
- our ability to attract and retain homeowners and guests;
- our ability to provide high-quality customer service;
- our ability to maintain relationships with distribution partners;
- our ability to develop new or enhanced offerings and services;
- our ability to cost-effectively drive traffic to our platform;
- our ability to maintain and enhance our brand and reputation, and avoid negative publicity that could damage our brand;
- the safety or perception of safety of our platform and services;
- our ability to manage our international operations;
- our ability to consummate or successfully integrate recent and future acquisitions;
- our ability to attract and retain capable management and employees;
- Increased personnel costs or labor shortages;
- Any decline or disruption to the travel and hospitality industries or economic downturn, natural disasters, local and global public health emergencies, geopolitical conflict, and other catastrophic events or other events outside of our control;
- Our ability to obtain adequate insurance for the needs of our business;
- A future impairment of our long-lived assets or goodwill;
- Significant fluctuations in our results of operations from quarter to quarter and year to year as a result of seasonality and other factors;
- Certain operational metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation;
- Upticks or downturns in bookings are not immediately reflected in our results of operations;

- Any failure to properly manage funds held on behalf of customers;
 - Our reliance on third-party payment service providers to process payments made by guests and certain payments made to homeowners on our platform;
 - Risks related to payment network rules and any material modification of our payment card acceptance privileges;
 - Uncertainty in the application of taxes to our homeowners, guests, or platform;
 - Exposure to greater than anticipated tax liabilities;
 - Changes in tax laws or tax rulings;
 - Our ability to use our net operating loss carryforwards and certain other tax attributes;
 - Our dependence upon distributions from Vacasa Holdings LLC ("OpCo") to pay taxes and other expenses;
 - We may incur certain tax liabilities attributable to the Blockers (as defined below) as a result of the Business Combination (as defined below);
 - We may bear certain tax liabilities that are attributable to audit adjustments for taxable periods (or portions thereof) ending prior to the Business Combination, or that are disproportionate to our ownership interest in OpCo in the taxable period for which the relevant adjustment is imposed;
 - Vacasa, Inc. will be required to pay the TRA Parties for certain tax benefits it may claim (or is deemed to realize) in the future;
 - Our ability to comply with federal, state, and foreign laws relating to privacy and data protection;
 - Risks related to cyberattacks, data security breaches, or other security incidents;
 - Our reliance primarily on Amazon Web Services to host and deliver our platform and on a number of other third-party service providers in connection with other key aspects of our platform and operations;
 - Any undetected errors in our platform;
 - System capacity constraints, system or operational failures, or denial-of-service or other attacks;
 - Our ability to operate effectively on platforms other than desktop computers;
 - Our ability to adapt to changes in technology and the evolving demands of homeowners and guests;
 - Our ability to protect our intellectual property and our data;
 - Risks related to claims that we or others violated certain third-party intellectual property rights;
 - Risks related to our use of "open source" software;
 - Risks related to our use of artificial intelligence;
 - Risks related to laws, regulations, and rules that affect the short-term rental business;
 - Risk related to complex, evolving, and sometimes inconsistent and ambiguous laws and regulations that may adversely impact our operations and discourage homeowners and guests from using our services;
 - Our reliance on a mix of independent contractors and employees to provide operational services to us and any potential reclassification of independent contractors as deemed employees;
 - Risk related to regulatory audits, inquiries, litigation, and other disputes;
 - Liability for information or content that is on, or accessible through, our platform;
 - Risks related to governmental economic and trade sanctions laws and regulations;
 - Any violation of anti-corruption laws;
-
- Our Certificate of Incorporation provides that the doctrine of "corporate opportunity" will not apply with respect to any director or stockholder who is not employed by us or our subsidiaries;
 - Our focus on the long-term best interests of our company and our consideration of all of our stakeholders;
 - Our principal stockholders have significant influence over us;
 - Volatility in the trading price of the shares of our Class A Common Stock;
 - Future sales of our Class A Common Stock in the public market;
 - Our status as an "emerging growth company" within the meaning of the Securities Act; and
 - Our expectation not to pay any cash dividends on our Class A Common Stock in the foreseeable future.

PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

Vacasa, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share data)
(unaudited)

As of March 31,		As of March 31,	As of December 31,
	As of September 30,	As of December 31,	
	2023	2022	
	2024		

2024		2023	
2024		2023	
Assets	Assets		
Current assets:	Current assets:		
Current assets:			
Current assets:			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$ 151,291	\$ 157,810
Restricted cash	Restricted cash	162,327	161,850
Accounts receivable, net	Accounts receivable, net	11,543	17,204
Prepaid expenses and other current assets	Prepaid expenses and other current assets	27,442	44,499
Total current assets	Total current assets	352,603	381,363
Property and equipment, net	Property and equipment, net	59,422	65,543
Intangible assets, net	Intangible assets, net	125,166	214,851
Goodwill	Goodwill	171,853	585,205
Other long-term assets	Other long-term assets	56,556	58,622
Total assets	Total assets	\$ 765,600	\$ 1,305,584
Liabilities, Temporary Equity, and Equity	Liabilities, Temporary Equity, and Equity		
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	\$ 38,888	\$ 35,383
Funds payable to owners	Funds payable to owners	178,926	228,758
Hospitality and sales taxes payable	Hospitality and sales taxes payable	50,128	52,217
Deferred revenue	Deferred revenue	103,262	124,969
Future stay credits	Future stay credits	1,145	3,369

Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	76,050	85,833
Total current liabilities	Total current liabilities	448,399	530,529
Long-term debt, net of current portion		—	125
Other long-term liabilities	Other long-term liabilities	37,385	54,987
Total liabilities	Total liabilities	\$ 485,784	\$ 585,641

Commitments and contingencies (Note 14)

Commitments and contingencies (Note 13)

Commitments and contingencies (Note 13)

Redeemable noncontrolling interests	Redeemable noncontrolling interests	93,539	306,943
Equity:	Equity:		
Class A Common Stock, par value \$0.00001, 1,000,000,000 shares authorized; 12,553,800 and 11,819,511 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively. ⁽¹⁾		3	2
Class B Common Stock, par value \$0.00001, 476,333,850 shares authorized; 9,387,427 and 9,872,261 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively. ⁽¹⁾		2	2

Class A Common Stock, par value \$0.00001, 1,000,000,000 shares authorized; 14,496,062 and 12,730,577 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.⁽¹⁾

Class A Common Stock, par value \$0.00001, 1,000,000,000 shares authorized; 14,496,062 and 12,730,577 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.⁽¹⁾

Class A Common Stock, par value \$0.00001, 1,000,000,000 shares authorized; 14,496,062 and 12,730,577 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.⁽¹⁾

Class B Common
Stock, par value
\$0.00001,
470,756,863
shares
authorized;
7,662,397 and
9,340,553 shares
issued and
outstanding as of
March 31, 2024
and December
31, 2023,
respectively.⁽¹⁾

Additional paid-in capital	Additional paid-in capital	1,384,387	1,355,141
Accumulated deficit	Accumulated deficit	(1,197,252)	(942,147)
Accumulated other comprehensive income (loss)		(863)	2
Accumulated other comprehensive loss			
Total equity	Total equity	186,277	413,000
Total liabilities, temporary equity, and equity	Total liabilities, temporary equity, and equity	\$ 765,600	\$ 1,305,584

(1) Common stock shares issued and outstanding have been retroactively adjusted to reflect the 1-for-20 Reverse Stock Split that occurred on October 2, 2023. Refer to Note 16.11 - *Subsequent Event Equity and Equity-Based Compensation* for additional information.

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

Vacasa, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 379,077	\$ 412,184	\$ 940,510	\$ 969,792
Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below	150,789	174,123	417,046	447,976
Operations and support	64,998	76,877	187,662	196,349
Technology and development	16,026	18,422	45,900	52,493
Sales and marketing	57,658	75,020	171,559	196,909
General and administrative	19,328	31,043	61,402	83,486
Depreciation	5,204	5,376	15,597	16,676
Amortization of intangible assets	15,266	15,490	46,143	45,771
Impairment of long-lived assets	46,000	—	46,000	—
Impairment of goodwill	411,000	—	411,000	—
Total operating costs and expenses	786,269	396,351	1,402,309	1,039,660

Income (loss) from operations	(407,192)	15,833	(461,799)	(69,868)
Interest income	2,349	779	6,022	1,220
Interest expense	(561)	(606)	(1,873)	(1,957)
Other income (loss), net	1,823	(23)	5,597	41,499
Income (loss) before income taxes	(403,581)	15,983	(452,053)	(29,106)
Income tax benefit (expense)	1,123	(170)	341	(1,073)
Net income (loss)	<u>\$ (402,458)</u>	<u>\$ 15,813</u>	<u>\$ (451,712)</u>	<u>\$ (30,179)</u>
Less: Net income (loss) attributable to redeemable noncontrolling interests	(174,266)	7,489	(196,607)	(15,464)
Net income (loss) attributable to Class A Common Stockholders	<u>\$ (228,192)</u>	<u>\$ 8,324</u>	<u>\$ (255,105)</u>	<u>\$ (14,715)</u>
Net income (loss) per share of Class A Common Stock ⁽¹⁾ :				
Basic	<u>\$ (18.37)</u>	<u>\$ 0.73</u>	<u>\$ (21.07)</u>	<u>\$ (1.34)</u>
Diluted	<u>\$ (18.37)</u>	<u>\$ 0.72</u>	<u>\$ (21.07)</u>	<u>\$ (1.34)</u>
Weighted-average shares of Class A Common Stock used to compute net income (loss) per share ⁽¹⁾ :				
Basic	12,419	11,341	12,108	10,993
Diluted	12,419	11,615	12,108	10,993

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 209,472	\$ 256,854
Operating costs and expenses:		
Cost of revenue, exclusive of depreciation and amortization shown separately below	105,738	124,131
Operations and support	59,984	60,813
Technology and development	15,306	14,273
Sales and marketing	49,443	57,504
General and administrative	21,732	25,707
Depreciation	3,806	4,997
Amortization of intangible assets	9,317	15,690
Impairment of long-lived assets	84,000	—
Total operating costs and expenses	<u>349,326</u>	<u>303,115</u>
Loss from operations	(139,854)	(46,261)
Interest income	805	1,578
Interest expense	(525)	(723)
Other income, net	76	2,157
Loss before income taxes	(139,498)	(43,249)
Income tax expense	(1,418)	(363)
Net loss	<u>\$ (140,916)</u>	<u>\$ (43,612)</u>
Less: Net loss attributable to redeemable noncontrolling interests	(55,233)	(19,820)
Net loss attributable to Class A Common Stockholders	<u>\$ (85,683)</u>	<u>\$ (23,792)</u>
Net loss per share of Class A Common Stock ⁽¹⁾ :		
Basic and diluted	<u>\$ (6.36)</u>	<u>\$ (2.01)</u>
Weighted-average shares of Class A Common Stock used to compute net loss per share ⁽¹⁾ :		
Basic and diluted	13,466	11,846

(1) Weighted-average shares outstanding used in the computation of basic and diluted earnings (loss) per share have been retroactively adjusted to reflect the 1-for-20 Reverse Stock Split that occurred on October 2, 2023.

Refer to Note 16.11 - Subsequent Event Equity and Equity-Based Compensation for additional information.

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

Vacasa, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss) Loss
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ (402,458)	\$ 15,813	\$ (451,712)	\$ (30,179)
Foreign currency translation adjustments	(602)	(718)	(1,601)	(1,437)
Total comprehensive income (loss)	\$ (403,060)	\$ 15,095	\$ (453,313)	\$ (31,616)
Less: Comprehensive income (loss) attributable to redeemable noncontrolling interests	(174,541)	7,144	(197,343)	(16,150)
Total comprehensive income (loss) attributable to Class A Common Stockholders	\$ (228,519)	\$ 7,951	\$ (255,970)	\$ (15,466)

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (140,916)	\$ (43,612)
Foreign currency translation adjustments	(186)	(970)
Total comprehensive loss	\$ (141,102)	\$ (44,582)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	(55,075)	(20,259)
Total comprehensive loss attributable to Class A Common Stockholders	\$ (86,027)	\$ (24,323)

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

Vacasa, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

Three Months Ended March 31,		Three Months Ended March 31,	
		Nine Months Ended September 30,	
		2023	2022
		2024	2023
		2024	2023
		2024	
		2024	2023
Cash from operating activities:	Cash from operating activities:		
Net loss	Net loss	\$ (451,712)	\$ (30,179)
Net loss			
Net loss			
Adjustments to reconcile net loss to net cash provided by operating activities:	Adjustments to reconcile net loss to net cash provided by operating activities:		
Credit loss expense			
Credit loss expense			
Credit loss expense	Credit loss expense	2,686	4,708

Depreciation	Depreciation	15,597	16,676
Amortization of intangible assets	Amortization of intangible assets	46,143	45,771
Impairment of long-lived assets	Impairment of long-lived assets	46,000	—
Impairment of goodwill		411,000	—
Impairment of right-of-use assets	Impairment of right-of-use assets	4,240	—
Future stay credit breakage	Future stay credit breakage	(1,180)	(15,158)
Reduction in the carrying amount of right-of-use assets	Reduction in the carrying amount of right-of-use assets	7,833	9,561
Deferred income taxes	Deferred income taxes	(6)	433
Other gains and losses	Other gains and losses	(1,084)	2,414
Fair value adjustment on derivative liabilities	Fair value adjustment on derivative liabilities	(4,325)	(43,921)
Non-cash interest expense	Non-cash interest expense	161	162
Equity-based compensation expense	Equity-based compensation expense	12,005	28,360
Change in operating assets and liabilities, net of assets acquired and liabilities assumed:	Change in operating assets and liabilities, net of assets acquired and liabilities assumed:		
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	2,908	65,433
Prepaid expenses and other assets	Prepaid expenses and other assets	10,358	(26,433)
Accounts payable	Accounts payable	3,563	(3,976)
Funds payable to owners	Funds payable to owners	(50,230)	(28,177)
Hospitality and sales taxes payable	Hospitality and sales taxes payable	(2,188)	1,811

Deferred revenue and future stay credits	Deferred revenue and future stay credits	(22,729)	(26,191)
Operating lease obligations	Operating lease obligations	(8,003)	(8,050)
Accrued expenses and other liabilities	Accrued expenses and other liabilities	7,398	13,750
Net cash provided by operating activities	Net cash provided by operating activities	28,435	6,994
Cash from investing activities:	Cash from investing activities:		
Purchases of property and equipment	Purchases of property and equipment	(3,996)	(8,367)
Purchases of property and equipment			
Purchases of property and equipment			
Cash paid for internally developed software	Cash paid for internally developed software	(5,689)	(7,407)
Cash paid for business combinations, net of cash and restricted cash acquired	Cash paid for business combinations, net of cash and restricted cash acquired	(664)	(87,699)
Net cash used in investing activities	Net cash used in investing activities	(10,349)	(103,473)
Cash from financing activities:	Cash from financing activities:		
Payments of Reverse Recapitalization costs		—	(459)
Cash paid for business combinations			
Cash paid for business combinations			
Cash paid for business combinations	Cash paid for business combinations	(19,478)	(28,093)
Payments of long-term debt	Payments of long-term debt	(250)	(250)
Proceeds from exercise of stock options	Proceeds from exercise of stock options	362	157
Proceeds from Employee Stock Purchase Program		716	—

Proceeds from Employee Stock Purchase Program, net of refunds			
Proceeds from borrowings on revolving credit facility	Proceeds from borrowings on revolving credit facility	2,000	5,000
Repayment of borrowings on revolving credit facility	Repayment of borrowings on revolving credit facility	(2,000)	(5,000)
Repayment of financed insurance premiums	Repayment of financed insurance premiums	(4,386)	—
Other financing activities	Other financing activities	(330)	(1,709)
Net cash used in financing activities	Net cash used in financing activities	(23,366)	(30,354)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	(762)	(480)
Net decrease in cash, cash equivalents and restricted cash		(6,042)	(127,313)
Net increase in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	319,660	519,136
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	\$ 313,618	\$391,823

Vacasa, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

Three Months Ended March 31,		Three Months Ended March 31,	
	Nine Months Ended September 30,		
	2023	2022	
	2024		
	2024		
	2024		2023

Supplemental disclosures of cash flow information:	Supplemental disclosures of cash flow information:		
Cash paid for income taxes, net of refunds			
Cash paid for income taxes, net of refunds			
Cash paid for income taxes, net of refunds	Cash paid for income taxes, net of refunds	\$ 4,474	\$ 602
Cash paid for interest	Cash paid for interest	1,733	1,792
Cash paid for operating lease liabilities	Cash paid for operating lease liabilities	3,049	11,355
Supplemental disclosures of non-cash activities:	Supplemental disclosures of non-cash activities:		
Supplemental disclosures of non-cash activities:			
Financed insurance premiums			
Financed insurance premiums			
Financed insurance premiums	Financed insurance premiums	186	—
Lease liabilities exchanged for right-of-use assets	Lease liabilities exchanged for right-of-use assets	662	6,486
Reconciliation of cash, cash equivalents and restricted cash:	Reconciliation of cash, cash equivalents and restricted cash:		
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$151,291	\$150,791
Restricted cash	Restricted cash	162,327	241,032
Total cash, cash equivalents and restricted cash	Total cash, cash equivalents and restricted cash	\$313,618	\$391,823

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

Vacasa, Inc.
Condensed Consolidated Statements of Equity (Deficit)
(in thousands, except share and unit data)
(unaudited)

	2023							2024			
	Redeemable Non- controlling Interests							Redeemable Non- controlling Interests	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital
	Redeemable Non- controlling Interests	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)				
	Amount							Shares ⁽¹⁾	Amount	Shares ⁽²⁾	Amount
Balance as of December 31, 2023											
Vesting of employee equity units											
Vesting of restricted stock units											
Exercise of equity-based awards											
Redemption of OpCo units and retirement of Class B Common Stock											
Equity-based compensation											
Foreign currency translation adjustments											
Net loss											
Adjustment of redeemable noncontrolling interest to redemption amount											
Balance as of March 31, 2024											
	Amount	Shares ⁽¹⁾	Amount	Shares ⁽²⁾	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Balance as of December 31, 2022											
Balance as of December 31, 2022											

Balance as of December 31, 2022	Balance as of December 31, 2022	\$ 306,943	11,819,511	\$ 2	9,872,261	\$ 2	\$ 1,355,141	\$ (942,147)	\$ 2	\$ 413,000
Vesting of employee equity units	Vesting of employee equity units	382			23,009		(382)			(382)
Vesting of restricted stock units	Vesting of restricted stock units	(1,669)	126,647				1,667		2	1,669
Exercise of equity-based awards	Exercise of equity-based awards	(480)	36,986				841			841
Purchase of shares under the ESPP		(820)	62,813				1,636			1,636
Redemption of OpCo units and retirement of Class B Common Stock	Redemption of OpCo units and retirement of Class B Common Stock	(15,559)	507,843	1	(507,843)		15,537		25	15,563
Equity-based compensation	Equity-based compensation	2,058					9,947			9,947
Foreign currency translation adjustments	Foreign currency translation adjustments	(709)							(892)	(892)
Net loss	Net loss	(196,607)					(255,105)			(255,105)
Balance as of September 30, 2023		\$ 93,539	12,553,800	\$ 3	9,387,427	\$ 2	\$ 1,384,387	\$ (1,197,252)	\$ (863)	\$ 186,277
Balance as of June 30, 2023		\$ 276,613	12,191,309	\$ 2	9,669,069	\$ 2	\$ 1,371,618	\$ (969,060)	\$ (536)	\$ 402,026
Vesting of employee equity units		93			5,707		(93)			(93)
Vesting of restricted stock units		(631)	50,074				630		1	631
Exercise of equity-based awards		(317)	25,068				576			576
Purchase of shares under the ESPP		—								—
Redemption of OpCo units and retirement of Class B Common Stock		(8,220)	287,349	1	(287,349)		8,207		16	8,224
Equity-based compensation		525					3,449			3,449
Foreign currency translation adjustments		(258)							(344)	(344)
Net loss		(174,266)					(228,192)			(228,192)
Balance as of September 30, 2023		\$ 93,539	12,553,800	\$ 3	9,387,427	\$ 2	\$ 1,384,387	\$ (1,197,252)	\$ (863)	\$ 186,277
Balance as of March 31, 2023										

(1) Common stock shares outstanding have been retroactively adjusted to reflect the 1-for-20 Reverse Stock Split that occurred on October 2, 2023. Refer to Note 16 11 - Subsequent Event Equity and Equity-Based Compensation for additional information.

Vacasa, Inc.

Condensed Consolidated Statements of Equity (Deficit)
(in thousands, except share and unit data)
(unaudited)

	Redeemable Non- controlling Interests	Class A Common Stock	Class B Common Stock	Additional Paid- In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
	Amount	Shares ⁽¹⁾ Amount	Shares ⁽¹⁾ Amount	Amount	Amount	Amount	Amount
Balance as of December 31, 2021	\$ 1,770,096	10,739,689 \$ 2	10,637,598 \$ 2	\$ —	\$ (751,891)	\$ (59)	\$ (751,946)
Vesting of employee equity units	2,282		97,899	(2,282)			(2,282)
Vesting of restricted stock units	(1,826)	85,328		1,826			1,826
Exercise of equity-based awards	(1,089)	51,040		(412)			(412)
Redemption of OpCo units and retirement of Class B Common Stock	(24,467)	552,699	(552,699)	24,453		14	24,467
Equity-based compensation	4,491			23,869			23,869
Other comprehensive loss	(672)					(765)	(765)
Net loss	(15,464)				(14,715)		(14,715)
Adjustment of redeemable noncontrolling interest to redemption amount	(1,108,127)			1,120,485	(12,358)		1,108,127
Balance as of September 30, 2022	\$ 625,224	11,428,756 \$ 2	10,182,798 \$ 2	\$ 1,167,939	\$ (778,964)	\$ (810)	\$ 388,169
Balance as of June 30, 2022	\$ 590,163	11,239,119 \$ 2	10,245,887 \$ 2	\$ 1,188,035	\$ (787,288)	\$ (437)	\$ 400,314
Vesting of employee equity units	424		18,073	(424)			(424)
Vesting of restricted stock units	(1,339)	63,232		1,339			1,339
Exercise of equity-based awards	(961)	45,243		(594)			(594)
Redemption of OpCo units and retirement of Class B Common Stock	(3,623)	81,162	(81,162)	3,617		6	3,623
Equity-based compensation	1,439			7,937			7,937
Other comprehensive loss	(339)					(379)	(379)
Net income	7,489				8,324		8,324
Adjustment of redeemable noncontrolling interest to redemption amount	31,971			(31,971)			(31,971)
Balance as of September 30, 2022	\$ 625,224	11,428,756 \$ 2	10,182,798 \$ 2	\$ 1,167,939	\$ (778,964)	\$ (810)	\$ 388,169

(1) Common stock shares outstanding have been retroactively adjusted to reflect the 1-for-20 Reverse Stock Split that occurred on October 2, 2023. Refer to Note 16 - Subsequent Event for additional information.

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

Index to Notes to Condensed Consolidated Financial Statements

	Page
Note 1: Description of Business	14 15
Note 2: Significant Accounting Policies	14 15
Note 3: Revenue	16
Note 4: Acquisitions	17
Note 5: Fair Value Measurements	17 18
Note 6: Property and Equipment, Net	19
Note 7: Intangible Assets, Net and Goodwill	19
Note 8: Accrued Expenses and Other Current Liabilities	21
Note 9: Debt	22
Note 10: Other Long-Term Liabilities	23
Note 11: Income Taxes	23
Note 12: Equity and Equity-Based Compensation	24 23
Note 13: Net Income (Loss), Loss Per Share	26
Note 14: Commitments and Contingencies	28 27
Note 14: Workforce Reductions	29
Note 15: Workforce Reduction Subsequent Events	30
Note 16: Subsequent Event	30 29

[Index to Notes](#)

Vacasa, Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

[Note 1 - Description of Business](#)

Organization

Vacasa, Inc. and its subsidiaries (the "Company") operate a vertically integrated vacation rental platform. Homeowners utilize the Company's technology and services to realize income from their rental assets. Guests from around the world utilize the Company's technology and services to search for and book Company-listed properties in the United States, Belize, Canada, Costa Rica, and Mexico. The Company collects nightly rent on behalf of homeowners and earns the majority of its revenue from commissions on rent and from additional reservation-related fees paid by guests when a vacation rental is booked directly through the Company's website or app or through its distribution partners. The Company conducts its business through Vacasa Holdings LLC ("Vacasa Holdings" or "OpCo") and its subsidiaries. The Company is headquartered in Portland, Oregon.

Reverse Stock Split

On October 2, 2023, the Company completed a 1-for-20 reverse stock split of the Company's Class A Common Stock, Class B Common Stock, and Class G Common Stock (the "Reverse Stock Split"). All share and share-related information presented in these condensed consolidated financial statements has been retroactively adjusted for all periods presented to reflect the decreased number of shares resulting from the Reverse Stock Split. See Note 16, *Subsequent Event*, for additional information.

[Note 2 - Significant Accounting Policies](#)

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with GAAP and the rules and regulations of the Securities and Exchange Commission ("SEC"). These condensed consolidated financial statements include the accounts of the Company, its wholly-owned wholly owned or majority-owned subsidiaries, and entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. All intercompany balances and transactions have been eliminated in consolidation. The financial information as of December 31, 2022 December 31, 2023 contained in this Quarterly Report is derived from the audited consolidated financial statements and notes included in the Company's 2022 2023 Annual Report, which should be read in conjunction with these condensed consolidated financial statements. Certain information in footnote disclosures normally included in annual financial statements was condensed or omitted for the interim periods presented in accordance with GAAP. In the opinion of management, the interim data includes all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. The interim results of operations and cash flows are not necessarily indicative of those results and cash flows expected for the year.

As of September 30, 2023 March 31, 2024, the Company held 12,553,800 14,496,062 units of Vacasa Holdings ("OpCo Units"), which represented an ownership interest of approximately 57% 65%. The portion of the consolidated subsidiaries not owned by the Company and any related activity is eliminated through redeemable noncontrolling interests in the condensed consolidated balance sheets and net income (loss) loss attributable to redeemable noncontrolling interests in the condensed consolidated statements of operations.

The Company is an emerging growth company, as defined in Section 2(a) of the Securities Act, of 1933, as amended, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), which permits the Company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. As of January 1, 2022, the Company elected to irrevocably opt out of the extended transition period.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions reflected in the condensed consolidated financial statements include, but are not limited to, the useful lives of property and equipment and intangible assets, allowance for credit losses, valuation of assets acquired and liabilities assumed in business acquisitions and related contingent consideration, valuation of Class G Common Stock, valuation of redeemable convertible preferred units, valuation of equity-based compensation, valuation of goodwill, and valuation of long-lived assets. Actual results may differ materially from such estimates. Management believes that the estimates, and judgments upon which they rely, are reasonable based upon information available to them at the time that these estimates and judgments are made. To the extent that there are material differences between these estimates and actual results, the Company's condensed consolidated financial statements will be affected.

Risks and Uncertainties

Liquidity

Since the Company's founding, its principal sources of liquidity have been from proceeds received through the issuance of equity and debt financing. The Company has incurred significant operating losses and generated negative cash flows from operations as it has invested to support the growth of the business. To execute on its strategic initiatives, the Company has and will continue to incur operating losses and generate negative cash flows from operations on an annual basis now and in the future, and as a result, will require and continue to need additional capital resources.

[Index to Notes](#)

Vacasa, Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

As of March 31, 2024, we had cash and cash equivalents of \$109.1 million and \$81.6 million was available for borrowing under our Revolving Credit Facility, which is discussed in more detail in *Note 8, Debt*. During the three months ended March 31, 2024, the Company experienced more variability in demand than is typical during its first quarter, as well as fewer close-to-stay bookings than anticipated in the last few weeks of the quarter, and, as a result, our cash position did not build as expected in the period.

On May 7, 2024, the Board of Directors of the Company approved a workforce reduction and reorganization plan (the "Reorganization"), see *Note 15, Subsequent Events*, which is intended to, among other things, reduce certain fixed costs in the business, promote greater efficiency, and realign its business and strategic priorities as a way to accelerate the transformation of the business to a model focused more on local market accountability and execution. This plan will involve significant structural changes to the way the Company runs its business, including a significant reduction in our corporate personnel and functions. Although the Company believes the Reorganization and associated operational changes will improve the long-term efficacy of its business model by empowering the local markets, streamlining corporate functions, and better position it for profitability and to generate free cash flow over the long term, the implementation and execution of the Reorganization measures are subject to significant risks and uncertainties, including whether the Company has targeted the appropriate areas for its cost-saving efforts and at the appropriate scale. If the Reorganization plan is not successful, the Company may not realize all or any of the anticipated benefits, which could adversely affect the business, financial condition, and results of operations, including its liquidity position and ability to raise additional capital.

The Company's primary requirements for liquidity and capital are to finance working capital requirements, capital expenditures, and other general corporate purposes. As a result of the significant fluctuations in the Company's cash position, continued decreases in the number of homes on our platform, lower guest demand, changes in booking patterns, and the potential impact of the Reorganization on the business, on May 8, 2024, the Company elected to draw \$81.0 million under the Revolving Credit Facility, which is subject to financial covenants (see *Note 15, Subsequent Events*). The Company continues to assess its liquidity position and opportunities for additional capital, which may be obtained through additional equity offerings, which would dilute the ownership of the Company's existing stockholders, or additional debt financings, which may contain covenants that restrict the operations of the business or otherwise contain terms unfavorable or dilutive to the business and its existing stockholders. In the event that additional financing is required from outside sources, the Company may not be able to raise the financing on terms acceptable to the Company or at all. If the Company is unable to raise additional capital when desired, its business, financial condition, and results of operations could be adversely affected.

The Company expects to continue to fund operations primarily through use of its cash and cash equivalents, debt financing, and equity offerings. The Company believes its existing sources of liquidity will be sufficient to fund operations, working capital requirements, capital expenditures, and service debt obligations for at least the next 12 months as of the date of this filing.

Significant Accounting Policies

Except as identified below, there were no changes to the accounting policies disclosed in Note 2, *Significant Accounting Policies* of the Company's 2022 2023 Annual Report that had a material impact on the Company's condensed consolidated financial statements and related notes.

Impairment of Long-lived Assets

The Company evaluates its long-lived assets or asset groups for indicators of possible impairment by comparison of comparing the carrying amount to future net undiscounted cash flows expected to be generated by such asset or asset group, and including upon its eventual disposal, when events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. If the carrying amount of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined primarily using the estimated cash flows discounted at a rate commensurate with the risk involved and based on assumptions representative of market participants. During the third first quarter of 2023, 2024, the Company recorded long-lived asset impairment charges of \$46.0 million \$84.0 million. There were no long-lived asset impairment charges recorded during 2022, the first quarter of 2023. Refer to Note 7, *Intangible Assets, Net and Goodwill*, for additional information.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. The Company has one reporting unit which the Company tests for impairment on the first day of the fourth quarter, or whenever events or changes in circumstances indicate that goodwill might be impaired. The Company reviews goodwill for impairment by initially considering qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, as a basis for determining whether it is necessary to perform a quantitative analysis. If it is determined that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative analysis is performed to identify goodwill impairment. The Company may elect to bypass the qualitative assessment and proceed directly to performing a quantitative analysis.

If the fair value of the reporting unit exceeds its carrying amount, goodwill is not impaired. If the fair value of the reporting unit is less than its carrying amount, a goodwill impairment loss is measured as the excess of the carrying amount of the reporting unit over its fair value (not to exceed the reporting unit's total goodwill balance).

During the third quarter of 2023, the Company recorded goodwill impairment charges of \$411.0 million. During the fourth quarter of 2022, the Company recorded goodwill impairment charges of \$244.0 million. Refer to Note 7, 6, Intangible Assets, Net and Goodwill, for additional information.

Accounting Pronouncements Adopted in Fiscal 2023

In September 2022, the FASB issued Accounting Standards Update ("ASU") No. 2022-04, requiring enhanced disclosures related to supplier financing programs. The ASU requires disclosure of the key terms of the program and a rollforward of the related obligation during the annual period, including the amount of obligations confirmed and obligations subsequently paid. The new disclosure requirements became effective for the Company on January 1, 2023, except for the rollforward requirement, which will be effective for the Company beginning on January 1, 2024. The adoption did not have a material impact on the Company's financial statements and related disclosures.

Accounting Pronouncements Not Yet Adopted 2024

The Company has not identified adopted any recent accounting pronouncements that are expected to have had a material impact on the Company's financial position, results of operations, or cash flows in fiscal 2024.

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, that modifies the disclosure and presentation requirements of reportable segments. The new guidance requires the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit and loss. In addition, the new guidance enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment, and contains other disclosure requirements. The update is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures, to improve its income tax disclosure requirements. Under the new guidance, public business entities must annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5% of the amount computed by multiplying pretax income (loss) by the applicable statutory income tax rate). The new guidance is effective for public business entities for annual periods beginning after December 15, 2024. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statement disclosures.

Note 3 - Revenue

Revenue Disaggregation

A disaggregation of the Company's revenues by nature of the Company's performance obligations are as follows (in thousands):

Three Months Ended March 31,				Three Months Ended March 31,				
	Three Months Ended September 30,		Nine Months Ended September 30,					
	2023	2022	2023	2022				
	2024							
	2024							
	2024				2023			
Vacation rental platform	Vacation rental platform	\$372,606	\$401,228	\$917,881	\$934,811			
Other services	Other services	6,471	10,956	22,629	34,981			

Total	Total	\$379,077	\$412,184	\$940,510	\$969,792
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Contract Liability Balances

Contract liability balances on the Company's condensed consolidated balance sheets consist of deferred revenue for amounts collected in advance of a guest stay, limited to the amount of the booking to which the Company expects to be entitled as revenue. The Company's deferred revenue balances exclude funds payable to owners and hospitality and sales taxes payable, as those amounts will not result in revenue recognition. Deferred revenue is recognized into revenue over the period in which a guest completes a stay. Substantially all of the deferred revenue balances at the end of each period are expected to be recognized as revenue within the subsequent 12 months.

Future Stay Credits

In the event a booked reservation made through our website or app is cancelled, the Company may offer a refund or a future stay credit up to the value of the booked reservation. Future stay credits are recognized upon issuance as a liability on the Company's consolidated balance sheets. Revenue from future stay credits is recognized when redeemed by guests, net of the portion of the booking attributable to funds payable to owners and hospitality and sales taxes payable. The Company uses historical breakage rates to estimate the portion of future stay credits that will not be redeemed by guests and recognizes these amounts as breakage revenue in proportion to the expected pattern of redemption or upon expiration. Future stay credits typically expire fifteen months from the date of issue.

The table below presents the activity of the Company's future stay credit liability balance (in thousands):

	Nine Months Ended September 30,	
	2023	
Balance as of December 31, 2022	\$	3,369
Issuances		1,772
Redemptions		(2,807)
Breakage recognized in revenue		(1,180)
Foreign currency fluctuations		(9)
Balance as of September 30, 2023	\$	1,145

Costs to Obtain a Contract

The Company capitalizes certain costs it incurs to obtain new homeowner contracts when those costs are expected to be recovered through revenue generated from that contract. Capitalized amounts are amortized on a straight-line basis over the estimated life of the customer through sales and marketing expenses in the condensed consolidated statements statement of operations. Costs to obtain a contract capitalized as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were \$33.2 million \$34.8 million and \$26.4 million \$34.8 million, respectively, and were recorded as a component of prepaid expenses and other current assets and other long-term assets in the condensed consolidated balance sheets. The amount of amortization recorded for the three and nine months ended March 31, 2024 and 2023 was \$3.7 million and \$1.8 million, respectively.

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

September 30, 2023 was \$2.2 million and \$6.0 million, respectively. The amount of amortization recorded for the three and nine months ended September 30, 2022 was \$1.3 million and \$3.9 million, respectively.

Allowance for Credit Losses

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's allowance for credit losses related to accounts receivable was \$11.3 million \$12.1 million and \$11.2 million \$11.7 million, respectively. For the three and nine months ended September 30, 2023, March 31, 2024 and 2023, the Company recognized

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

credit loss expense of \$0.9 million \$1.2 million and \$2.7 million \$1.2 million, respectively, which were recorded as a component of general and administrative expense in the condensed consolidated statements of operations. For the three and nine months ended September 30, 2022, the Company recognized credit loss expense of \$1.6 million and \$4.7 million, respectively, which was recorded as a component of general and administrative expense in the condensed consolidated statements of operations.

Note 4 – Acquisitions 4

The Company has acquired vacation rental properties on its platform through individual additions, as well as through portfolio and strategic acquisitions, where the Company acquires and onboards multiple homes in a single transaction. Portfolio and strategic acquisitions are generally accounted for as business combinations. The goodwill resulting from portfolio and strategic acquisitions arises

largely from synergies expected from combining the operations of the businesses acquired with the Company's existing operations and from benefits derived from gaining the related assembled workforce.

Nine Months Ended September 30, 2023

During the nine months ended September 30, 2023, the Company completed one portfolio acquisition with total consideration of \$0.3 million.

During the nine months ended September 30, 2023, the Company recorded measurement period adjustments related to certain portfolio acquisitions that occurred in prior periods. For more information about these acquisitions, see the Company's 2022 Annual Report. The impact of the measurement period adjustments was a decrease in goodwill of \$2.5 million and an increase in intangible assets of \$2.4 million. The remaining changes in acquired assets and assumed liabilities were not material.

The purchase price allocations for the portfolio acquisitions completed from the fourth quarter of 2022 through the third quarter of 2023 are preliminary, and the Company has not obtained and evaluated all of the detailed information necessary to finalize the opening balance sheet amounts in all respects. The Company recorded the purchase price allocations based upon currently available information.

Note 5 - Fair Value Measurements

The following tables set forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis (in thousands):

As of March 31, 2024					As of March 31, 2024				
As of September 30, 2023									
	Level 1	Level 2	Level 3	Total					
Level 1									
Level 1									
Level 1									
Level 1		Level 2	Level 3	Total					
Liabilities	Liabilities								
Contingent consideration	Contingent consideration	\$ —	\$ —	\$9,692	\$9,692				
Contingent consideration	Contingent consideration								
Class G Common Stock ⁽¹⁾	Class G Common Stock ⁽¹⁾	—	—	752	752				

As of December 31, 2023					As of December 31, 2023				
As of December 31, 2022									
	Level 1	Level 2	Level 3	Total					
Level 1									
Level 1									
Level 1									
Level 1		Level 2	Level 3	Total					
Liabilities	Liabilities								
Contingent consideration	Contingent consideration	\$ —	\$ —	\$22,317	\$22,317				
Contingent consideration	Contingent consideration								
Class G Common Stock ⁽¹⁾	Class G Common Stock ⁽¹⁾	—	—	5,077	5,077				

(1) For more information, see Note 13, *Equity* of our 2022 2023 Annual Report.

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The carrying amounts of certain financial instruments, including cash equivalents, restricted cash, accounts receivable, and accounts payable, approximate fair value due to their short-term maturities and are excluded from the fair value tables above.

Level 3 instruments consist of contingent consideration obligations related to acquired businesses and the liabilities for contingent earnout share consideration represented by the Company's Class G Common Stock.

Contingent Consideration

The contingent consideration obligations are recorded in accrued expenses and other current liabilities and other long-term liabilities on the condensed consolidated balance sheets. The fair value of the contingent consideration is estimated utilizing an income approach and based on the Company's expectation of achieving the contractually defined homeowner contract conversion and retention targets at the acquisition date. The Company assesses the fair value of these obligations at each reporting date thereafter with any changes reflected as gains and losses in general and administrative expenses in the condensed consolidated statements of operations. The charges for changes in fair value of the contingent consideration were not material for the three and nine months ended

September 30, 2023, March 31, 2024 and 2022, 2023.

Class G Common Stock

The contingent earnout share consideration represented by the Company's Class G Common Stock is recorded in other long-term liabilities on the condensed consolidated balance sheets. The fair value of the Class G Common Stock is estimated on a recurring basis using the Monte Carlo simulation method. The fair value is based on the simulated stock price of the Company over the remaining term of the shares. Pursuant to the Amended and Restated Certificate of Incorporation, the Class G Common Stock is automatically converted to Class A shares at certain conversion ratios upon the occurrence of their respective triggering events. Inputs used to determine the estimated fair value of the Class G Common Stock include the remaining contractual term of the shares, the risk-free rate, the volatility of comparable companies over the remaining term, and the price of the Company's Class A Common Stock. The Company assesses the fair value of the Class G Common Stock at each reporting date with any changes reflected as within other income, (expense), net in the condensed consolidated statements of operations.

The following table summarizes the charges for changes in the Company's Class G Common Stock measured and recorded at fair value on a recurring basis using significant unobservable inputs (in thousands):

	Nine Months Ended September 30,	
	2023	
Balance as of December 31, 2022	\$	5,077
Change in fair value of Class G Common Stock included in earnings		(4,325)
Balance as of September 30, 2023	\$	752

of the contingent consideration were not material for the three months ended March 31, 2024 and 2023.

Impairment of Long-lived Long-Lived Assets

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

During the three and nine months ended September 30, 2023, first quarter of 2024, the Company recorded long-lived asset impairment charges of \$46.0 million, \$84.0 million. The fair value estimate of the Company's homeowner contract assets was classified in Level 3 of the fair value hierarchy due to the significance of unobservable inputs developed using company-specific Company-specific information. For more information on the impairment of long-lived assets, refer to Note 7, Intangible Assets, Net and Goodwill.

Impairment of Goodwill

During the three and nine months ended September 30, 2023, the Company recorded goodwill impairment charges of \$411.0 million. The fair value estimate of the Company's single reporting unit was classified in Level 3 of the fair value hierarchy due to the significance of unobservable inputs developed using company-specific information. For more information on the impairment of goodwill, refer to Note 7, 6, Intangible Assets, Net and Goodwill.

Impairment of Right-of-Use Assets

The Company tests long-lived assets for recoverability whenever events or changes in circumstances suggest that the carrying value of an asset or group of assets may not be recoverable. During the three months ended March 31, 2023, the Company took substantive action to negotiate certain sublease agreements for portions of the Company's leased corporate office space in

Notes to Condensed Consolidated Financial Statements
(unaudited)

Portland, Oregon and Boise, Idaho. Based on the sublease negotiations, the Company determined that the respective right-of-use assets had net carrying values that exceeded their estimated undiscounted future cash flows. The Company then estimated the fair value of the asset groups based on their discounted cash flows. The carrying values of the asset groups exceeded their fair values and, as a result, the Company recorded right-of-use asset impairments of \$4.2 million. The impairment charges are recorded within general and administrative expenses in the condensed consolidated statements of operations. During the three months ended June 30, 2023, the Company executed the sublease agreements for portions of the Company's leased corporate office space in Portland, Oregon. During the three months ended September 30, 2023, the Company executed the sublease agreement for a portion of the Company's leased corporate office space in Boise, Idaho. There were no material changes to the final sublease agreements and, therefore, no incremental impairment charges were recorded as of March 31, 2024.

Note 65 - Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

As of March 31,		As of March 31,		As of December 31,	
		As of September 30, 2023	As of December 31, 2022		
		2024	2024		
		2024	2023		
Land	Land	\$ 13,394	\$ 13,394		
Buildings and building improvements	Buildings and building improvements	12,471	12,471		
Leasehold improvements	Leasehold improvements	6,525	6,528		
Computer equipment	Computer equipment	13,524	13,510		
Furniture, fixtures, and other	Furniture, fixtures, and other	25,724	22,096		
Vehicles	Vehicles	8,036	7,975		
Internal-use software	Internal-use software	58,250	53,024		
Total	Total	137,924	128,998		
Less: Accumulated depreciation	Less: Accumulated depreciation	(78,502)	(63,455)		
Property and equipment, net	Property and equipment, net	\$ 59,422	\$ 65,543		

Note 76 - Intangible Assets, Net and Goodwill

Intangible assets, net consisted of the following (in thousands):

	Weighted Average Useful Life Remaining (in years)	Gross Carrying Amount	As of September 30, 2023		
			Accumulated Amortization	Impairment	Net Carrying Amount
Homeowner contracts	3	\$ 314,100	\$ (143,238)	\$ (46,000)	\$ 124,862
Databases, photos, and property listings	0	26,525	(26,285)	—	240
Trade names	1	9,586	(9,552)	—	34
Other ⁽¹⁾	5	2,902	(2,872)	—	30

Total intangible assets	\$	353,113	\$	(181,947)	\$	(46,000)	\$	125,166
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(1) Other intangible assets consist primarily of non-compete agreements, websites, and domain names.

	Weighted Average Useful Life Remaining (in years)	As of March 31, 2024			
		Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount
Homeowner contracts ⁽¹⁾	3	\$ 314,117	\$ (163,059)	\$ (130,000)	\$ 21,058
Databases, photos, and property listings	0	26,501	(26,501)	—	—
Trade names	1	9,588	(9,566)	—	22
Other ⁽²⁾	5	2,902	(2,877)	—	25
Total intangible assets		\$ 353,108	\$ (202,003)	\$ (130,000)	\$ 21,105

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

	Weighted Average Useful Life Remaining (in years)	As of December 31, 2022				As of December 31, 2023		
		Weighted Average Useful Life Remaining (in years)	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount		
Homeowner contracts	4		\$311,456	\$ (101,142)	\$ —	\$210,314		
			Gross Carrying Amount					
			Gross Carrying Amount					
			Gross Carrying Amount				Accumulated Amortization	Impairment Net Carrying Amount
Homeowner contracts ⁽¹⁾								
Databases, photos, and property listings	1		27,450	(23,661)	—	3,789		
Trade names	1		9,942	(9,316)	—	626		
Other ⁽¹⁾	2		2,903	(2,781)	—	122		
Other ⁽²⁾								
Total intangible assets			\$351,751	\$ (136,900)	\$ —	\$214,851		

(1) The homeowner contracts balance as of March 31, 2024 is net accumulated impairment losses of \$130.0 million that were recorded during the third quarter of fiscal year 2023 and the first quarter of fiscal year 2024. The homeowner contracts balance as of December 31, 2023 is net accumulated impairment losses of \$46.0 million that were recorded during the third quarter of fiscal year 2023.

(2) Other intangible assets consist primarily of non-compete agreements, websites, and domain names.

The Company's estimated future amortization of intangible assets as of September 30, 2023 March 31, 2024 is expected to be as follows (in thousands):

Year Ending December 31:	Year Ending December 31:	Amount	Year Ending December 31:	Amount
Remainder of 2023		\$ 10,241		
2024		39,439		
Remainder of 2024				
2025	2025	37,431		
2026	2026	22,131		
2027	2027	6,778		
2028				
Thereafter	Thereafter	9,146		
Total	Total	<u>\$125,166</u>		

The following table summarizes the changes in the Company's goodwill balance (in thousands):

	Nine Months Ended September 30, 2023	Three Months Ended March 31, 2024
Balance at beginning of period ⁽¹⁾	\$ 585,205	171,879
Measurement period adjustments		(2,539)
Impairment of goodwill		(411,000)
Foreign exchange translation and other		8(24)
Balance at end of period ⁽²⁾	\$ 171,853	171,855

(1) Goodwill is net of accumulated impairment losses of \$244.0 million that were recorded to the Company's single reporting unit during the fourth quarter of fiscal 2022.

(2) Goodwill is net of accumulated impairment losses of \$655.0 million that were recorded to the Company's single reporting unit during the fourth quarter of fiscal 2022 and the third quarter of fiscal 2023, in prior periods.

Impairment

During 2023, the Company experienced a sustained decline in share price that pushed its market capitalization below the carrying value first quarter of its stockholders' equity. Further, 2024, the Company saw a significant decline declines in Gross Booking Value ("GBV") during and Nights Sold. The declines are attributable to volatile guest demand and guest bookings. Further, the third quarter of 2023, Company continued to experience a sustained decline in stock price. Based on these factors, the Company concluded the events and changes in circumstances indicated an impairment may exist (the "triggering event") and conducted quantitative impairment assessments of long-lived assets and goodwill as of September 30, 2023 March 31, 2024.

Impairment of Long-lived Assets

The Company evaluates its long-lived assets or asset groups for indicators of possible impairment by comparison of comparing the carrying amount to future net undiscounted cash flows expected to be generated by such asset or asset group, and including upon its eventual disposal

[Index to Notes](#)

Vacasa, Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

(the (the "recoverability test")), when there is a triggering event. The Company determined its long-lived assets represent one asset group for purposes of long-lived asset impairment. Based on the results of the recoverability test, the

[Index to Notes](#)

Vacasa, Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

Company concluded the the carrying value of the single asset group is was not recoverable. To allocate and recognize the impairment charge, the Company determined the individual fair value of the long-lived assets.

The carrying value of the Company's homeowner contracts exceeded the fair value, resulting in a long-lived asset impairment charge of \$46.0 million. \$84.0 million. No impairment was recognized on the remaining long-lived assets, as their carrying values did not exceed their fair values. The Company estimated the fair value of the homeowner contracts based on the present value of estimated future cash flows, which the Company considers to be a Level 3 unobservable input in the fair value hierarchy. The Company prepared cash flow projections based on management's estimates of

future revenue growth rates and operating margins, taking into consideration the historical performance and the current macroeconomic, industry, and market conditions. The Company based the discount rate on the weighted-average cost of capital considering Company-specific characteristics and changes in the reporting unit's projected cash flows.

Impairment of Goodwill

The Company reviews goodwill for impairment annually, as of the first day of the fourth quarter, and more frequently if events or changes in circumstances indicate an impairment may exist. Based on the triggering event identified above, the Company conducted a quantitative goodwill impairment assessment as of September 30, 2023 March 31, 2024. The goodwill impairment assessment resulted did not result in goodwill impairment charges as of \$411.0 million, March 31, 2024 as the fair value estimate of the Company's single reporting unit exceeded its carrying amount. The fair value estimate of the Company's single reporting unit was derived from a combination of an income approach and a market approach. Under the income approach, the Company estimated the fair value of the reporting unit based on the present value of estimated future cash flows, which the Company considers to be a Level 3 unobservable input in the fair value hierarchy. The Company prepared cash flow projections based on management's estimates of future revenue growth rates and operating margins, taking into consideration the historical performance and the current macroeconomic, industry, and market conditions. The Company based the discount rate on the weighted-average cost of capital considering Company-specific characteristics and changes in the reporting unit's projected cash flows. Under the market approach, the Company estimated the fair value of the reporting unit based on revenue market multiples derived from comparable publicly traded companies with similar characteristics as the reporting unit, as well as an estimated control premium.

Potential indicators of impairment include significant changes in performance relative to expected operating results, significant negative industry or economic trends, or a significant decline in the Company's stock price and/or market capitalization for a sustained period of time. It is reasonably possible that one or more impairment indicators could occur or intensify in the near term, which may result in further impairment of long-lived assets or goodwill.

Note 87 - Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

As of March 31,		As of March 31,		As of December 31,	
		As of September 30, 2023	As of December 31, 2022		
		2023	2022		
		2024			
		2024			
		2024		2023	
Employee-related accruals	Employee-related accruals	\$ 32,311	\$ 25,110		
Homeowner reserves	Homeowner reserves	11,117	9,837		
Current portion of acquisition liabilities(1)	Current portion of acquisition liabilities(1)	12,412	25,056		
Current portion of operating lease liabilities	Current portion of operating lease liabilities	8,792	9,490		
Other	Other	11,418	16,340		
Total accrued expenses and other current liabilities	Total accrued expenses and other current liabilities	\$ 76,050	\$ 85,833		

(1) The current portion of acquisition liabilities includes contingent consideration and deferred payments to sellers due within one year.

Index to Notes

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 98 – Debt

The Company's debt obligations consisted of the following (in thousands):

As of March 31,		As of March 31,		As of December 31,	
		As of September 30,	As of December 31,		
	2024				
	2024				
	2024			2023	
Insurance premium financing					
		2023	2022		
Insurance premium financing	\$	298	\$	4,498	
Other long-term debt		—		375	
Total debt					
Total debt					
Total debt	Total debt	298	4,873		
Less: current maturities ⁽¹⁾	Less: current maturities ⁽¹⁾	(298)	(4,748)		
Long-term portion	Long-term portion	\$	—	\$	125

(1) Current maturities of debt are recorded within accrued expenses and other current liabilities on the condensed consolidated balance sheets.

Insurance Premium Financing

The Company has entered into short-term agreements to finance certain insurance premiums. The outstanding balance of \$0.3 million \$2.2 million as of September 30, 2023 March 31, 2024 is repayable in monthly installments of principal and interest through November 2023, September 2024, at a weighted-average annual percentage rate of 5.65% 8.99%.

Revolving Credit Facility

In October 2021, the Company and its wholly owned subsidiary (the "Borrower") and certain of its subsidiaries (collectively, the "Guarantors") entered into a credit agreement with JPMorgan Chase Bank, N.A. and the other lenders party thereto from time to time.

The credit agreement, as subsequently amended in December 2021 and June 2023 (as amended, the "Credit Agreement"; capitalized terms used herein and not otherwise defined are used as defined in the Credit Agreement), provides for a senior secured revolving credit facility in an aggregate principal amount of \$105.0 million ("Revolving Credit Facility"). The Revolving Credit Facility includes a sub-facility for letters of credit in aggregate face amount of \$40.0 million, which reduces borrowing availability under the Revolving Credit Facility. Proceeds may be used for working capital and general corporate purposes.

The June 2023 amendment modified the Credit Agreement to replace the LIBOR-based reference rate options with Adjusted Term Secured Overnight Financing Rate ("SOFR") based reference rate options. Subsequent to the amendment, any borrowings under the Revolving Credit Facility are subject to interest, determined as follows:

- Alternate Base Rate ("ABR") borrowings accrue interest at a rate per annum equal to the ABR plus a margin of 1.50%. The ABR is equal to the greatest of (i) the Prime Rate, (ii) the New York Federal Reserve Bank Rate plus 0.50%, and (iii) the Adjusted Term SOFR for a one-month interest period plus 1.00%.
- Term SOFR borrowings accrue interest at a rate per annum equal to the Adjusted Term SOFR plus a margin of 2.50%. Adjusted Term SOFR means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR for such Interest Period.

Borrowings under the Revolving Credit Facility do not amortize and are due and payable on October 7, 2026. Amounts outstanding under the Revolving Credit Facility may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty. In addition to paying interest on the principal amounts outstanding under the Revolving Credit Facility, the Company is required to pay a commitment fee on unused amounts at a rate of 0.25% per annum. The Company is also required to pay customary letter of credit and agency fees.

The Credit Agreement contains a number of covenants that, among other things and subject to certain exceptions, restrict the ability of the Borrower and its restricted subsidiaries to:

- create, incur, assume or permit to exist any debt or liens;
- merge into or consolidate or amalgamate with any other person, or permit any other person to merge into or consolidate with it, or liquidate or dissolve;

- make or hold certain investments;
- sell, transfer, lease, license or otherwise dispose of its assets, including equity interests (and, in the case of restricted subsidiaries, the issuance of additional equity interests);
- pay dividends or make certain other restricted payments;

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

- pay dividends or make certain other restricted payments;
- substantively alter the character of the business of the Borrower and its restricted subsidiaries, taken as a whole; and
- sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its affiliates.

In addition, beginning on June 30, 2022, the Borrower and its restricted subsidiaries are required to maintain a minimum amount of consolidated revenue, measured on a trailing four-quarter basis, as of the last date of each fiscal quarter, provided that such covenant will only apply if, on such date, the aggregate principal amount of outstanding borrowings under the Revolving Credit Facility and letters of credit (excluding undrawn amounts under any letters of credit in an aggregate face amount of up to \$20.0 million and letters of credit that have been cash collateralized) exceeds 35% of the then-outstanding revolving commitments. The Borrower is also required to maintain liquidity of at least \$15.0 million as of the last date of each fiscal quarter beginning on June 30, 2022.

The obligations of the Borrower and the Guarantors certain guarantor subsidiaries ("Guarantors") are secured by first-priority liens on substantially all of the assets of the Borrower and the Guarantors. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no borrowings outstanding under the Revolving Credit Facility. As of September 30, 2023 March 31, 2024, there were \$23.4 million of letters of credit of \$23.4 million issued under the Revolving Credit Facility, and \$81.6 million was available for borrowings. As of September 30, 2023

On May 8, 2024, the Company was in compliance with all covenants drew \$81.0 million under the Revolving Credit Agreement. Facility to supplement its cash position.

Note 109 - Other Long-Term Liabilities

Other long-term liabilities consisted of the following (in thousands):

As of March 31,		As of March 31,		As of December 31,	
		As of September 30,	As of December 31,		
		2023	2022		
		2024			
		2024			
		2024		2023	
Class G	Class G				
Common Stock ⁽¹⁾	Common Stock ⁽¹⁾	\$ 752	\$ 5,077		
Long-term portion of acquisition liabilities ⁽²⁾	Long-term portion of acquisition liabilities ⁽²⁾	7,838	16,226		
Long-term portion of operating lease liabilities	Long-term portion of operating lease liabilities	17,809	21,706		
Other	Other	10,986	11,978		
Total other long-term liabilities	Total other long-term liabilities	\$ 37,385	\$ 54,987		

(1) For more information, see Note 13, *Equity* of our 2022 2023 Annual Report.

(2) The long-term portion of acquisition liabilities includes contingent consideration and deferred payments to sellers due after one year.

[Note 11 - Income Taxes](#)

The Company's effective tax rate was an 0% benefit a 1% expense on pre-tax loss for the three months ended September 30, 2023 and March 31, 2024 compared to a 1% expense on pre-tax income for the three months ended September 30, 2022. The Company's effective tax rate was a 0% benefit on pre-tax loss for the nine months ended September 30, 2023 and a 4% expense on pre-tax loss for the nine three months ended September 30, 2022 March 31, 2023. The effective tax rate differs from our statutory rate in both periods due to the effect of flow-through entity income and losses for which the taxable income or loss is allocated to the Vacasa Holdings, LLC members and due to valuation allowance considerations.

[Note 11 - Equity and Equity-Based Compensation](#)

Reverse Stock Split

On October 2, 2023, we completed a 1-for-20 Reverse Stock Split of the Company's outstanding Class A Common Stock, Class B Common Stock, and Class G Common Stock. The Reverse Stock Split had no effect on the number of authorized shares of any class of common stock. Par value remained \$0.00001 per share. Stockholders who would otherwise have been entitled to receive fractional shares as a result of the Reverse Stock Split received a cash payment in lieu of receiving fractional shares. All

[Index to Notes](#)

Vacasa, Inc.
 Notes to Condensed Consolidated Financial Statements
 (unaudited)

[Note 12 - Equity share and Equity-Based Compensation](#)share-related information presented in these condensed consolidated financial statements has been retroactively adjusted for all periods presented to reflect the decreased number of shares resulting from the Reverse Stock Split.

Reverse Stock Split

On September 1, 2023, the Board of Directors of the Company approved a 1-for-20 reverse stock split (the "Reverse Stock Split") of the Company's Class A Common Stock, Class B Common Stock, and Class G Common Stock. The Reverse Stock Split was effective as of October 2, 2023. See Note 16, *Subsequent Event*, for additional information.

Equity-Based Award Activities

Restricted Stock Units

A summary of the Restricted Stock Unit restricted stock units ("RSU" RSUs") activity during the period indicated was as follows during the period indicated:

Activity Type	Restricted Stock Units (in thousands)	Weighted Average Grant Date Fair Value	Activity Type	Restricted Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2022	269	\$ 99.20			
Outstanding as of December 31, 2023					
Granted	Granted	673	21.20		
Vested	Vested	(128)	81.40		
Forfeited	Forfeited	(89)	64.00		
Outstanding as of September 30, 2023	725	34.40			
Outstanding as of March 31, 2024					

As of September 30, 2023 March 31, 2024, there was unrecognized compensation expense of \$21.4 \$15.8 million related to unvested RSUs, which is expected to be recognized over a weighted-average period of 2.6 2.3 years.

Performance Stock Units

The Company has granted Performance Stock Units performance stock units ("PSUs") to certain members of its leadership team, which vest based upon the achievement of performance criteria and requisite service. The performance criteria are based on the achievement of certain share price appreciation targets. Attainment of each share price appreciation target is measured based on either the trailing 45-day or 60-day average closing trading price of our Class A Common Stock or, in the event of a change in control, the amount per share of Class A Common Stock to be paid to a stockholder in connection with such change in control. For certain of the awards, depending on the performance achieved, the actual number of shares of Class A Common Stock issued to the holder may range

from 0% to 200% of the target number of PSUs granted. The number of PSUs granted included in the table below is based on the maximum potential achievement for all awards. In the event that performance criteria and requisite service are not achieved, the corresponding portion of the PSUs that do not vest will be forfeited.

A summary of the PSU activity during the period indicated was as follows during the period indicated:

Activity Type	Performance Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2022	105	\$ 58.00
Granted	143	10.20
Forfeited	(5)	75.80
Outstanding as of September 30, 2023	243	29.50

Activity Type	Performance Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	250	\$ 29.40
Forfeited	(21)	21.03
Outstanding as of March 31, 2024	229	30.17

As of September 30, 2023 March 31, 2024, there was unrecognized compensation expense of \$4.7 million \$3.3 million related to unvested PSUs, which is expected to be recognized over a weighted-average period of 2.1 1.7 years.

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Stock Appreciation Rights

A summary of the Stock Appreciation Rights stock appreciation rights ("SARs") activity was as follows during the period indicated: indicated was as follows:

Activity Type	Stock Appreciation Rights (in thousands)	Weighted Average Exercise Price	Activity Type	Stock Appreciation Rights (in thousands)	Weighted Average Exercise Price
Outstanding as of December 31, 2022	87	\$ 61.20			
Outstanding as of December 31, 2023					
Forfeited	(39)	60.60			
Outstanding as of September 30, 2023	48	61.60			
Forfeited					
Forfeited					
Outstanding as of March 31, 2024					

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

As of September 30, 2023 March 31, 2024, there was less than \$0.1 million of unrecognized compensation expense for the Company's SARs that will be recognized over a weighted-average remaining recognition period of 0.7 0.5 years. As of September 30, 2023 March 31, 2024, the Company's outstanding SARs had a weighted-average remaining contractual life of 5.8 4.9 years and no intrinsic

value.

Stock Options

A summary of the stock options activity was as follows during the period indicated: indicated was as follows:

Activity		Stock Options	Weighted Average	Activity Type	Stock Options	Weighted Average Exercise Price
Type		(in thousands)	Exercise Price			
Outstanding as of December 31, 2022		234	\$ 18.40			
Outstanding as of December 31, 2023						
Exercised	Exercised	(37)	9.80			
Forfeited	Forfeited	(21)	23.80			
Outstanding as of September 30, 2023		176	19.40			
Outstanding as of March 31, 2024						

As of September 30, 2023 March 31, 2024, there was less than \$0.1 million of unrecognized compensation expense for the Company's stock options that will be recognized over a weighted-average remaining recognition period of 1.1 0.7 years. As of September 30, 2023 March 31, 2024, the Company's outstanding stock options had a weighted-average remaining contractual life of 4.7 4.1 years and an intrinsic value of \$4.6 million less than \$0.1 million.

Employee Equity Units

A summary of the Vacasa Employee Holdings LLC employee equity units is activity during the period indicated was as follows:

	Employee Equity Units	Weighted-Average Grant Date	
	(in thousands)	Fair Value	
Unvested outstanding as of December 31, 2022	101	\$	112.00
Vested	(23)		102.60
Forfeited	(48)		123.40
Unvested outstanding as of September 30, 2023	30		100.80

	Employee Equity Units	Weighted-Average Grant Date	
	(in thousands)	Fair Value	
Unvested outstanding as of December 31, 2023	5	\$	29.63
Vested	(2)		29.63
Unvested outstanding as of March 31, 2024	3		29.63

As of September 30, 2023 March 31, 2024, there was \$2.9 million \$0.1 million of unrecognized compensation expense related to unvested employee equity units, which is expected to be recognized over a weighted-average period of 1.4 0.5 years.

Employee Stock Purchase Plan

Under In connection with the Company's Business Combination, the Company adopted the 2021 Nonqualified Employee Stock Purchase Plan ("ESPP"). Under the ESPP, eligible participants may purchase shares of the Company's Class A Common Stock using payroll deductions, which may not exceed 15% of their total cash compensation. Offering and purchase periods begin on June 1 and December 1 of each year. Participants will be granted the right to purchase shares at a price per share that is 85% of the lesser of the fair market value of the shares at (i) the participant's entry date into the applicable one-year offering period or (ii) the end of each six-month purchase period within the offering period.

[Index to Notes](#)

The ESPP does not meet the criteria of Section 423 of the Internal Revenue Code and is considered a non-qualified plan for federal tax purposes. The Company has treated the ESPP as a compensatory plan under GAAP.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, there were **62,813** **no** shares of Class A Common Stock purchased under the ESPP. During **March 2024**, the Company suspended further contributions to the ESPP **at a weighted-average price** and refunded all contributions remaining in the plan. Accordingly, there were no ESPP options outstanding **as of \$13.00 per share, March 31, 2024.**

[Index to Notes](#)

Vacasa, Inc.

Notes to Condensed Consolidated Financial Statements

(unaudited)

Equity-Based Compensation Expense

The Company recorded equity-based compensation expense for the periods presented in the condensed consolidated statements of operations as follows (in thousands):

Three Months Ended March 31,						Three Months Ended March 31,					
		Three Months Ended September 30,		Nine Months Ended September 30,				Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022			2023	2022	2023	2022
		2024						2023			
		2024						2023			
		2024						2023			
Cost of revenue	Cost of revenue	\$ 29	\$ 225	\$ 91	\$ 842						
Operations and support	Operations and support	390	1,069	1,117	4,845						
Technology and development	Technology and development	647	1,107	1,550	5,272						
Sales and marketing	Sales and marketing	460	1,075	2,004	4,876						
General and administrative	General and administrative	2,448	5,900	7,243	12,525						
Total equity-based compensation expense	Total equity-based compensation expense	\$3,974	\$9,376	\$12,005	\$28,360						

Note 13 12 - Net Income (Loss) Loss Per Share

The Company calculates net **income (loss) loss** per share of Class A Common Stock in accordance with ASC 260, Earnings Per Share, which requires the presentation of basic and diluted net income (loss) per share. Basic net **income (loss) loss** per share is calculated by dividing net **income (loss) loss** attributable to Vacasa, Inc. by the weighted-average shares of Class A Common Stock outstanding without the consideration for potentially dilutive shares of common stock. Diluted net **income (loss) loss** per share represents basic net **income (loss) loss** per share adjusted to include the potentially dilutive effect of RSUs, PSUs, SARs, stock options, employee equity units, shares expected to be purchased under the ESPP, and Class G Common Stock. Diluted net **income (loss) loss** per share is computed by dividing the net **income (loss) loss** by the weighted-average number of Class A Common Stock equivalents outstanding for the period determined using the treasury stock method and if-converted method, as applicable. During periods of net loss, diluted loss per share is equal to basic net loss per share because the antidilutive effect of potential shares of common stock is disregarded.

[Index to Notes](#)

Vacasa, Inc.

Notes to Condensed Consolidated Financial Statements

(unaudited)

The following is a reconciliation of basic and diluted **income (loss) loss** per Class A common share for the periods presented (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator for net income (loss) per class A common share calculation:				

Net income (loss) attributable to Class A Common Stockholders, basic	\$	(228,192)	\$	8,324	\$	(255,105)	\$	(14,715)
Net income allocated to dilutive securities		—		95		—		—
Net income (loss) attributable to Class A Common Stockholders, diluted	\$	(228,192)	\$	8,419	\$	(255,105)	\$	(14,715)
Denominator for net income (loss) per Class A common share calculation:								
Weighted-average shares outstanding, basic ⁽¹⁾⁽²⁾		12,419		11,341		12,108		10,993
Effect of dilutive securities:								
Restricted stock units ⁽²⁾		—		12		—		—
Stock appreciation rights ⁽²⁾		—		25		—		—
Stock options ⁽²⁾		—		186		—		—
Employee equity units ⁽²⁾		—		51		—		—
Total effect of dilutive securities ⁽²⁾		—		274		—		—
Weighted-average shares outstanding, diluted ⁽¹⁾⁽²⁾		12,419		11,615		12,108		10,993
Basic net income (loss) per Class A common share:								
Net income (loss) attributable to Class A Common Stockholders, basic	\$	(228,192)	\$	8,324	\$	(255,105)	\$	(14,715)
Weighted-average shares outstanding, basic ⁽¹⁾⁽²⁾		12,419		11,341		12,108		10,993
Net income (loss) per share of Class A Common Stock, basic ⁽²⁾	\$	(18.37)	\$	0.73	\$	(21.07)	\$	(1.34)
Diluted net income (loss) per Class A common share:								
Net income (loss) attributable to Class A Common Stockholders, diluted ⁽²⁾	\$	(228,192)	\$	8,419	\$	(255,105)	\$	(14,715)
Weighted-average shares outstanding, diluted ⁽¹⁾⁽²⁾		12,419		11,615		12,108		10,993
Net income (loss) per share of Class A Common Stock, diluted ⁽²⁾	\$	(18.37)	\$	0.72	\$	(21.07)	\$	(1.34)

	Three Months Ended March 31,	
	2024	2023
Net loss attributable to Class A Common Stockholders for basic and diluted net loss per share	\$ (85,683)	\$ (23,792)
Weighted-average shares for basic and diluted loss per share ⁽¹⁾⁽²⁾	13,466	11,846
Basic and diluted net loss per share of Class A Common Stock ⁽¹⁾⁽²⁾	\$ (6.36)	\$ (2.01)

(1) Basic and diluted weighted-average shares outstanding include restricted stock units that have vested but have not yet settled into shares of Class A Common Stock.

(2) Weighted-average shares outstanding and equity awards used in the computation of basic and diluted earnings (loss) loss per share for prior years have been retroactively adjusted to reflect the 1-for-20 Reverse Stock Split that occurred on October 2, 2023. Refer to Note 16.11 - Subsequent Event Equity and Equity-Based Compensation for additional information.

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Shares of the Company's Class B Common Stock and Class G Common Stock do not participate in earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings (loss) loss per share of Class B Common Stock and Class G Common Stock under the two-class method has not been presented.

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The following outstanding potentially dilutive securities were excluded from the calculation of diluted net income (loss) loss per share of Class A Common Share Stock either because their impact would have been antidilutive for the period periods presented or because they were contingently issuable upon the satisfaction of certain market conditions (in thousands)⁽¹⁾:

Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
		2024					
		2024					
		2024				2023	
	OpCo						
OpCo units ⁽²⁾	units ⁽²⁾	9,387	10,183	9,387	10,183		
Restricted stock units	Restricted stock units	725	215	725	283		
Performance stock units ⁽³⁾	Performance stock units ⁽³⁾	243	117	243	117		
Stock appreciation rights	Stock appreciation rights	48	57	48	97		
Stock options	Stock options	176	13	176	247		
Employee equity units	Employee equity units	30	93	30	149		
Employee stock purchase plan	Employee stock purchase plan	228	86	228	86		
Class G Common Stock	Class G Common Stock	411	411	411	411		
Common shares excluded from calculation of diluted net income (loss) per share		11,248	11,175	11,248	11,573		
Common shares excluded from calculation of diluted net loss per share							

(1) The share amounts [herein for prior years](#) have been retroactively adjusted to reflect the 1-for-20 Reverse Stock Split that occurred on October 2, 2023. Refer to Note [16 11 - Subsequent Event Equity and Equity-Based Compensation](#) for additional information.

(2) These securities are neither dilutive nor anti-dilutive for the period presented as their assumed redemption for shares of Class A Common Stock would cause a proportionate [increase change](#) to net income (loss) attributable to Class A Common Stockholders, diluted.

(3) PSUs are contingently issuable upon the satisfaction of certain market conditions. As of [September 30, 2023](#) [March 31, 2024](#), none of the requisite market conditions have been met, and therefore all such contingently issuable shares have been excluded from the calculation of diluted net income (loss) per share of Class A Common Stock.

[Note 14 13 - Commitments and Contingencies](#)

Leases

The Company leases real estate and equipment under various non-cancelable operating leases. There have been no material changes to the Company's operating lease commitments during the three [and nine](#) months ended [September 30, 2023](#) [March 31, 2024](#). For additional information, refer to Note 8, Leases, of the Company's [2022 2023](#) Annual Report.

Regulatory Matters and Legal Proceedings

The Company's operations are subject to laws, rules, and regulations that vary by jurisdiction. In addition, the Company has been and is currently a party to various legal proceedings, including employment and general litigation matters, which arise in the ordinary course of business. Such proceedings and claims can require the Company to expend significant financial and operational resources.

Regulatory Matters

The Company's core business operations consist of the management of short-term vacation rental stays, which are subject to local, city, or county ordinances, together with various state, U.S. and foreign laws, rules and regulations. Such laws, rules, and regulations are complex and subject to change, and in several instances, jurisdictions have yet to codify or implement applicable

[Index to Notes](#)

Vacasa, Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

laws, rules or regulations. Other ancillary components of the Company's business activities include the management of long-term rental stays and homeowner association management. In addition to laws governing these activities, the Company must comply with laws in relation to travel, tax, privacy and data protection, intellectual property, competition, health and safety, consumer protection, employment and many others. These business operations expose the Company to inquiries and potential claims related to its compliance with applicable laws, rules, and regulations. Given the shifting landscape with respect to the short-term rental laws, changes in existing laws or the implementation of new laws could have a material impact on the Company's business.

Tax Matters

[Index to Notes](#)

Vacasa, Inc. Notes to Condensed Consolidated Financial Statements (unaudited)

Some states and localities impose transient occupancy, lodging accommodations, and sales taxes ("Hospitality and Sales Taxes") on the use or occupancy of lodging accommodations and other traveler services. The Company collects and remits Hospitality and Sales Taxes collected from guests on behalf of its homeowners. Such Hospitality and Sales Taxes are generally remitted to tax jurisdictions within a 30-day period following the end of each month, quarter, or year end.

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company had an obligation to remit Hospitality and Sales Taxes collected from guests in these jurisdictions totaling **\$20.8** **\$21.8** million and **\$17.9** **\$14.7** million, respectively. These payables are recorded in hospitality and sales taxes payable on the condensed consolidated balance sheets.

The Company's potential obligations with respect to Hospitality and Sales Taxes could be affected by various factors, which include, but are not limited to, whether the Company determines, or any tax authority asserts, that the Company has a responsibility to collect lodging and related taxes on either historical or future transactions or by the introduction of new ordinances and taxes that subject the Company's operations to such taxes. The Company is under audit and inquiry by various domestic tax authorities with regard to hospitality and sales tax matters.

The Company has estimated liabilities in certain jurisdictions with respect to state, city, and local taxes related to lodging where management believes it is probable that the Company has additional liabilities, and the related amounts can be reasonably estimated. These contingent liabilities primarily arise from the Company's transactions with its homeowners, guests, and service contracts and relate to the applicability of transactional taxes (such as sales, value-added and similar taxes) to services provided. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, accrued obligations related to these estimated taxes, including estimated penalties and interest, totaled **\$9.0** **\$8.9** million and **\$10.6** **\$10.7** million, respectively. Due to the inherent complexity and uncertainty of these matters and judicial processes in certain jurisdictions, the final outcomes of such matters may result in obligations that exceed the estimated liabilities recorded.

The Company has estimated other contingent non-income tax related liabilities related to domestic and foreign taxing authorities. The subject matter of these contingent liabilities arises from transactions with homeowners and the related information reporting requirements and potential back-up withholding on certain homeowner payments. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, accrued obligations related to the information reporting requirements, including estimated penalties and interest, totaled **\$1.9** **\$1.8** million and **\$1.2** **\$1.9** million, respectively. With respect to potential back-up **withholdings** **withholding** on certain homeowner payments, any estimated liability is inherently subjective due to the complexity and uncertainty of this matter; therefore, any reasonably possible loss or range of loss cannot be estimated.

Refer to Note **11**, **10**, *Income Taxes*, for further discussion on other income tax matters.

Litigation

The Company has been and is currently involved in litigation and legal proceedings and subject to legal claims in the ordinary course of business. These include legal claims asserting, among other things, commercial, competition, tax, employment, discrimination, **wage-and-hour**, consumer, personal injury, negligence, and property rights.

Harry Ramsey III, Administrator of the Estates of Katrina Ramsey, Zoey Ramsey, and Emma Ramsey v. Vacasa LLC, W-Acq, Vacation Rentals North America LLC, Hatteras Realty, LLC, and Vacasa North Carolina LLC, Case No. 23-CVS-26, Dare County Superior Court, North Carolina (filed Jan. 19, 2023)

In January 2023, the Company was served with a complaint filed against multiple subsidiaries of the Company alleging, among other things, wrongful death relating to a fire in 2020 at rental units managed by a subsidiary of the Company. The complaint was filed in Dare County Superior Court in the State of North Carolina and seeks damages related to the deaths of three individuals. The Company believes it has meritorious defenses to the allegations in the complaint and will vigorously contest the allegations. **The Company has accrued an immaterial amount related to this claim and management does not believe this matter will have a material adverse effect on the Company's condensed consolidated financial statements.**

Jon Torerik v. Vacasa LLC et al., No.230901578, Third District Court for Salt Lake City, Utah (served May 12, 2023)

In March 2023, Jon Torerik filed a complaint alleging the Company was liable for his injuries sustained from a "slip and fall" accident while at a vacation home managed by the Company, as a result of the Company's alleged duties owed to Mr. Torerik as a business invitee, and seeking damages for his injuries. The Company believes it has meritorious defenses to the allegations in the complaint and

will vigorously contest the allegations. Based on the nature of the proceedings in this case, the outcome of this matter remains uncertain and the Company cannot estimate the potential impact, if any, on its business or financial statements at this time.

A.F. by and through her guardian ad litem, et al. v. Vacasa Seasonals LLC et al., CGC-23-609513, Superior Court San Francisco County, California (filed Oct. 3, 2023).

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

In October 2023, a woman brought a premises liability claim on behalf of herself and her child, alleging that a "slip and fall" accident that occurred while at a vacation home managed by the Company caused premature labor. The Company believes it has meritorious defenses to the allegations in the complaint and will vigorously contest the allegations. Based on the nature of the proceedings in this case, the outcome of this matter remains uncertain and the Company cannot estimate the potential impact, if any, on its business or financial statements at this time.

The Company does not believe, based on currently available facts and circumstances, that the final outcome of any pending legal proceedings or ongoing regulatory investigations, taken individually or as a whole, will have a material adverse effect on our consolidated financial statements. However, lawsuits may involve complex questions of fact and law and may require the expenditure of significant funds and other resources to defend. The results of litigation or regulatory investigations are

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

inherently uncertain, and material adverse outcomes are possible. From time to time, the Company may enter into confidential discussions regarding the potential settlement of such lawsuits. Any settlement of pending litigation could require us to incur substantial costs and other ongoing expenses.

During the periods presented, no material amounts have been accrued or disclosed in the accompanying condensed consolidated financial statements with respect to loss contingencies associated with any regulatory matter or legal proceeding. These matters are subject to many uncertainties, and the ultimate outcomes are not predictable. There can be no assurances that the actual amounts required to satisfy any liabilities arising from the regulatory matters and legal proceedings described above will not have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows.

Indemnification

As a matter of ordinary course, the Company agrees to indemnification clauses in commercial agreements where desirable or appropriate. As a result, the Company may be obligated to indemnify third parties for losses or damages incurred in connection with the Company's operations or its non-compliance with contractual obligations. Additionally, the Company has entered into indemnification agreements with its officers and directors, and its bylaws contain certain indemnification obligations for officers and directors. It is not possible to determine the aggregate maximum potential loss pursuant to the aforementioned indemnification provisions and obligations due to the unique facts and circumstances involved in each particular situation. **As of September 30, 2023, the Company did not have any material indemnification claims that were probable or reasonably possible.**

Note 14 - 5 - Workforce Reduction Workforce Reductions

2024 Plan

On February 27, 2024, the Board of Directors of the Company approved a workforce reduction plan (the "2024 Plan") designed to align the Company's expected cost base with its 2024 strategic and operating priorities. The 2024 Plan included the elimination of approximately 320 positions across the Company, in both its local operations teams and central teams, representing approximately 5% of the workforce, or approximately 2% of the local operations teams and approximately 6% of the central team.

The Company expects to incur between \$4.0 million and \$5.0 million of costs, consisting primarily of employee severance and benefit costs and professional services fees in connection with the 2024 Plan, most of which are expected to be incurred in the first and second quarters of 2024. During the three months ended March 31, 2024, the Company incurred severance and employee benefits costs of approximately \$2.0 million, which are included in operating costs and expenses in the condensed consolidated statement of operations. The Company expects the reduction in force to be substantially complete by the end of the second quarter of 2024.

2023 Plan

In January 2023, the Company implemented a workforce reduction plan (the "Plan" "2023 Plan") designed to align the Company's expected cost base with its 2023 strategic and operating priorities. The 2023 Plan included the elimination of approximately 1,300 positions across the Company, in both the Company's local operations teams and central teams, representing approximately 17% of the workforce.

In connection with the 2023 Plan, the Company incurred immaterial severance and employee benefits costs of approximately \$5.1 million during the three months ended September 30, 2023 and approximately \$5.1 million of severance and employee benefits costs during the nine months ended September 30, 2023 March 31, 2023, which are included in operating costs and expenses in the condensed consolidated statements of operations. The majority of these costs have been paid, and the remaining liability as of September 30, 2023 is not material.

Note 16 - 15 - Subsequent Event Events

Reverse Stock Split

[Index to Notes](#)

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Reorganization

On October 2, 2023, May 7, 2024, we completed a 1-for-20 reverse stock split the Board of Directors of the Company's outstanding Class A Common Stock, Class B Common Stock, Company approved a workforce reduction and Class G Common Stock, reorganization plan (the "Reorganization"). These changes will implement a reorganization of the Company's operations, to further equip its field teams to locally manage, and be accountable for, their markets, while significantly reducing the Company's central corporate footprint. The Reverse Stock Split had no effect on Reorganization includes the elimination of approximately 800 positions across the Company, in both its local operations teams and central teams, representing approximately 13% of the workforce, or approximately 6% of our field teams and approximately 40% of our corporate and central operations teams.

The Company expects to incur between \$8.0 million and \$9.0 million of costs, consisting primarily of employee severance and benefit costs and professional services fees in connection with the Reorganization, most of which are expected to be incurred in the second and third quarters of 2024. All of these costs will result in future cash expenditures. The foregoing estimated amounts do not include any non-cash charges associated with equity-based compensation. These estimates are subject to a number of authorized shares of any class of common stock. Par value remained \$0.00001 per share. Stockholders who would otherwise have been entitled assumptions and actual results may differ materially. The Company may also incur charges and expenditures not currently contemplated due to receive fractional shares as unanticipated events that may occur in connection with the Reorganization.

Revolving Credit Facility

On May 8, 2024, the Company elected to draw \$81.0 million under the Revolving Credit Facility (see Note 8 - Debt for a result description of the Reverse Stock Split received a credit facility) to supplement its cash payment in lieu of receiving fractional shares. All share and share-related information presented in these condensed consolidated financial statements has been retroactively adjusted for all periods presented to reflect position. The remaining borrowing capacity under the decreased number of shares resulting from Revolving Credit Facility was \$0.6 million following the Reverse Stock Split. draw.

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 our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and with our audited consolidated financial statements and notes thereto included in our 2022 2023 Annual Report. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections and elsewhere in our 2022 2023 Annual Report, in our Q1 2023 Quarterly Report, in our Q2 2023 Quarterly Report and in this Quarterly Report, our actual results may differ materially from those anticipated in these forward-looking statements. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

We are the leading vacation rental management platform in North America. Our integrated technology and operations platform is designed to optimize vacation rental income and home care for homeowners, offer guests a seamless, reliable and high-quality experience, and provide distribution partners with a variety of home listings.

As a vertically integrated vacation rental manager, we act as an agent on behalf of our homeowners, which allows us to avoid the capital requirements and limitations of owning the underlying real estate. We are equipped to manage all aspects of the vacation rental experience for homeowners, from listing creation and multi-channel distribution to pricing, marketing optimization and end-to-end property care. We collect nightly rent on behalf of homeowners and earn the majority of our revenue from homeowner commissions and service fees paid by guests and from additional reservation-related fees paid by guests when a vacation rental is booked directly through our website or app or through our distribution partners. We also earn revenue from home care solutions offered directly to our homeowners, such as home improvement and repair services for a separately agreed upon fee and from providing real estate brokerage services and residential management services to community and homeowner associations. We are typically the exclusive vacation rental manager for the homes on our platform, and we are able to capture nearly all of the bookings booking for those properties through our direct channel or through our channel partners.

Seasonality Recent Developments

Our Guest Demand

We saw significant variability and deviations from historical guest booking and demand patterns in the three months ended March 31, 2024, including more fluctuations in demand than is typical, resulting in lower overall business is seasonal, reflecting typical travel behavior patterns over levels of bookings for future periods, as well as fewer close-to-stay bookings than normal in the course last few weeks of the calendar year. In addition, each market where we operate may quarter. As a result, our revenue and our cash position did not build as expected in the period. A significant portion of our field costs and expenses are fixed, and are not variable with the level of guest reservations. We expect continued softness and variability in guest bookings, which will likely have its own seasonality, events, and weather that can increase or decrease demand for our offerings. Certain holidays, and the timing of those holidays, can have an adverse impact on our revenue by increasing or decreasing Nights Sold on the holiday itself or business, financial condition, and results of operations.

Workforce Reduction Plans

Reorganization

As discussed above, during the preceding three months ended March 31, 2024, we experienced significant variability in historical guest booking and subsequent weekends. Typically, demand patterns, adversely impacting our second revenue and third quarters have higher revenue due to increased Nights Sold, compared to our cash position for the period. The first and fourth second quarters of the fiscal year are typically our strongest booking and cash generating quarters. Our Gross Booking Value ("GBV") typically follows We believe that the seasonality patterns recent weakness experienced in guest demand is likely to persist through at least the second quarter, and potentially through the remainder of Nights Sold. Our the year. Accordingly, on May 7, 2024, the Board of Directors of the Company approved a workforce reduction and reorganization plan (the "Reorganization"), which is expected to reduce the Company's corporate cost base and better enable it to respond to and

navigate further variability in guest demand. Additionally, the Reorganization is expected to more closely align the Company's resources with its operations, prioritizing investments in our local operations teams, and further harmonizing the work our local operations teams do with the support they receive from our corporate support functions.

The Reorganization includes the elimination of approximately 800 positions across the Company, in both its local operations teams and central teams, representing approximately 13% of the workforce, or approximately 6% of our field teams and approximately 40% of our corporate and central operations teams.

The Company expects to incur between \$8 million and \$9 million of costs, also increase consisting primarily of employee severance and benefit costs and professional services fees in connection with the Reorganization, most of which are expected to be incurred in the second and third quarters as we increase our staffing of 2024. All of these costs will result in future cash expenditures. The foregoing estimated amounts do not include any non-cash charges associated with equity-based compensation. These estimates are subject to handle increased activity on our platform a number of assumptions and service actual results may differ materially. The Company may also incur charges and expenditures not currently contemplated due to unanticipated events that may occur in connection with the homes we manage in those periods. See additional information about GBV and Nights Sold under the "Key Business Metrics and Non-GAAP Financial Measures" heading below. Reorganization.

Workforce Reduction 2024 Plan

In January, 2023, we implemented On February 27, 2024, the Board of Directors of the Company approved a workforce reduction plan that resulted in (the "2024 Plan") designed to align the Company's expected cost base with its 2024 strategic and operating priorities. The 2024 Plan includes the elimination of approximately 1,300 320 positions across the Company, in both its local operations teams and central teams, representing approximately 17% 5% of the workforce. We workforce, or approximately 2% of the local operations teams and approximately 6% of the central team.

The Company expects to incur between \$4.0 million and \$5.0 million of costs, consisting primarily of employee severance and benefit costs and professional services fees in connection with the 2024 Plan, most of which are expected to be incurred in the first and second quarters of 2024. During the three months ended March 31, 2024, the Company incurred severance and employee benefits costs of approximately \$5.1 million during the nine months ended September 30, 2023 \$2.0 million, which are included in operating costs and expenses in the condensed consolidated statement of operations. The Company expects the reduction in force was to be substantially complete by the end of the second quarter of 2023. Costs incurred during the third quarter 2024.

The remaining estimated costs will result in future cash expenditures. The foregoing estimated amounts do not include any non-cash charges associated with equity-based compensation. These estimates are subject to a number of 2023 assumptions and actual results may differ materially. The Company may also incur charges and expenditures not currently contemplated due to unanticipated events that may occur in connection with the Plan.

2023 Plan

On January 23, 2023, the Board of Directors of the Company approved a workforce reduction were not material. (the "2023 Plan") designed to align the Company's expected cost base with its 2023 strategic and operating priorities. The 2023 Plan included the elimination of approximately 1,300 positions across the Company, in both its local operations teams and central teams, representing approximately 17% of the workforce. The Company incurred severance and employee benefits costs of approximately \$5.1 million during 2023, which are included in operating costs and expenses in the condensed consolidated statement of operations.

Reverse Stock Split

On October 2, 2023, we completed a 1-for-20 reverse stock split of the Company's outstanding Class A Common Stock, Class B Common Stock, and Class G Common Stock (the "Reverse Stock Split"). The Reverse Stock Split had no effect on the number of authorized shares of any class of common stock. Par value remained \$0.00001 per share. Stockholders who would otherwise have been entitled to receive fractional shares as a result of the Reverse Stock Split received a cash payment in lieu of receiving fractional shares. All share and share-related information presented in these condensed consolidated financial statements has been retroactively adjusted for all periods presented to reflect the decreased number of shares resulting from the Reverse Stock Split.

Seasonality

Our overall business is seasonal, reflecting typical travel behavior patterns over the course of the calendar year. In addition, each market where we operate may have its own seasonality, events, and weather that can increase or decrease demand for our offerings. Certain holidays, and the timing of those holidays, can have an impact on our revenue by increasing or decreasing Nights Sold on the holiday itself or during the preceding and subsequent weekends. Typically, the first and second quarters of the fiscal year are our strongest booking and cash generating quarters, while our second and third quarters have higher revenue due to increased Nights Sold. Our Gross Booking Value ("GBV") typically follows the seasonality patterns of Nights Sold. Our operations and support costs also increase in the second and third quarters as we increase our staffing to handle increased activity on our platform and service the homes we manage in those periods. See additional information about GBV and Nights Sold under the "Key Business Metrics and Non-GAAP Financial Measures" heading below.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our revenue for these periods. The period-to-period period to period comparisons of our historical results are not necessarily indicative of our future results, results that may be expected in the future.

Three Months Ended March 31,				Three Months Ended March 31,			
	Three Months Ended September 30,		Nine Months Ended September 30,				
	2023	2022	2023	2022			
	(in thousands)						
2024							

2024		2023			
2024		2023			
(in thousands)		(in thousands)			
Revenue	Revenue	\$ 379,077	\$ 412,184	\$ 940,510	\$ 969,792
Operating costs and expenses:	Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below ⁽¹⁾					
Cost of revenue, exclusive of depreciation and amortization shown separately below ⁽¹⁾					
Cost of revenue, exclusive of depreciation and amortization shown separately below ⁽¹⁾	Cost of revenue, exclusive of depreciation and amortization shown separately below ⁽¹⁾	150,789	174,123	417,046	447,976
Operations and support ⁽¹⁾	Operations and support ⁽¹⁾	64,998	76,877	187,662	196,349
Technology and development ⁽¹⁾	Technology and development ⁽¹⁾	16,026	18,422	45,900	52,493
Sales and marketing ⁽¹⁾	Sales and marketing ⁽¹⁾	57,658	75,020	171,559	196,909
General and administrative ⁽¹⁾	General and administrative ⁽¹⁾	19,328	31,043	61,402	83,486
Depreciation	Depreciation	5,204	5,376	15,597	16,676
Amortization of intangible assets	Amortization of intangible assets	15,266	15,490	46,143	45,771
Impairment of long-lived assets	Impairment of long-lived assets	46,000	—	46,000	—
Impairment of goodwill	Impairment of goodwill	411,000	—	411,000	—
Total operating costs and expenses	Total operating costs and expenses	786,269	396,351	1,402,309	1,039,660
Income (loss) from operations	Income (loss) from operations	(407,192)	15,833	(461,799)	(69,868)
Loss from operations					
Interest income	Interest income	2,349	779	6,022	1,220
Interest expense	Interest expense	(561)	(606)	(1,873)	(1,957)
Other income (loss), net	Other income (loss), net	1,823	(23)	5,597	41,499
Income (loss) before income taxes	Income (loss) before income taxes	(403,581)	15,983	(452,053)	(29,106)
Income tax benefit (expense)	Income tax benefit (expense)	1,123	(170)	341	(1,073)
Net income (loss)	Net income (loss)	<u>\$ (402,458)</u>	<u>\$ 15,813</u>	<u>\$ (451,712)</u>	<u>\$ (30,179)</u>
Other income, net					
Loss before income taxes					

Income tax expense
Net loss

(1) Includes equity-based compensation expense as follows:

Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
		(in thousands)					
		2024					
		2024					
		2024				2023	
		(in thousands)				(in thousands)	
Cost of revenue	Cost of revenue	\$ 29	\$ 225	\$ 91	\$ 842		
Operations and support	Operations and support	390	1,069	1,117	4,845		
Technology and development	Technology and development	647	1,107	1,550	5,272		
Sales and marketing	Sales and marketing	460	1,075	2,004	4,876		
General and administrative	General and administrative	2,448	5,900	7,243	12,525		
Total equity-based compensation expense	Total equity-based compensation expense	\$3,974	\$9,376	\$12,005	\$28,360		

Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
		2024					
		2024					
		2024				2023	
Revenue	Revenue	100 %	100 %	100 %	100 %	Revenue	100 %
Operating costs and expenses:	Operating costs and expenses:					100	%
Cost of revenue, exclusive of depreciation and amortization shown separately below							

Cost of revenue, exclusive of depreciation and amortization shown separately below									
Cost of revenue, exclusive of depreciation and amortization shown separately below	Cost of revenue, exclusive of depreciation and amortization shown separately below	40 %	42 %	44 %	46 %		50 %	48 %	
Operations and support	Operations and support	17 %	19 %	20 %	20 %	Operations and support	29 %	24	%
Technology and development	Technology and development	4 %	4 %	5 %	5 %	Technology and development	7 %	6	%
Sales and marketing	Sales and marketing	15 %	18 %	18 %	20 %	Sales and marketing	24 %	22	%
General and administrative	General and administrative	5 %	8 %	7 %	9 %	General and administrative	10 %	10	%
Depreciation	Depreciation	1 %	1 %	2 %	2 %	Depreciation	2 %	2	%
Amortization of intangible assets	Amortization of intangible assets	4 %	4 %	5 %	5 %	Amortization of intangible assets	4 %	6	%
Impairment of long-lived assets	Impairment of long-lived assets	12 %	— %	5 %	— %	Impairment of long-lived assets	40 %	—	%
Impairment of goodwill		108 %	— %	44 %	— %				
Total operating costs and expenses	Total operating costs and expenses	207 %	96 %	149 %	107 %	Total operating costs and expenses	167 %	118	%
Income (loss) from operations		(107)%	4 %	(49)%	(7)%				
Loss from operations	Loss from operations					Loss from operations	(67) %	(18)	%
Interest income	Interest income	1 %	— %	1 %	— %	Interest income	— %	1	%
Interest expense	Interest expense	— %	— %	— %	— %	Interest expense	— %	—	%
Other income (loss), net		— %	— %	1 %	4 %				
Income (loss) before income taxes		(106)%	4 %	(48)%	(3)%				
Income tax benefit (expense)		— %	— %	— %	— %				
Net income (loss)		(106)%	4 %	(48)%	(3)%				
Other income, net	Other income, net					Other income, net	— %	1	%
Loss before income taxes	Loss before income taxes					Loss before income taxes	(67) %	(17)	%
Income tax expense	Income tax expense					Income tax expense	(1) %	—	%
Net loss	Net loss					Net loss	(67) %	(17)	%

Comparison of the Three Months Ended March 31, 2024 and Nine Months ended September 30, 2023 and 2022 2023

Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
	(in thousands, except percentages)							
Revenue	\$ 379,077	\$ 412,184	\$ (33,107)	(8)%	\$ 940,510	\$ 969,792	\$ (29,282)	(3)%

	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
	(in thousands, except percentages)			
Revenue	\$ 209,472	\$ 256,854	\$ (47,382)	(18)%

Our revenue is primarily generated from our vacation rental platform in which we generally act as the exclusive agent on the homeowners' behalf to facilitate the reservation transactions between guests and homeowners. We collect nightly rent from guests on behalf of homeowners and earn the majority of our revenue from commissions on rent and from additional reservation-related fees paid by guests when a vacation rental is booked directly through our website, app, or through our distribution partners. We also earn revenue from home care solutions provided directly to our homeowners, such as home maintenance and improvement services, linen and towel supply programs, supplemental housekeeping services, and other related services, for a separately agreed-upon fee.

In the event a booked reservation is cancelled, we may offer a refund or a future stay credit up to the value of the booked reservation. In certain instances, we may also offer a refund related to a completed stay. We account for refunds as a reduction of revenue. Future stay credits are recognized as a liability on our condensed consolidated balance sheets. Revenue from future stay credits is recognized when redeemed by guests, net of the portion of the booking attributable to funds payable to owners and hospitality and sales taxes payable. We estimate the portion of future stay credits that will not be redeemed by guests and recognize these amounts as breakage revenue in proportion to the expected pattern of redemption or upon expiration.

In addition to our vacation rental platform, we provide other offerings such as residential management services to community and homeowner associations. The purpose of these services is to attract and retain homeowners as customers of our vacation rental platform. We substantially completed the wind down of our separate real estate buy/sell brokerage services during the second quarter of

2023, which represented less than 1% of total revenue for both the three and nine months ended September 30, 2023. 2023. We will continue to retain real estate brokerage licenses, where required, in order to facilitate our vacation rental management services.

Booking Patterns

We continue to experience evolving guest booking and travel demand patterns. We have seen, and continue to see, increased homeowner concerns around their levels of rental income, relative to prior years. These factors increase the difficulty of accurately forecasting our results of operations and, we believe, are continuing to have a negative effect on homeowner retention, relative to our historical experience. However, we currently expect The first quarter and part of the second quarter of the year is typically our highest reservation building period in the year and, is therefore, one of our highest cash generating periods in the year. We experienced significant variations in this historical demand pattern in the three months ended March 31, 2024, including more variable demand than is typical, as well as fewer close-to-stay bookings than normal in the last few weeks of the quarter. Volatile demand and guest bookings in the three months ended March 31, 2024 resulted in our revenue for 2023 to be lower than and our revenue for 2022.

Three Months Ended September 30, 2023 Compared with cash position not building as expected in the Same Period in 2022 period.

Revenue decreased by \$33.1 million \$47.4 million, or 8% 18%, for the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022 March 31, 2023, primarily driven by a \$28.6 million \$44.3 million decrease in revenue from our vacation rental platform revenue and a \$3.9 million \$2.9 million decrease in revenue from our real estate brokerage services, as a result of our wind down of these services. The decrease in vacation rental platform revenue was mostly driven by decreased GBV per Night Sold (as defined below) compared to the same period in 2022, as discussed in more detail below under Key Business Metrics.

Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

Revenue decreased by \$29.3 million, or 3%, for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily driven by a \$16.9 million decrease in revenue from our vacation rental platform revenue and a \$13.0 million decrease in revenue from our real estate buy/sell brokerage services, as a result of our wind down of these services. The decrease in vacation rental platform revenue was mostly driven by decreased GBV per Night Sold, as discussed in more detail below under Key Business Metrics, Metrics, and lower future stay credit breakage revenue, which Nights Sold decreased 12%, primarily relates due to the first quarter decrease in the number of 2022 when homes added to our platform through our individual sales approach, lower guest demand, and, we believe, increased supply in the future stay credits issued during the COVID-19 pandemic first began to expire. market.

Cost of revenue

Three Months Ended March 31,										Three Months Ended March 31,				
Three Months Ended September 30,										Nine Months Ended September 30,				
2023	2022	\$	%	2023	2022	\$	%	2023	2022	\$	%			
		Change	Change			Change	Change			Change	Change			
(in thousands, except percentages)														
2024														
2024														
2024										2023	\$	%		
											Change	Change		
(in thousands, except percentages)										(in thousands, except percentages)				
Cost of revenue	Cost of revenue	\$150,789	\$174,123	\$(23,334)	(13) %	\$417,046	\$447,976	\$(30,930)	(7) %	Cost of revenue	\$105,738	\$124,131	\$(18,393)	(15) %
Percentage of revenue	Percentage of revenue	40 %	42 %			44 %	46 %							

Cost of revenue, exclusive of depreciation and amortization, consists primarily of employee compensation costs, which include wages, benefits, and payroll taxes and outside service costs for housekeeping, home maintenance, payment processing fees for merchant fees and chargebacks, laundry expenses, and housekeeping supplies, as well as fixed rent payments on certain owner contracts. Cost of revenue also includes costs associated with our residential management services to community and homeowner associations and also included real estate brokerage services. These We completed the wind down of our real estate buy/sell brokerage services represented less than 1% of total cost of revenue for both the three and nine months ended September 30, 2023, during 2023.

Three Months Ended September 30, 2023 Compared with the Same Period in 2022

Cost of revenue decreased by \$23.3 million \$18.4 million, or 13% 15%, for the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022 March 31, 2023, primarily due to a \$9.9 million \$6.3 million decrease in costs personnel-related expenses related to housekeeping, a \$4.8 million decrease in expenses related to our home care solutions and home supplies, a \$3.5 million \$3.8 million decrease in payment processing costs, and a \$2.6 million decrease in costs related to real estate brokerage services, as a \$3.0 million decrease in payment processing costs, a \$2.5 million decrease in residential management services to community and homeowner associations, and a \$1.9 million decrease in personnel-related expenses related to housekeeping, result of the wind down of these services.

Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

Cost of revenue decreased by \$30.9 million, or 7%, for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to a \$11.4 million decrease in costs related to real estate brokerage services, a \$6.5 million decrease in costs related to our home care solutions and home supplies, a \$5.3 million decrease in residential management services to community and homeowner associations, and a \$4.2 million decrease in payment processing costs.

We expect that cost of revenue as a percentage of revenue may fluctuate from period to period depending on the number of Nights Sold (as defined below under Key Business Metrics Metrics), Gross Booking Value GBV per Night Sold, and our ability to realize operational efficiencies. efficiencies and scale our expenses with changes in revenue.

Operations and support

Three Months Ended March 31,										Three Months Ended March 31,			
Three Months Ended September 30,						Nine Months Ended September 30,							
2023	2022	\$	%	2023	2022	\$	%	2023	2022	\$	%	2023	2022
		Change	Change			Change	Change			Change	Change		
(in thousands, except percentages)													
2024													
2024													
2024												2023	
												\$	%
												Change	Change
(in thousands, except percentages)										(in thousands, except percentages)			

Operations and support	Operations and support	\$64,998	\$76,877	\$(11,879)	(15) %	\$187,662	\$196,349	\$(8,687)	(4) %	Operations and support	\$59,984	\$60,813	\$ (829)	(1)	(1) %
Percentage of revenue	Percentage of revenue	17 %	19 %			20 %	20 %								

Operations and support costs consist primarily of compensation costs, which include wages, benefits, payroll taxes, and equity-based compensation for employees that support our local operations. The costs also include the cost of call center customer support, rent expense for local operations, and the allocation of facilities and certain corporate overhead costs.

Three Months Ended September 30, 2023 Compared with the Same Period in 2022

Operations and support costs decreased by \$11.9 million \$0.8 million, or 15% 1%, for the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022 March 31, 2023. The decrease was primarily due to a \$12.3 million \$0.9 million decrease in personnel-related expenses in our field operations, central operations, and customer experience teams, partially offset primarily driven by a \$0.3 million increase in facility-related expenses.

Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

decreased headcount. Operations and support costs decreased as a percentage of revenue increased by \$8.7 million, or 4%, 5 percentage points for the nine three months ended September 30, 2023 March 31, 2024, compared to the nine three months ended September 30, 2022. The decrease was primarily March 31, 2023 due to a \$13.8 million decrease in personnel-related expenses the proportion of fixed costs in our field operations, central operations, and customer experience teams, partially offset by a \$2.7 million increase in facility-related expenses and a \$1.5 million increase in outside and professional services costs. The decrease in personnel-related expenses also included a decrease in equity-based compensation of \$3.7 million, partially offset by an increase in severance and related benefits costs of \$1.8 million, both as a result of the workforce reductions we effected in October 2022 and January 2023.support.

We expect that operations and support costs as a percent of revenue may fluctuate from period to period depending on the number of homes we manage and the number of destinations we operate in, the number of Nights Sold, and our ability to realize operational efficiencies, efficiencies and scale our expenses with changes in revenue.

Technology and development

Three Months Ended March 31,										Three Months Ended March 31,					
	Three Months Ended September 30,					Nine Months Ended September 30,									
	2023	2022	\$ Change	% Change		2023	2022	\$ Change	% Change		2023	2022	\$ Change	% Change	
(in thousands, except percentages)															
	2024					2024					2024				
	2024					2024					2023		\$ Change	% Change	
	2024					2024					2023		\$ Change	% Change	
(in thousands, except percentages)										(in thousands, except percentages)					
Technology and development	Technology and development	\$16,026	\$18,422	\$(2,396)	(13) %	\$45,900	\$52,493	\$(6,593)	(13) %	Technology and development	\$15,306	\$14,273	\$1,033	7 %	
Percentage of revenue	Percentage of revenue	4 %	4 %			5 %	5 %			Percentage of revenue	7 %	7 %			

Technology and development expenses decreased increased by \$2.4 million \$1.0 million, or 13% 7%, for the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022 March 31, 2023, primarily due to a \$1.5 million decrease in software license and maintenance costs and a \$0.7 million decrease in personnel-related expenses.

Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

Technology and development expenses decreased by \$6.6 million, or 13%, for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to a \$3.3 million \$1.6 million decrease increase in personnel-related expenses, driven partially offset by lower equity-based compensation, and a \$3.2 million \$0.6 million decrease in software license computer hardware and maintenance software costs.

We expect that, on an absolute dollar basis, changes in technology and development expenses will be primarily driven by headcount and software spend, which may fluctuate from period to period based on our business priorities.

Sales and marketing

Three Months Ended March 31,										Three Months Ended March 31,				
	Three Months Ended September 30,					Nine Months Ended September 30,								
	2023	2022	\$	%		2023	2022	\$	%					
			Change	Change				Change	Change					
(in thousands, except percentages)														
2024														
2024														
2024											2023	\$	%	
												Change	Change	
(in thousands, except percentages)										(in thousands, except percentages)				
Sales and marketing	Sales and marketing	\$57,658	\$75,020	\$(17,362)	(23) %	\$171,559	\$196,909	\$(25,350)	(13) %	Sales and marketing	\$49,443	\$57,504	\$(8,061)	(14) %
Percentage of revenue	Percentage of revenue	15 %	18 %			18 %	20 %							

We expect that, on an absolute dollar basis, changes in sales and marketing expenses will be primarily driven by headcount and advertising expense, which may fluctuate from period to period based on our business priorities, and payments to distribution partners for guest reservations, which will vary from period to period based on GBV generated through our distribution partners.

General and administrative

Three Months Ended March 31,										Three Months Ended March 31,				
	Three Months Ended September 30,				Nine Months Ended September 30,									
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change		2023	\$ Change	% Change		
(in thousands, except percentages)														
2024														
2024														
2024											2023	\$ Change	% Change	
(in thousands, except percentages)										(in thousands, except percentages)				
General and administrative	General and administrative	\$19,328	\$31,043	\$(11,715)	(38) %	\$61,402	\$83,486	\$(22,084)	(26) %	General and administrative	\$21,732	\$25,707	\$(3,975)	(15) %
Percentage of revenue	Percentage of revenue	5 %	8 %			7 %	9 %							

General and administrative expenses primarily consist of compensation costs, which includes wages, benefits, payroll taxes, and equity-based compensation for administrative employees, including finance and accounting, human resources, communications, and legal employees. General and administrative costs also include professional services fees, including accounting, legal and consulting expenses, rent expense for corporate facilities and storage, insurance premiums, and travel and entertainment expenses.

Three Months Ended September 30, 2023 Compared with the Same Period in 2022

General and administrative expenses decreased by \$11.7 million, or 38%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The decrease was primarily due to a \$7.3 million decrease in personnel-related expenses, driven by lower headcount, a \$2.7 million decrease in other expenses, and primarily driven by certain right-of-use asset impairment costs related to the Company's leased corporate office space during the first quarter of 2023, partially offset by a \$0.9 million decrease in professional services expenses, driven by reduced consulting costs.

Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

General and administrative expenses decreased by \$22.1 million, or 26%, for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022. The decrease was primarily due to a \$13.6 million decrease in personnel-related expenses, driven by lower headcount, a \$4.1 million decrease in professional services expenses, driven by reduced consulting costs, and a \$2.1 million decrease in facility-related expenses.

We expect that, on an absolute dollar basis, changes in general and administrative expenses will be primarily driven by headcount and professional fees, which may fluctuate from period to period depending on our business needs and priorities.

Depreciation and Amortization of intangible assets

Three Months Ended March 31,										Three Months Ended March 31,														
	Three Months Ended September 30,								Nine Months Ended September 30,															
	2023		2022		\$	%	2023		2022		\$	%												
					Change	Change					Change	Change												
	(in thousands, except percentages)																							
	2024																							
	2024																							
	2024																2023	\$	% Change					
(in thousands, except percentages)																(in thousands, except percentages)								

Depreciation	Depreciation	\$ 5,204	\$ 5,376	\$ (172)	(3) %	\$15,597	\$16,676	\$ (1,079)	(6) %	Depreciation	\$3,806	\$ 4,997	\$ (1,191)	(24)	(24) %
Percentage of revenue	Percentage of revenue	1 %	1 %			2 %	2 %								
Amortization of intangible assets	Amortization of intangible assets	\$15,266	\$15,490	\$ (224)	(1) %	\$46,143	\$45,771	\$ 372	1 %						
Amortization of intangible assets															
Amortization of intangible assets											\$9,317	\$15,690	\$ (6,373)	(41)	%
Percentage of revenue	Percentage of revenue	4 %	4 %			5 %	5 %								

Depreciation expense consists of depreciation on capitalized internal-use software, furniture and fixtures, buildings and improvements, leasehold improvements, computer equipment, and vehicles.

Amortization of intangible assets expense consists of non-cash amortization expense of acquired intangible assets, primarily homeowner contracts, which are amortized on a straight-line basis over their estimated useful lives.

Three Months Ended September 30, 2023 Compared with the Same Period in 2022

Depreciation expense decreased **nominally** by \$1.2 million, or 24%, for the three months ended **September 30, 2023** **March 31, 2024**, compared to the three months ended **September 30, 2022**. **March 31, 2023**, primarily due to decreased capital spending.

Amortization of intangible assets decreased **nominally** by \$6.4 million, or 41%, for the three months ended **September 30, 2023** **March 31, 2024**, compared to the three months ended **September 30, 2022**.

Nine Months Ended September 30, 2023 Compared with March 31, 2023, primarily due to the Same Period in 2022 lower carrying value of the Company's homeowner contracts following the impairment charge recorded during the third quarter of 2023.

Depreciation expense decreased by \$1.1 million, or 6%, for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, due to decreased capital spending.

Amortization of intangible assets increased nominally for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022.

We expect that depreciation and amortization expenses will vary both on an absolute dollar basis and as a percentage of revenue depending on our level of investment in property and equipment and the rate at which we complete portfolio transactions and strategic acquisitions to support the growth of our business. We currently expect our depreciation and amortization expenses to start to decline.

Impairment of Long-lived Assets and Goodwill

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
	(in thousands, except percentages)							
Impairment of long-lived assets	\$ 46,000	\$ —	\$ 46,000	NM ⁽¹⁾	\$ 46,000	\$ —	\$ 46,000	NM ⁽¹⁾
Percentage of revenue	12 %	— %			5 %	— %		
Impairment of goodwill	\$ 411,000	\$ —	\$ 411,000	NM ⁽¹⁾	\$ 411,000	\$ —	\$ 411,000	NM ⁽¹⁾
Percentage of revenue	108 %	— %			44 %	— %		

(1) Not meaningful

Impairment of long-lived assets represents a non-cash impairment charge of \$46.0 million \$84.0 million recorded during the **three months ended September 30, 2023**, first quarter of fiscal year 2024, as it was determined that the fair value of our homeowner **contract contracts** asset was below the carrying amount of the asset. **There were no long-lived asset impairment charges recorded during the first quarter of 2023.** Refer to Note **7, 6, Intangible Assets, Net and Goodwill** to the condensed consolidated financial statements for more information.

Interest income, Interest expense and Other expense, net

Three Months Ended March 31,											Three Months Ended March 31,												
	Three Months Ended September 30,								Nine Months Ended September 30,														
				\$	%				\$	%													
	2023	2022		Change	Change				2023	2022		Change	Change										
(in thousands, except percentages)																							
2024																							
2024																							
2024																							
(in thousands, except percentages)											2023	\$ Change		% Change									
(in thousands, except percentages)											(in thousands, except percentages)												
Interest income	Interest income	\$ 2,349	\$ 779	\$ 1,570	202	%	\$ 6,022	\$ 1,220	\$ 4,802	394	%	Interest income	\$ 805	\$ 1,578	\$ (773)	(49)		(49)	%				
Percentage of revenue	Percentage of revenue	1	—				1	—															
Interest expense	Interest expense	\$ (561)	\$ (606)	\$ 45	(7)	%	\$(1,873)	\$(1,957)	\$ 84	(4)	%												
Interest expense																							
Interest expense											\$ (525)	\$ (723)	\$ 198			(27)	%						
Percentage of revenue	Percentage of revenue	—	—				—	—															
Other income (loss), net		\$ 1,823	\$ (23)	\$ 1,846	NM ⁽¹⁾	\$ 5,597	\$ 41,499	\$(35,902)	(87)	%													
Other income, net																							
Other income, net																							
Other income, net											\$ 76	\$ 2,157	\$ (2,081)			(96)	%						
Percentage of revenue	Percentage of revenue	—	—				1	4															

Interest income consists primarily of interest earned on our cash and cash equivalents. Interest income decreased by \$0.8 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023.

Interest expense consists primarily of interest payable and the amortization of deferred financing costs related to our outstanding debt arrangements. Interest expense decreased by \$0.2 million, or 27%, for the three months ended March 31, 2024, compared to the three months ended March 31, 2023.

Other income, (loss), net, consists primarily of the change in fair value of the contingent earnout share consideration represented by our Class G Common Stock, the change in fair value of Vacasa Holdings warrant derivative liabilities, and foreign currency exchange gains and losses.

Three Months Ended September 30, 2023 Compared with the Same Period in 2022

Interest Other income, **increased net decreased** by **\$1.6 million** **\$2.1 million**, or 96%, for the three months ended **September 30, 2023** **March 31, 2024**, compared to the three months ended **September 30, 2022** **March 31, 2023**. The increase in interest income is primarily due to higher prevailing interest rates during 2023, compared to 2022, and investing a greater proportion of our cash and cash equivalents into money market funds.

Interest expense decreased nominally for the three months ended September 30, 2023, compared to the three months ended September 30, 2022.

Other income, net increased by \$1.8 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The increase decrease in other income, net, was primarily due to no change in the fair value of contingent earnout share consideration represented by our Class G Common Stock for the three months ended March 31, 2024, compared to a \$1.0 million \$1.9 million decline in the fair value of contingent earnout share consideration represented by our Class G Common Stock for the three months ended September 30, 2023.

Nine Months Ended September 30, 2023 Compared with the Same Period in 2022

Interest income increased by \$4.8 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022. The increase in interest income is primarily due to higher prevailing interest rates during 2023, compared to 2022, and investing a greater proportion of our cash and cash equivalents into money market funds.

Interest expense decreased nominally for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022.

Other income, net decreased by \$35.9 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022. The decrease in other income, net, was primarily due to a \$4.3 million decline in the fair value of contingent earnout share consideration represented by our Class G Common Stock for the nine months ended September 30, 2023, compared to a \$43.9 million decline in the fair value of contingent earnout share consideration represented by our Class G Common Stock for the nine months ended September 30, 2022 March 31, 2023.

Key Business Metrics and Non-GAAP Financial Measures

We analyze the key business metrics of GBV, Nights Sold, and GBV per Night Sold, as well as non-GAAP financial measures to assess our performance. In addition to revenue, net income (loss), income (loss) loss, loss from operations, and other results under GAAP, we use non-GAAP financial measures, including Adjusted EBITDA, Non-GAAP cost of revenue, Non-GAAP operations and support expense, Non-GAAP technology and development expense, Non-GAAP sales and marketing expense, and Non-GAAP general and administrative expense (collectively, the "Non-GAAP Financial Measures") to evaluate our performance, identify trends, formulate financial projections, and make strategic decisions. We provide a reconciliation below of the Non-GAAP Financial Measures to their most directly comparable GAAP financial measures.

We believe these Non-GAAP Financial Measures, when taken together with their corresponding comparable GAAP financial measures, are useful for analysts and investors. These Non-GAAP Financial Measures allow for more meaningful comparisons of our performance by excluding items that are non-cash in nature or when the amount and timing of these items is unpredictable or one-time in nature, not driven by the performance of our core business operations or renders comparisons with prior periods less meaningful.

The key business metrics and Non-GAAP Financial Measures have significant limitations as analytical tools, should be considered as supplemental in nature, and are not meant as a substitute for any financial information prepared in accordance with GAAP. We believe the Non-GAAP Financial Measures provide useful information to investors and others in understanding and evaluating our results of operations, are frequently used by these parties in evaluating companies in our industry, and provide useful measures for period-to-period comparisons of our business performance. Moreover, we present the key business metrics and Non-GAAP Financial Measures because they are key measurements used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and strategic planning and annual budgeting.

The Non-GAAP Financial Measures have significant limitations as analytical tools, including that:

- these measures do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
 - these measures do not reflect changes in, or cash requirements for, our working capital needs;
 - Adjusted EBITDA does not reflect the interest expense, or the cash required to service interest or principal payments, on our debt;
 - these measures exclude equity-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy;
 - Adjusted EBITDA and Non-GAAP general and administrative expense do not include non-recurring costs related to strategic business combinations;
 - Adjusted EBITDA does not include non-recurring impairment charges related to the Company's goodwill and intangible assets;
 - these measures do not reflect restructuring costs, including certain right-of-use asset impairment costs;
 - these measures do not reflect our tax expense or the cash required to pay our taxes; and
-
- with respect to Adjusted EBITDA, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and such measures do not reflect any cash requirements for such replacements.

In the future, we may incur expenses or charges such as those being adjusted in the calculation of these Non-GAAP Financial Measures. Our presentation of these Non-GAAP Financial Measures should not be construed as an inference that future results will be unaffected by unusual or nonrecurring items, and our Non-GAAP Financial Measures may be calculated differently from similarly titled metrics or measures presented by other companies.

Three Months Ended March 31,		Three Months Ended March 31,	
Three Months Ended September 30,		Nine Months Ended September 30,	
2023	2022	2023	2022
(in thousands, except GBV per Night Sold)			
2024			
2024			

2024		2023			
(in thousands, except GBV per Night Sold)		(in thousands, except GBV per Night Sold)			
Gross Booking Value ("GBV")	Gross Booking Value	\$830,094	\$968,692	\$1,973,749	\$2,139,566
Nights Sold	Nights Sold	2,047	2,058	5,168	5,051
GBV per Night Sold	GBV per Night Sold	\$ 406	\$ 471	\$ 382	\$ 424

Gross Booking Value

GBV represents the dollar value of bookings from our distribution partners as well as those booked directly on our platform related to Nights Sold during the period and cancellation fees for bookings cancelled during the period (which may relate to bookings made during prior periods). GBV is inclusive of amounts charged to guests for rent, fees, and the estimated taxes paid by guests when we are responsible for collecting tax.

For the three months ended March 31, 2024, GBV decreased by 18% to \$427.3 million, compared to the same period in 2023. The decrease was primarily driven by a decrease in the number of homes on our platform, lower guest demand, and, we believe, increased supply in the market.

Changes in GBV reflect our ability to add homes by attracting homeowners through our individual sales approach, and through portfolio transactions or strategic acquisitions, to retain homeowners and guests, and to optimize the availability and utilization of the homes on our platform. Changes in GBV also reflect changes in the pricing of rents, fees, and estimated taxes paid by guests. Changes in utilization of the homes on our platform and pricing of those homes are generally reflective of changes in guest demand.

For the three months ended September 30, 2023, GBV decreased by 14% to \$830.1 million, compared to the same period in 2022 due to lower guest demand.

For the nine months ended September 30, 2023, GBV decreased by 8% to \$1,973.7 million, compared to the same period in 2022 due to lower guest demand.

Changes in GBV are affected by the number of homes we add to our platform, guest demand, including seasonality, and our ability to optimize pricing and utilization of the homes on our platform.

Nights Sold

We define Nights Sold as the total number of nights stayed by guests in homes hosted on our platform in a given period. Nights Sold is a key measure of the scale and quality of homes on our platform and our ability to generate demand and manage yield on behalf of our homeowners. We experience seasonality in the number of Nights Sold. Typically, the second and third quarters of the year each have higher Nights Sold than the first and fourth quarters, as guests tend to travel more during the peak summer travel season.

For the three months ended September 30, 2023 March 31, 2024, Nights Sold decreased by 1% 12% to 2.0 million 1.3 million, compared to the same period in 2022.

For the nine months ended September 30, 2023, 2023. The decrease in Nights Sold was primarily due to a decrease in the number of homes on our platform, lower guest demand, and, we believe, increased by 2% to 5.2 million, compared to supply in the same period in 2022, market.

Nights Sold in any period will be affected by changes to the number of homes on our platform, guest demand, and how we optimize the combination of pricing and utilization of the homes on our platform.

Gross Booking Value per Night Sold

GBV per Night Sold represents the dollar value of each night stayed by guests on our platform in a given period. GBV per Night Sold reflects the pricing of rents, fees, and estimated taxes paid by guests.

For the three months ended September 30, 2023 March 31, 2024, GBV per Night Sold decreased by 14% 7% to \$406, \$340, compared to the same period in 2022 due to lower guest demand.

For the nine months ended September 30, 2023, 2023. The decrease in GBV per Night Sold decreased by 10% to \$382, compared to the same period in 2022 was primarily due to a decrease in the number of homes on our platform, lower guest demand, demand, and, we believe, increased supply in the market.

There is a strong relationship correlation between GBV and Nights Sold, and these two variables are managed in concert with one another. Our pricing algorithms and methodologies are continually evaluating the trade-offs between price and utilization to seek to optimize the mix of Nights Sold and GBV per Night Sold. Future changes in GBV per Night Sold will be determined by how we optimize the combination of pricing and utilization of the homes on our platform.

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss) loss excluding: (1) depreciation and acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable; (2) interest income and expense; (3) any other income or expense not earned or incurred during our normal course of business; (4) any income tax benefit or expense; (5) equity-based compensation costs; (6) one-time costs related to strategic business combinations; and (7) restructuring costs, including workforce reduction costs and certain right-of-use asset impairment costs. We believe this measure is useful for analysts and investors as this measure allows for more meaningful period-to-period comparison of our business performance. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature or the amount and timing of these items is unpredictable or non-recurring in nature, not driven by the performance of our core business operations and renders comparisons with prior periods less meaningful. Adjusted EBITDA as a percentage of Revenue is calculated by dividing Adjusted EBITDA for a period by Revenue for the same period.

Seasonal trends in our Nights Sold impact Adjusted EBITDA for any given quarter. Typically, the second and third quarters of the year have higher Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue, as fixed costs are allocated across a larger number of guest reservations. We expect Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue to fluctuate in the near term due to this seasonality and improve over the medium to long term as we achieve greater operating leverage from scale.

In the three months ended September 30, 2023 March 31, 2024, Adjusted EBITDA was \$74.3 million, \$(36.3) million, compared to \$46.1 million \$(12.0) million for in the same period in 2022, 2023. The favorable unfavorable change in Adjusted EBITDA is a reflection of the changes in our revenue, operating costs, and expenses, as discussed above. Adjusted EBITDA as a percentage of Revenue was 20% (17)% for the three months ended September 30, 2023 March 31, 2024, compared to 11% (5)% for the three months ended September 30, 2022.

In the nine months ended September 30, 2023, Adjusted EBITDA was \$78.5 million, compared to \$21.5 million in the same period in 2022. The favorable change in Adjusted EBITDA is a reflection of the changes in our revenue, operating costs, and expenses, as discussed above. Adjusted EBITDA as a percentage of Revenue was 8% for the nine months ended September 30, 2023, compared to 2% for the nine months ended September 30, 2022 March 31, 2023.

The following table reconciles net income (loss) loss to Adjusted EBITDA:

Three Months Ended March 31,				Three Months Ended March 31,			
	Three Months Ended September 30,		Nine Months Ended September 30,				
	2023	2022	2023	2022			
(in thousands, except percentages)							
Net income (loss)	\$(402,458)	\$15,813	\$(451,712)	\$(30,179)			
	2024						
	2024						
	2024					2023	
(in thousands, except percentages)				(in thousands, except percentages)			
Net loss							
Add back:	Add back:						
Depreciation and amortization of intangible assets	Depreciation and amortization of intangible assets						
	20,470	20,866	61,740	62,447			
Depreciation and amortization of intangible assets							
Depreciation and amortization of intangible assets							
Impairment of long-lived assets	Impairment of long-lived assets						
	46,000	—	46,000	—			

Non-GAAP	Non-GAAP				
cost of revenue	cost of revenue	\$ 150,760	\$ 173,898	\$ 416,291	\$ 447,134
Operations and support	Operations and support	\$ 64,998	\$ 76,877	\$ 187,662	\$ 196,349
Operations and support					
Operations and support					
Less: equity-based compensation	Less: equity-based compensation	(390)	(1,069)	(1,117)	(4,845)
Less: restructuring ⁽¹⁾	Less: restructuring ⁽¹⁾	(2)	—	(1,822)	—
Non-GAAP operations and support	Non-GAAP operations and support	\$ 64,606	\$ 75,808	\$ 184,723	\$ 191,504
Technology and development					
Technology and development					
Technology and development	Technology and development	\$ 16,026	\$ 18,422	\$ 45,900	\$ 52,493
Less: equity-based compensation	Less: equity-based compensation	(647)	(1,107)	(1,550)	(5,272)
Less: restructuring ⁽¹⁾	Less: restructuring ⁽¹⁾	—	—	(233)	—
Non-GAAP technology and development	Non-GAAP technology and development	\$ 15,379	\$ 17,315	\$ 44,117	\$ 47,221
Sales and marketing	Sales and marketing	\$ 57,658	\$ 75,020	\$ 171,559	\$ 196,909
Sales and marketing					
Sales and marketing					
Less: equity-based compensation	Less: equity-based compensation	(460)	(1,075)	(2,004)	(4,876)
Less: restructuring ⁽¹⁾	Less: restructuring ⁽¹⁾	—	—	(1,744)	—
Non-GAAP sales and marketing	Non-GAAP sales and marketing	\$ 57,198	\$ 73,945	\$ 167,811	\$ 192,033
General and administrative	General and administrative	\$ 19,328	\$ 31,043	\$ 61,402	\$ 83,486
General and administrative					
General and administrative					
Less: equity-based compensation	Less: equity-based compensation	(2,448)	(5,900)	(7,243)	(12,525)
Less: business combination costs ⁽²⁾	Less: business combination costs ⁽²⁾	(60)	(61)	(179)	(541)
Less: restructuring ⁽¹⁾	Less: restructuring ⁽¹⁾	(1)	—	(4,863)	—
Non-GAAP general and administrative	Non-GAAP general and administrative	\$ 16,819	\$ 25,082	\$ 49,117	\$ 70,420

(1) Represents costs associated with a workforce reduction, consulting costs associated with our restructuring efforts, and certain right-of-use asset impairment costs related to the Company's leased corporate office space in Portland, Oregon and Boise, Idaho.

(2) Represents certain insurance costs from the strategic acquisition of TurnKey that are expected to be amortized through the first quarter of 2027. In 2022, these costs also included third-party costs associated with our Reverse Recapitalization.

Liquidity and Capital Resources

Since our founding, our principal sources of liquidity have been from proceeds we have received through the issuance of equity and debt financing. We have incurred significant operating losses and generated negative cash flows from operations as we have invested to support the growth of our business. To execute on our strategic initiatives and our Reorganization, on an annual basis, we may have incurred and will continue to incur operating losses and generate negative cash flows from operations now and in the future, and as a result, we may require and will continue to need additional capital resources. These capital resources may be obtained through drawing on our existing Revolving Credit Facility, which is discussed in more detail below, additional equity offerings, which would dilute the ownership of our existing stockholders, or additional debt financings, which may contain covenants that restrict the operations of our business. In the event that additional financing is required from outside sources, we may not be able to raise the financing on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

As of September 30, 2023 March 31, 2024, we had cash and cash equivalents of \$151.3 109.1 million. In addition, We experienced more variable demand than is typical in the three months ended March 31, 2024, as well as fewer close-to-stay bookings than normal in the last few weeks of September 30, 2023 the quarter, and, as a result, our cash position did not build as expected in the period. As of March 31, 2024, \$81.6 million was available for borrowing under our Revolving Credit Facility (as defined below). Our primary requirements for liquidity and capital are to finance working capital requirements, capital expenditures and other general corporate purposes. We On May 8, 2024, the Company drew \$81.0 million under the Revolving Credit Facility to supplement our cash position. Refer to Note 15, "Subsequent Events" for further details. Significant fluctuations in our cash position, continued decreases in the number of homes on our platform, lower guest demand and variable booking patterns, the impact of the Reorganization on our business and other adverse changes impacting the Company may result in us seeking additional financing opportunities as the Company continues to evaluate its liquidity needs. In the future, we expect to need cash to make payments under our tax receivable agreement with the holders of Vacasa Holdings' equity prior to the business combination (the "Tax Receivable Agreement"). However, until the Company achieves profitability, significant amounts are unlikely to become payable under the Tax Receivable Agreement. For more details regarding the Tax Receivable Agreement, see our 2022 2023 Annual Report. We expect our operations will continue to be financed primarily by equity offerings, debt financing, and cash and cash equivalents. We believe our existing sources of liquidity will be sufficient to fund operations, working capital requirements, capital expenditures, and debt service obligations for at least the next 12 months.

Our future capital requirements will depend on many factors, including, but not limited to, our growth, our ability to attract and retain new homeowners and guests that utilize our services, guest demand and booking patterns, the impact of the Reorganization on our business, the continuing market acceptance of our offerings, the timing and extent of spending to enhance our technology, and the expansion of sales and marketing activities. Further, we may in the future enter into arrangements to acquire or invest in businesses, products, services, and technologies. technologies in the future.

Revolving Credit Facility

In October 2021, we entered into a credit agreement, which, as subsequently amended in December 2021 and June 2023 (as amended, the "Credit Agreement"), provides for a senior secured revolving credit facility in an aggregate principal amount of \$105.0 million ("Revolving Credit Facility"). The Revolving Credit Facility includes a sub-facility for letters of credit in an aggregate face amount of \$40.0 million, which reduces borrowing availability under the Revolving Credit Facility. As of September 30, 2023 March 31, 2024, there were no borrowings outstanding under the Revolving Credit Facility. As of September 30, 2023 March 31, 2024, \$23.4 million of letters of credit were issued under the Revolving Credit Facility, and \$81.6 million was available for borrowings. Following the May 8, 2024 draw, the remaining borrowing capacity under the Revolving Credit Facility was \$0.6 million.

The June 2023 amendment modified the Credit Agreement to replace the LIBOR-based reference rate options with Adjusted Term Secured Overnight Financing Rate ("SOFR") based reference rate options. Subsequent to the amendment, borrowings Borrowings under the Revolving Credit Facility are subject to interest, determined as follows:

- Alternate Base Rate ("ABR") borrowings accrue interest at a rate per annum equal to the ABR plus a margin of 1.50%. The ABR is equal to the greatest of (i) the Prime Rate, (ii) the New York Federal Reserve Bank Rate plus 0.50%, and (iii) the Adjusted Term SOFR for a one-month interest period plus 1.00%.
- Term SOFR borrowings accrue interest at a rate per annum equal to the Adjusted Term SOFR plus a margin of 2.50%. Adjusted Term SOFR means, for any Interest Period, an interest rate per annum equal to the Term SOFR for such Interest Period.

In addition to paying interest on the principal amounts outstanding under the Revolving Credit Facility, we are required to pay a commitment fee on unused amounts at a rate of 0.25% per annum. We are also required to pay customary letter of credit and agency fees.

The Credit Agreement contains customary covenants. In addition, we are required to maintain a minimum amount of consolidated revenue, measured on a trailing four-quarter basis, as of the last date of each fiscal quarter, provided that such covenant will only apply if, on such date, the aggregate principal amount of outstanding borrowings under the Revolving Credit Facility and letters of credit (excluding undrawn amounts under any letters of credit in an aggregate face amount of up to \$20.0 million and letters of credit that have been cash collateralized) exceeds 35% of the then-outstanding revolving commitments. We are also required to maintain liquidity of at least \$15.0 million as of the last date of each fiscal quarter.

See Note 9, 8, Debt to our condensed consolidated financial statements for additional information.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

Three Months Ended March 31,		Three Months Ended March 31,	
Nine Months Ended September 30,			
2023	2022		

(in thousands)			
2024			
2024			
2024		2023	
(in thousands)		(in thousands)	
Net cash provided by operating activities	Net cash provided by operating activities	\$ 28,435	\$ 6,994
Net cash used in investing activities	Net cash used in investing activities	(10,349)	(103,473)
Net cash used in financing activities	Net cash used in financing activities	(23,366)	(30,354)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	(762)	(480)
Net decrease in cash, cash equivalents and restricted cash	Net decrease in cash, cash equivalents and restricted cash	\$ (6,042)	\$ (127,313)
Net increase in cash, cash equivalents and restricted cash	Net increase in cash, cash equivalents and restricted cash		

Operating Activities

Net cash provided by operating activities was \$28.4 million \$92.8 million for the nine three months ended September 30, 2023 March 31, 2024, primarily due to a net income loss of \$451.7 million \$140.9 million, offset by \$539.1 million \$103.8 million of non-cash items including credit loss expense, depreciation, amortization of intangible assets, impairment of long-lived assets, reduction in the carrying amount of operating lease right-of-use assets, and equity-based compensation expense. Additional sources of cash flows resulted from changes in working capital, including a \$61.9 million increase in funds payable to owners, a \$37.7 million increase in deferred revenue and future stay credits, a \$15.8 million increase in hospitality and sales taxes payable, and a \$9.8 million increase in accounts payable.

Net cash provided by operating activities was \$158.6 million for the three months ended March 31, 2023, primarily due to a net loss of \$43.6 million, offset by \$30.2 million of non-cash items including depreciation, amortization of intangible assets, impairment of goodwill, impairment of long-lived assets, impairment of right-of-use assets, reduction in the carrying amount of operating lease right-of-use assets, fair value adjustment on derivative liabilities, and equity-based compensation expense. Additional sources of cash flows resulted from changes in working capital, including a \$50.2 million decrease \$76.5 million increase in funds payable to owners, and a \$22.7 million decrease \$55.5 million increase in deferred revenue and future stay credits, partially offset by an \$10.4 million a \$20.2 million increase in hospitality and sales taxes payable, and a \$12.8 million decrease in prepaid expenses and other assets.

Net cash provided by operating activities was \$7.0 million for the nine months ended September 30, 2022, primarily due to a net loss of \$30.2 million, offset by \$49.0 million of non-cash items including depreciation, amortization of intangible assets, reduction in the carrying amount of operating lease right-of-use assets, fair value adjustment on derivative liabilities, and equity-based compensation expense. Additional uses of cash flows resulted from changes in working capital, including a \$28.2 million decrease in funds payable to owners, a \$26.4 million increase in prepaid expenses and other assets, and a \$26.2 million decrease in deferred revenue and future stay credits, partially offset by a \$65.4 million decrease in accounts receivable driven by the settlement of accounts owed by the prior owners of acquired businesses managed under transition services agreements.

Investing Activities

Net cash used in investing activities was \$10.3 million \$2.0 million for the nine three months ended September 30, 2023 March 31, 2024, primarily due to \$5.7 million \$1.4 million of cash paid for capitalized internally developed software costs and \$4.0 million \$0.5 million of cash paid for purchases of property and equipment.

Net cash used in investing activities was \$103.5 million \$4.3 million for the nine three months ended September 30, 2022 March 31, 2023, primarily due to \$87.7 million \$2.6 million of cash paid for business combinations, net of cash capitalized internally developed software costs and restricted cash acquired, \$8.4 million \$1.1 million of cash paid for purchases of property and equipment, and \$7.4 million of cash paid for capitalized internally developed software costs. equipment.

Financing Activities

Net cash used in financing activities was \$23.4 million \$5.0 million for the nine three months ended September 30, 2023 March 31, 2024, primarily due to \$19.5 million \$3.4 million of cash payments for business combinations and \$4.4 million \$1.7 million of repayment of financed insurance premiums.

Net cash used in financing activities was \$30.4 million \$9.2 million for the nine three months ended September 30, 2022 March 31, 2023, primarily due to \$28.1 million \$7.9 million of cash payments for business combinations, combinations and \$1.7 million of repayment of financed insurance premiums.

Material Cash Requirements from Contractual and Other Obligations

As of September 30, 2023 March 31, 2024, there were no material changes outside the ordinary course of business to the contractual obligations from the information disclosed in our 2022 2023 Annual Report.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions. Except as noted below, there There have been no significant changes to our critical accounting policies and estimates from those disclosed in our 2022 2023 Annual Report. For a description of our critical accounting policies, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2022 2023 Annual Report.

Impairment of Long-lived Assets

Description

As discussed in Note 7, 6, Intangible Assets, Net and Goodwill to our condensed consolidated financial statements, we performed a long-lived impairment assessment as of September 30, 2023 March 31, 2024, which resulted in homeowner contract asset impairment charges of \$46.0 million \$84.0 million. The fair value estimate of our homeowner contracts was based on the income approach calculated using the present value of estimated future cash flows. We prepared cash flow projections based on management's estimates of future revenue growth rates and operating margins, taking into consideration the historical performance and the current macroeconomic, industry, and market conditions. We based the discount rate on the weighted-average cost of capital considering company-specific characteristics and the uncertainty related to the reporting unit's ability to execute on the projected cash flows.

Judgments and Uncertainties

Revenue growth rates, Future revenue, homeowner retention, and the discount rate applied were the significant assumptions used in the income approach used to determine the fair value of our homeowner contract assets. The fair value conclusion calculation is highly sensitive to changes in these assumptions.

Effect if Actual Results Differ from Assumptions

If the actual results are not consistent with the assumptions and judgments we have made in determining the fair value of the Company's long-lived assets, our actual impairment losses could vary from our estimated impairment losses. In the event that our estimates vary from actual results, we may record additional impairment losses, which could be material to our results of operations.

Impairment of Goodwill

Description

As discussed in Note 7, 6, Intangible Assets, Net and Goodwill to our condensed consolidated financial statements, we performed a quantitative goodwill impairment assessment as of September 30, 2023, which resulted March 31, 2024. The goodwill impairment assessment did not result in goodwill impairment charges as of \$411.0 million. March 31, 2024 as the fair value estimate of the Company's single reporting unit exceeded its carrying amount. The fair value estimate of our single reporting unit was derived from a combination of an income approach and a market approach. Under the income approach, we estimated the fair value of the reporting unit based on the present value of estimated future cash flows. We prepared cash flow projections based on management's estimates of future revenue growth rates and operating margins, taking into consideration the historical performance and the current macroeconomic, industry, and market conditions. We based the discount rate on the weighted-average cost of capital considering company-specific Company-specific characteristics and the uncertainty related to the reporting unit's ability to execute on the projected cash flows. Under the market approach, we estimated the fair value of the reporting unit based on revenue market multiples derived from comparable publicly traded companies with similar characteristics as the reporting unit, as well as an estimated control premium.

Judgments and Uncertainties

Revenue growth rates, Future revenue, operating profit margins, and the discount rate applied were the significant assumptions used in the income approach used to determine the fair value of our single reporting unit. The forecasted revenue, growth rate, comparable publicly traded companies selected, and estimated control premium were the significant assumptions used in the market approach. The concluded fair value of our single reporting unit, based on a combination of the income and market approach, was reconciled to our market capitalization. The excess of the concluded

fair value over our market capitalization represents an implied control premium, which we reviewed for reasonableness by comparison to observed transaction premiums, premium studies, and consideration of specific attributes of the Company. The fair value conclusion is highly sensitive to changes in these assumptions. Changes in the significant assumptions used to determine the fair value of our homeowner **contract contracts** assets would also impact the carrying value of our single reporting unit and the resulting goodwill impairment charge.

Effect if Actual Results Differ from Assumptions

If the actual results are not consistent with the assumptions and judgments we have made in determining the fair value of our single reporting unit, **our actual an impairment losses could vary from our estimated impairment losses. loss may result.** In the event that our estimates vary from actual results, we may record **additional** impairment losses, which could be material to our results of operations.

JOBS Act Accounting Election

We meet the definition of an emerging growth company under the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), which permits us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. As of January 1, 2022, we elected to irrevocably opt out of the extended transition period.

Recent Accounting Pronouncements

See Note 2, *Significant Accounting Policies* to our condensed consolidated financial statements included in this Quarterly Report for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

We are exposed to market risks in connection with our business, which primarily relate to inflation and fluctuations in interest rates.

Inflation Risk

In recent periods, inflation has increased in the United States and other markets in which we operate. To date, we do not believe these increases have had a material impact on our business, results of operations, cash flows, or financial condition. The prospective impact of inflation on our business, results of operations, cash flows, and financial condition is uncertain and will depend on future developments that we may not be able to accurately predict.

Interest Rate Fluctuation Risk

We are exposed to interest rate risk related primarily to our investment **portfolio. portfolio and in connection with borrowings under our Revolving Credit Facility.** Changes in interest rates affect the interest earned on our total cash, cash equivalents, and marketable securities and the fair value of those **securities. Future borrowings under securities, along with interest expense and interest payments made pursuant to our Revolving Credit Facility.**

On May 8, 2024, the Company drew \$81.0 million under the Revolving Credit Facility, **if any, which is susceptible to interest rate risk, to supplement our cash position. If we engage in additional financing opportunities, such financing may also be susceptible expose the Company to interest rate risk.**

Our cash and cash equivalents primarily consist of cash deposits and marketable securities. We do not enter into investments for trading or speculative purposes. Because our cash equivalents generally have short maturities, the fair value of our portfolio is relatively insensitive to interest rate fluctuations. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest **rates. rates in connection with our investments.** A hypothetical 100 basis points increase or decrease in interest rates would not have had a material impact on our condensed consolidated financial statements as of **September 30, 2023 March 31, 2024.**

As we **do did** not have any **borrowing borrowings** under our Revolving Credit Facility as of **September 30, 2023 March 31, 2024,** we **are were** not **currently** exposed to the risk related to fluctuations in interest rates **to the extent the ABR exceeds the floor, under our Revolving Credit Facility.**

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

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 the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer

concluded that, as of September 30, 2023 March 31, 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, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended September 30, 2023 March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under Note 14, 13, Commitments and Contingencies to our condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report, is incorporated herein by reference.

Item 1A. Risk Factors

Our business, operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in our 2022 Annual Report, in our Q1 2023 Quarterly Report, and in our Q2 2023 Quarterly Report (together, our "2023 Periodic Reports"), which below, that could materially adversely affect our business, results of operations, financial condition, and the trading price of our Class A Common Stock. The following material factors, among others, could cause our actual results to differ materially from historical results and those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral statements. If any of the following risks, or others not specified below, materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our Class A Common Stock could decline, and you could lose all or part of your investment in our Class A Common Stock.

Risks Related to Our Business and Industry

We may not successfully execute or achieve the expected benefits of the Reorganization and other cost-saving measures we may take in the future, and our efforts may result in further actions and/or negatively impact our cash flows and profitability and adversely affect our business.

In May 2024, we announced the Reorganization, which is intended to, among other things, reduce certain fixed costs in our business, accelerate the transformation of our business to a model focused more on local market accountability and execution, and promote greater efficiency and realign our business and strategic priorities, and will involve significant structural changes to the way we run our business, including a significant reduction in our corporate and central operations personnel and functions. The Reorganization will result in our local operations teams assuming more of the management and business responsibilities of their markets, including marketing and unit acquisition, which will be new or more significant responsibilities for these teams. Our local operations teams may not be successful in managing and growing their markets, or in retaining homeowners and attracting guests to the platform. Additionally, our local operations teams may have difficulty attracting and retaining the personnel needed to run the necessary operations. Such implementation risks could materially adversely affect our business, results of operations, and financial condition. As a result of the Reorganization, we are significantly reducing the size of our central sales team, and reorganizing the sales force to more closely align with individual markets. Similarly, we are reducing and realigning other central office support teams, including product and technology, finance and accounting, legal, human resources and marketing. The Reorganization will also result in more targeted sales and marketing efforts, and a shift in technology strategy from only proprietary in-house development to consideration of third-party off-the-shelf solutions along with targeted proprietary development of differentiating technology. The implementation and execution of the Reorganization measures are subject to significant risks and uncertainties, including whether we have targeted the appropriate areas for our cost-saving efforts and at the appropriate scale. As such, the Reorganization may not be successful in yielding our intended results and may not appropriately address either or both of the short-term and long-term strategy for our business. Implementation of the Reorganization may be costly and disruptive to our business; we may not realize the expected benefits from our change in technology strategy; the expected costs and charges may be greater than we have forecasted; and the estimated cost savings may be lower than we have forecasted. If we are unable to successfully implement our Reorganization, we may not realize all or any of the anticipated benefits thereof, which could adversely affect our business, financial condition, and results of operations, including our profitability, cash flow and liquidity needs and availability.

Additionally, certain aspects of the Reorganization, such as severance costs associated with reducing our headcount, could negatively impact our cash flows. Our initiatives have resulted, and could in the future result in, personnel attrition beyond our planned reduction in headcount or reduced employee morale, which could in turn adversely impact productivity, including through a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods, or our ability to attract highly skilled employees, any of which could adversely impact our business, results of operations, and financial condition. Unfavorable publicity about us or any of our strategic initiatives, including our Reorganization, could result in reputational harm and could diminish confidence in, and the use of, our products and services, which could adversely affect our business, financial condition and results of operations. For example, the Reorganization may result in negative perceptions among homeowners and our distribution partners regarding our business and financial condition. See "— Maintaining and enhancing our brand and reputation is critical to our future growth, and negative publicity could damage our brand and thereby harm our ability to compete effectively, and could materially adversely affect our business, results of operations, and financial condition." The Reorganization has required, and may continue to require, a significant amount of management's and other employees' time and focus, which may divert attention from effectively operating and growing our business. See Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations —Recent Developments—Workforce Reduction Plans."

Any indebtedness we may incur from time to time could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations.

As described elsewhere in this Quarterly Report under Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Revolving Credit Facility," in October 2021, we entered into a Revolving Credit Facility, which, as subsequently amended in December 2021 and June 2023, provides for senior secured borrowings in an aggregate principal amount of up to \$105.0 million, which amount may be borrowed and repaid from time to time. As of March 31, 2024, we had no borrowings outstanding under the Revolving Credit Facility. As of March 31, 2024, \$23.4 million of letters of credit were issued under the Revolving Credit Facility, and \$81.6 million was available for borrowings. On May 8, 2024, the Company drew \$81.0 million under the Revolving Credit Facility to supplement our cash position. Refer to Note 15, "Subsequent Events" for further details.

If we cannot generate sufficient cash flows from operations to service the amounts we borrow under the Revolving Credit Facility or to maintain our ongoing operations, we may need to refinance, dispose of assets, issue equity to obtain necessary funds, or seek additional sources of liquidity. We do not know whether we will be able to do any of this on a timely basis, on terms satisfactory to us, or at all. In addition, indebtedness could have important consequences, including, but not limited to:

- our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes may be limited;
- any cash flows from operations that we use to repay principal and interest on our debt will not be available for other purposes, such as funding our operations, capital expenditures and future business opportunities;
- for borrowings at variable rates of interest, we will be exposed to the risk of increased or elevated interest rates;
- our ability to adjust to changing market conditions may be limited and may place us at a competitive disadvantage compared to less-leveraged competitors; and
- we may be more vulnerable during a downturn in general economic conditions or in our business.

In addition, the agreement governing our Revolving Credit Facility contains, and any agreements evidencing or governing other future indebtedness may also contain, certain restrictive covenants that limit or otherwise restrict our ability to do certain things:

- create, incur, assume or permit to exist any debt or liens;
- merge into or consolidate with any other person, or liquidate or dissolve;
- make or hold certain investments;
- sell, transfer, lease, license or otherwise dispose of our assets, including equity interests;
- pay dividends or make certain other restricted payments;
- substantively alter the character of our business; and
- sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with affiliates.

The agreement governing the Revolving Credit Facility also contains, and any agreements evidencing or governing other future indebtedness may also contain, certain financial covenants and financial reporting and other requirements, as described elsewhere in this Quarterly Report under Part I, Item 2. under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Revolving Credit Facility." Our ability to comply with these covenants and requirements may be affected by events and factors beyond our control. We may not be able to generate sufficient revenue or maintain sufficient liquidity to meet the financial covenants (at such time as we are required to do so) or pay any principal and interest due under the Revolving Credit Facility when required. If we fail to make payments or otherwise experience an event of default thereunder, the lending banks would be permitted to take certain actions, including terminating all outstanding commitments and declaring all amounts to be immediately due and payable and would have the right to proceed against the collateral granted to them, which includes substantially all of our assets. The occurrence of any of these events could have a material adverse effect on our business, results of operations and financial condition. Furthermore, future working capital, borrowings, or equity financing could be unavailable to repay or refinance amounts borrowed under the Revolving Credit Facility. In the event of a liquidation, our lenders would be repaid all outstanding principal and interest prior to distribution of assets to unsecured creditors, and the holders of our Class A Common Stock would receive a portion of any liquidation proceeds only if all of our creditors, including our lenders, were first repaid in full.

We have incurred net losses in each year since inception, and we may not be able to achieve profitability.

We incurred net losses of \$528.2 million, \$332.1 million, and \$154.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. Historically, we have invested significantly in efforts to grow our homeowner base, both through our individual and portfolio strategies, as well as through strategic acquisitions, to grow our guest community and to improve our platform technology.

As a result of the Reorganization, we are significantly reducing the size of our central sales team, and reorganizing the sales force to more closely align with individual markets. Similarly, we are reducing and realigning other central office support teams, including product and technology, finance and accounting, legal, human resources and marketing. While these actions are expected to reduce the Company's total operating expenses, if our revenue continues to decline, it may not be enough to offset our current and future operating expenses, we will not achieve profitability in future periods and our net losses may increase. Additionally, the reduction in the size of our sales force may reduce the number of units onboarded to our platform, which may slow potential growth in revenue.

Revenue may continue to decline for a number of possible reasons, many of which are beyond our control, including slowing demand for our offerings, listing growth constraints, increasing competition, changing travel patterns or any of the other factors discussed in this "Risk Factors" section and the "Risk Factors" section of the 2023 Annual Report. Certain types of homes and certain regions in which we operate result in listings with lower commission rates and/or lower service fees, which could have a materially negative impact on our overall operating margins. We have experienced, and in the future may experience, fluctuations and high volatility in operating costs and expenses. We incurred operating costs and expenses of \$1,655.3 million, \$1,578.9 million and \$1,014.5 million for the years ended December 31, 2023, 2022, and 2021, respectively. In addition, we have changed, and may in the future reduce, our commission rates and service fees for strategic or competitive reasons. Failure to increase our revenue or manage the increase in our operating expenses could prevent us from achieving or sustaining profitability as measured by net income, operating income, or Adjusted EBITDA at all or on a consistent basis, or could significantly impair our future outlook or cash position, which would cause our business, results of operations and financial condition to suffer and the market price of our Class A Common Stock to decline.

Our business and operations experienced rapid historical growth, which strained our resources, and the Reorganization may further limit our ability to improve our systems, processes and controls, which could adversely affect our business, results of operations, financial condition and prospects.

The rapid historical growth and expansion of our business has placed a continuous and significant strain on our management, operational, financial and other resources. As part of the Reorganization, we are reducing and realigning our central corporate teams, which may limit our ability to continue to improve and expand our information technology and financial infrastructure, our security and compliance requirements, our operating and administrative systems, our customer service and support capabilities, our relationships with various distribution partners and other third parties, and our ability to manage operations, headcount and processes.

We may not be able to sustain the pace of improvements to our platform and services, or successfully develop and introduce new offerings or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage our business and to forecast our revenue, expenses, and net income (loss) accurately, or to prevent losses.

In addition, we may find it difficult to maintain our corporate culture while managing our workforce. Any failure to manage our workforce or organizational changes in a manner that preserves our culture could negatively impact future growth and achievement of our business objectives. Additionally, our productivity and the quality of our offerings may be adversely affected if we do not integrate and train

our new employees quickly and effectively. Failure to manage our historical growth, and any future growth, effectively could result in increased costs, negatively affect homeowner and guest satisfaction and adversely affect our business, results of operations, financial condition and growth prospects.

Our past growth may not be indicative of our future prospects, and revenue has decreased and may continue to decrease in the future. Our historical growth also makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful.

Our past growth may not be indicative of our future prospects, and revenue has decreased and may continue to decrease in the future. Our past growth also makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful. Our total revenue for the three months ended March 31, 2024 and 2023 was \$209.5 million and \$256.9 million, respectively, representing a decrease in revenue of 18%. Our ability to avoid further declines in our revenue depends on maintaining our existing homes on our platform, the growth of supply of new homes for our platform and demand for vacation rentals on our and our distribution partners platforms. Our business is also affected by general economic and business conditions worldwide, as well as trends in the global travel and hospitality industries, all of which can adversely impact our growth. In addition, we believe that our revenue growth depends upon a number of additional factors, including other risks described elsewhere in this Quarterly Report and the 2023 Annual Report.

A softening of demand for our offerings or our accommodations category, whether caused by events outside of our control, such as a pandemic, epidemic or outbreak of infectious disease, changes in homeowner and guest preferences, any of the other factors described elsewhere in this Quarterly Report and the 2023 Annual Report or otherwise, may impair our ability to grow our revenue. If our revenue continues to decline, or our growth rates do not meet expectations, we may not achieve profitability, and our business, results of operations, and financial condition could be materially adversely affected.

In addition, our historical growth has made and may continue to make it difficult to evaluate our current business and future prospects. Our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and may encounter in the future, risks and uncertainties frequently experienced by growing companies in changing industries that may prevent us from achieving the objectives discussed elsewhere in this Quarterly Report and the 2023 Annual Report. If we fail to achieve the necessary level of efficiency in our organization, or if we are not able to accurately forecast future growth or decline, our business would be adversely affected. Moreover, if the assumptions that we use to plan our business are incorrect or change in reaction to changes in our industry and the markets in which we operate, or if we are unable to maintain consistent revenue or revenue growth, the market price of our Class A Common Stock may continue to be volatile, and it may be difficult to achieve and maintain profitability.

The business and industry in which we participate are highly competitive, and we may be unable to compete successfully with our current or future competitors.

We operate in a highly competitive environment and face significant competition in attracting and retaining homeowners and guests.

Homeowners primarily choose between self-managing their homes or using a local vacation rental management business to list and care for their homes and in some cases adopt a hybrid approach using a third-party provider to help with guest demand generation, pricing, booking and support, while the owner takes care of the home. Homeowners who self-manage are able to list on third-party sites such as Airbnb, Booking.com, Evolve, and Vrbo and may choose to leverage additional third-party software tools to handle aspects of the process such as pricing or scheduling, or homeowners may fully self-manage. We compete for homeowners based on many factors, including the volume and pricing of bookings generated by guests on our platform and those of our distribution partners; ease of onboarding onto our platform; the service fees and commissions we charge; the owner protections we offer, such as our accommodation protection programs; our cancellation policies; and the strength of our brand. We also compete to retain homeowners who are currently using our platform, as homeowners can choose to discontinue their contractual arrangements with us at any time.

We also compete to attract guests to our platform. Guests have a wide range of options for finding and booking accommodations, and as such, we compete with other forms of accommodations including hotels, other vacation rental companies, and serviced apartment providers, both online and offline. We also compete for traffic and demand generation through our direct booking channel, with Airbnb, Booking.com, Vrbo, regional booking sites, and online travel agencies, and, to a lesser degree, urban and corporate travel rental sites, vacation clubs, timeshares, and niche programs such as fractional ownership programs. We compete for guests based on many factors, including the uniqueness, quality, safety and cleanliness of our homes and the availability of homes; the value and all-in cost of our offerings relative to other options, our brand; and the ease of use of our platform.

As a publicly traded company, we are required to make certain public disclosures about our business, strategy, and financial results that other property managers are not required to make, and which may provide them with insights into our business and our strategy that would not otherwise be available to them. This may, in turn, allow them to compete more effectively against us for homeowners. Additionally, such disclosures may result in negative perceptions among homeowners regarding our business and financial condition, which may make it more difficult for us to retain homeowners than for our competitors who are not required to make similar disclosures.

Some of our competitors are adopting aspects of our business model, while others, such as local property managers, are increasingly using third-party vacation rental software for aspects of their business, including pricing, booking, housekeeping and maintenance, all of which could affect our ability to differentiate our offerings from theirs. Increased competition could reduce demand for our platform from homeowners and guests, slow our growth, and materially adversely affect our business, results of operations, and financial condition.

Many of our current and potential competitors are larger and have greater financial, technical and other resources that provide substantial competitive advantages, such as greater brand name recognition, longer operating histories, larger marketing budgets and established marketing relationships, and significantly greater resources for the development of their offerings. In addition, many of our current and potential competitors have access to larger user bases and/or inventory for accommodations, and may provide multiple travel products, including flights. As a result, our competitors may be able to provide consumers with a better or more complete product experience and respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or homeowner and guest requirements or preferences. The global travel industry has also experienced significant consolidation, and we expect this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive industry. Consolidation amongst our competitors will give them increased scale and may enhance their capacity, abilities, and resources, and lower their cost structures. In addition, emerging start-ups may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new offerings or technologies before us.

Some of our competitors and potential competitors have more established or varied relationships with consumers than we do, and they could use these advantages in ways that could affect our competitive position, including by entering the travel and accommodations businesses. For example, some competitors and potential competitors are creating "super-apps" where consumers can use many online services without leaving that company's app. If any of these platforms are successful in offering services to consumers that are similar to ours, or if we are unable to offer our services to consumers within these super-apps, our customer acquisition efforts could be less effective and our customer acquisition costs, including our brand and performance marketing expenses, could increase, any of which could materially adversely affect our business, results of operations, and financial condition.

We also face increasing competition from search engines, including Google. The way Google presents travel search results, and its promotion of its own travel meta-search services, such as Google Travel and Google Vacation Rental Ads, or similar actions from other search engines, and their practices concerning search rankings, could decrease our search traffic, increase traffic acquisition costs, and/or disintermediate our platform. These parties can also offer their own comprehensive travel planning and booking tools, or refer leads directly to suppliers, other favored partners, or themselves, which could also disintermediate our platform. In addition, if Google or Apple use their own mobile operating systems or app distribution channels to favor their own or other preferred travel service offerings, or impose policies that effectively disallow us to continue our full product offerings in those channels, it could materially adversely affect our ability to engage with homeowners and guests who access our platform via mobile apps or search, which would negatively impact our business, results of operations and financial condition.

If we are unable to maintain our market share, attract new vacation rental homeowners to our platform and maintain relationships with existing vacation rental homeowners, or if homeowners reduce the availability of their homes on our platform, our business, results of operations, and financial condition would be materially adversely affected.

Our business depends on our ability to maintain our market share, attract new vacation rental homeowners to our platform, maintain relationships with our existing homeowner base, and on homeowners allowing us to make their homes available for rent through our service. If our sales personnel are unable to accurately identify and convert a sufficient number of prospective homeowners, if they fail to accurately predict the rental revenue of these homeowners' properties on our platform, or if our sales and marketing efforts are otherwise unsuccessful, our revenue and growth prospects could be materially and adversely affected. Such risks may be exacerbated as a result of the Reorganization. Our company and the broader vacation rental industry have seen elevated levels of homeowners changing property managers or moving to self-management in recent periods. We have also recently seen an increase in the supply of rental units available, in a number of markets, which have reduced and can continue to reduce demand for the units we manage and put pressure on our revenue per available night. The number of homes we manage on our platform decreased by approximately 5% during the year ended December 31, 2023. If we do not maintain existing homeowners and the availability of their homes on our platform, and maintain or increase our market share, our revenue and growth prospects could be materially and adversely affected. Homeowners can also limit the number of nights available through our services, and these practices are outside of our direct control. If homeowners do not establish or maintain availability of their vacation rentals, or if the number of Nights Sold declines for a particular period, then our revenue would decline and our business, results of operations, and financial condition would be materially adversely affected.

In addition, homeowners may, at any time, elect to terminate their contractual arrangements with us, if we cannot attract prospective guests to our platform, generate sufficient guest bookings and create attractive returns to homeowners. If we are unable to retain or add homeowners, we may be unable to offer a sufficient supply of properties to attract guests to our platform. If we are unable to attract and retain individual homeowners in a cost-effective manner, or at all, our business, results of operations, and financial condition and cash flows would be materially adversely affected. The announced Reorganization may also impact service levels or perceived service levels, from local and or corporate functions, which may further impact our ability to attract and retain homeowners.

We also work with certain homeowner associations to manage their association activities, and we often manage vacation rental properties for homeowners within these associations. If our fee structure and payment terms are not as competitive as those of our competitors, these homeowner associations may choose to end their business relationships with us, thereby reducing the number of homeowners using our platform and vacation rentals listed with our service.

A number of factors affecting homeowners could cause homeowner attrition, including: changes to, or the enforcement or threatened enforcement of, laws and regulations, including short-term occupancy and tax laws; homeowners', condominium and neighborhood associations adopting and enforcing governing documents or contracts that prohibit or restrict short-term rental activities; regulations that purport to ban or otherwise restrict short-term rentals; homeowners opting for long-term rentals of their properties outside of our service; perceptions of the value or quality of our services; economic, social, and political factors; perceptions of trust and safety on and off our platform and within our homes; or negative experiences with guests, including guests who damage homeowner property, hold unauthorized parties, or engage in violent and unlawful acts, or the occurrence of a pandemic, epidemic or outbreak of infectious disease. Our business, results of operations, and financial condition could be materially adversely affected if our homeowners are unable or unwilling to allow us to list and manage their properties.

We believe that our accommodation protection program, provided via a third-party insurer, is integral to retaining and acquiring homeowners. Our homeowner protection program offers specified vacation rental liability and damage protection to homeowners. If this program were to become unavailable for any reason, including if the third-party insurance provider ceases to provide coverage, or if the cost of the program rises significantly, then the number of homeowners who list with us may decline.

If we are unable to attract new guests or retain existing guests, our business, results of operations, and financial condition would be materially adversely affected.

Our success depends significantly on existing and new guests continuing to book homeowners' vacation rentals through the Vacasa platform or those of our distribution partners. Our ability to attract and retain guests could be materially adversely affected by a number of factors, including, among others:

- homes failing to meet guests' expectations;
- increased competition and use of our competitors' platforms and services;
- our failure to provide differentiated, high-quality, and an adequate supply of homes at competitive prices;
- guests not receiving timely or adequate customer support from us;
- declines or inefficiencies in our marketing efforts;
- negative associations with, or reduced awareness of, our brand;
- issues with our distribution partners or their platforms;
- negative perceptions of the trust and safety on our platform or in our homeowners' homes;
- macroeconomic and other conditions outside of our control affecting travel and hospitality industries generally, including inflation and elevated interest rates;
- the occurrence of events beyond our control, such as a pandemic, epidemic or outbreak of infectious disease, increased or continuing restrictions on travel and immigration, trade disputes, economic downturns or recession, significant labor shortages, political, civil or social unrest, and the impact of climate change on travel (including fires, floods, severe weather and other natural disasters) and seasonal destinations; and
- other risks described elsewhere in this Quarterly Report.

In addition, for guests who book directly with us, if our platform is not easy to navigate, guests have an unsatisfactory experience on our platform, the listings and other content provided on our platform are not displayed effectively to guests, we fail to make our brand known to guests during their rental experience or we fail to provide a rental experience in a manner that meets rapidly changing demand, each of which may be exacerbated as a result of the Reorganization, then we could fail to convert first-time guests into repeat customers, which would materially adversely affect our business, results of operations, and financial condition.

Our customer support function is critical to the success of our platform, and any failure to provide high-quality service could affect our ability to retain our existing homeowners and guests and attract new ones.

Our ability to provide high-quality support to our homeowners and guests is important for the growth of our business and any failure to maintain such standards of customer support, or any perception that we do not provide high-quality service, could adversely affect our ability to retain and attract homeowners and guests. Meeting the customer support expectations of our homeowners and guests

requires a substantial customer support team and significant investment in staffing, technology, including automation and machine learning to improve efficiency, infrastructure, policies, and customer support tools. The failure to develop or invest in the appropriate technology, infrastructure, policies, and customer support tools, or to manage or properly train our local operations or customer support teams, could compromise our ability to resolve questions and complaints quickly and effectively. Growth in the number of homeowners and guests using our platform will put additional pressure on our customer support and on our technology organizations. Our service is staffed based on business forecasts. Any volatility in those forecasts could lead to staffing gaps that could impact the quality of our service. We have in the past experienced and may in the future experience substantial delays or other issues in responding to requests for customer support, which may reduce our ability to effectively retain homeowners and guests.

We also help to mediate disputes between homeowners and guests. We rely on information provided by homeowners and guests and are at times limited in our ability to provide adequate support or help homeowners and guests resolve disputes due to our lack of information or control. To the extent that homeowners and guests are not satisfied with the quality or timeliness of our customer support, we may not be able to retain homeowners or guests, and our reputation as well as our business, results of operations, and financial condition could be materially adversely affected.

When a homeowner or guest has a poor experience on our platform or with our service, we may issue refunds or future stay credits, or make other payments, such as in respect of lost or damaged property, all of which reduce our revenue. A robust customer support effort is costly, and we expect such costs to continue to rise in the future. If we incur such increases in costs without a corresponding increase in revenue, this could materially adversely affect our business, results of operations, and financial condition.

Bookings through our distribution partners account for a significant portion of our revenue, and if we are unable to maintain our relationships with them or develop and maintain successful relationships with additional distribution partners, our business, results of operations, and financial condition would be materially and adversely affected. These relationships also subject us to certain risks.

The growth of our business depends, in part, on our ability to maintain our relationships with our existing distribution partners and to identify, develop, and maintain strategic relationships with additional distribution partners, particularly as we continue to grow our brand recognition and our own booking platform. For the years ended December 31, 2023, 2022 and 2021, we generated approximately 60%, 70%, and 70%, respectively, of our GBV through our distribution partners. The impairment or termination of any of these relationships, the failure of our distribution partners to effectively market our listings and provide satisfactory user experiences, or service disruptions, outages, and other technical performance problems experienced by our distribution partners or on their platforms could materially and adversely affect our business, results of operations and financial condition. Our agreements with our existing distribution partners are non-exclusive, meaning our distribution partners can and do provide guests looking for vacation rentals with access to listings other than ours. Our distribution partners are not required to continue to market our listings, and may take actions that promote their or other third-party listings above ours. Additionally, our relationships with, or presentation of our units by our distribution partners may be adversely affected due to negative perceptions of our business or financial condition, or of the homes we manage. In addition, certain of these companies are now, or may in the future become, competitors of ours. While we view our distribution partners more as partners than competitors and believe our relationships with these parties are mutually beneficial, we cannot guarantee that our distribution partners will continue to share this view. If our distribution partners view us as competitive, they could limit our access to their platforms, allow access only at an unsustainable cost, or make changes to their platforms that make our listings less desirable to users or harder to access.

In addition, bookings through Airbnb, Booking.com, and Vrbo account for a significant portion of our GBV. For the years ended December 31, 2023, 2022 and 2021, GBV generated through Airbnb, Booking.com, and Vrbo together accounted for approximately 90%, 90%, and 95%, respectively, of the GBV generated through all of our distribution partners. The loss of any one or more of these key distribution partners, or a material reduction in the number of stays booked through their platforms, would adversely affect our business, financial condition and results of operations.

Our efforts to create new offerings and initiatives are costly, and if such offerings and initiatives are unsuccessful, we may fail to grow, and our business, results of operations, and financial condition would be materially adversely affected.

We invest in developing new offerings and initiatives that we expect will differentiate us from our competitors and help grow our business. Developing and deploying new offerings and initiatives is challenging and increases our expenses and our organizational complexity, and they may not deliver the benefits we expect.

Our new offerings and initiatives have a high degree of risk, as they may involve significant investment and upfront costs. For example, we have invested, and expect to continue investing, in the deployment of smart home technology across our portfolio. There can be no assurance that homeowner demand for such technology or other offerings and initiatives we may develop will exist or sustain at the levels that we anticipate, that we will be able to successfully manage the delivery of such offerings and initiatives, or that any of these offerings or initiatives will generate sufficient revenue to offset associated expenses or liabilities. It is also possible that offerings developed by others will render our offerings and initiatives noncompetitive or obsolete. Further, these efforts will divert capital and other resources from our more established offerings and geographic regions, may result in increased legal and regulatory compliance expenses, and could distract management from our core business operations. Even if we are successful in developing new offerings and initiatives, regulatory authorities may implement new rules, taxes, or restrictions or more aggressively enforce existing rules, taxes, or restrictions that could increase our expenses or otherwise prevent us from successfully commercializing these initiatives. If we do not realize the expected benefits of these investments, we may fail to grow, and our business, results of operations, and financial condition would be materially adversely affected.

We rely on traffic to our platform to grow revenue, and if we are unable to drive traffic cost-effectively to our platform, it would materially adversely affect our business, results of operations, and financial condition.

We believe that awareness of our brand among potential homeowners and guests is an important aspect of our efforts to increase traffic on our platform and grow our revenue. We have historically invested considerable resources to drive homeowner and guest acquisition and increase awareness regarding our brand; however, following the Reorganization, we expect to reduce our investment in sales and marketing activities, in favor of allowing local operations teams to drive more sales and marketing in their respective markets. Our changes to our marketing efforts may not be cost-effective or successful. If our competitors spend more on marketing efforts or are more effective in such efforts, we may not be able to maintain or grow traffic to our platform. Accordingly, our brand awareness and traffic on our platform may suffer and our revenue may be adversely impacted.

A critical factor in attracting homeowners and guests to our platform is how prominently listings are displayed in response to search queries for key search terms. The success of vacation rentals and the alternative accommodation industry has led to increased costs for relevant keywords as our competitors competitively bid on our keywords. We may not be successful at our efforts to drive traffic growth cost-effectively. If we need to increase our performance marketing spend in the future, including in response to increased spend on performance marketing from our competitors, our business, results of operations, and financial condition could be materially adversely affected.

Digital performance marketing is increasingly subject to strict regulation, and regulatory or legislative changes could adversely impact the effectiveness of our performance marketing efforts and, as a result, our business. Many countries have adopted, or are adopting, regulations governing the use of cookies and similar technologies, and individuals may be required to "opt-in" to the placement of

web browser cookies used for purposes of marketing. For example, to the extent we send direct electronic marketing communications to EU/UK residents and/or place cookies on their electronic devices, we may be subject to evolving EU privacy laws on cookies and e-marketing. If we are required to change our marketing practices as a result, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs, and subject us to additional liabilities. Widespread adoption of such regulations could adversely affect our ability to market effectively to current and prospective homeowners and guests, and thus materially adversely affect our business, results of operations, and financial condition.

We focus on search engine optimization ("SEO") on unpaid channels to drive traffic to our platform. SEO involves developing our platform in a way that enables a search engine to rank our platform prominently for search queries for which our platform's content may be relevant. Changes to search engine algorithms or similar actions are not within our control, and could adversely affect our search engine rankings and traffic to our platform. To the extent that our brand and platform are listed less prominently or fail to appear in search results for any reason, we would need to increase our paid marketing spend, which would increase our overall customer acquisition costs and materially adversely affect our business, results of operations, and financial condition. If Google or Apple uses its own mobile operating systems or app distribution channels to favor its own or other preferred travel service offerings, or impose policies that effectively disallow us to continue our full product offerings in those channels, there could be an adverse effect on our ability to engage with homeowners and guests who access our platform via mobile apps or search.

Moreover, as guests increase their booking search activity across multiple travel sites or compare offerings across sites, our marketing efficiency and effectiveness is adversely impacted, which could cause us to increase our sales and marketing expenditures in the future, which may not be offset by additional revenue, and could materially adversely affect our business, results of operations, and financial condition. In addition, any negative publicity or public complaints, including those that impede our ability to maintain positive brand awareness through our marketing and consumer communications efforts, could harm our reputation and lead to fewer homeowners and guests using our platform, and attempts to replace this traffic through other channels will require us to increase our sales and marketing expenditures.

Maintaining and enhancing our brand and reputation is critical to our future growth, and negative publicity could damage our brand and thereby harm our ability to compete effectively, and could materially adversely affect our business, results of operations, and financial condition.

Maintaining and enhancing our brand and reputation is critical to our ability to attract homeowners, guests, and employees, to compete effectively, to maintain relationships with our distribution partners, to preserve and deepen the engagement of our existing homeowners, guests, and employees, to maintain and improve our standing in the communities where our homeowners operate (including our standing with community leaders and regulatory bodies), and to mitigate legislative or regulatory scrutiny, litigation, and government investigations. As our brand awareness grows, we depend more heavily on the perceptions of homeowners and guests who use our platform and our services to help make word-of-mouth recommendations.

Any incident, whether actual or rumored, involving the safety or security of vacation rental homes, homeowners, guests, or other members of the public, fraudulent transactions, or incidents that are mistakenly attributed to Vacasa, and any resulting media coverage, could create a negative public perception of our platform, which would adversely impact our ability to attract homeowners and guests. In addition, when homeowners cancel reservations or if we fail to provide timely refunds to guests in connection with cancellations, guest perception of the value of our platform is adversely impacted and may cause guests to not use our platform in the future. The impact of these issues may be more pronounced if we are seen to have failed to provide prompt and appropriate customer support or if our platform policies are perceived to be too permissive or restrictive, or as providing homeowners and/or guests with unsatisfactory resolutions, each of which may be exacerbated as a result of the Restructuring. We have been the subject of media reports, social media posts, blog posts, and content in other forums that contain allegations about our business or activity on our platform that create negative publicity. As a result of these complaints and negative publicity, some homeowners have refrained from, and may in the future refrain from, listing with us, and some guests have refrained from, and may in the future refrain from, using our platform, which could materially adversely affect our business, results of operations, and financial condition.

Our brand and reputation could be also harmed if we fail to act responsibly or are perceived as not acting responsibly, or if we fail to comply with regulatory requirements, in a number of areas, such as safety and security, data security, privacy practices, provision of information about users and activities on our platform, sustainability, human rights, diversity, non-discrimination, and support for employees and local communities. Media, legislative, or government scrutiny around our company, including the perceived impact on affordable housing and over-tourism, neighborhood nuisance, privacy practices, provision of information as requested by certain governments or agencies thereof, content on our platform, business practices and strategic plans, impact of travel on the environment, public health policies that may cause geopolitical backlash, our business partners, and our practices relating to our platform, offerings, employees, competition, litigation, and response to regulatory activity, could adversely affect our brand and our reputation with our homeowners, guests, and communities. Social media compounds the potential scope of the negative publicity that could be generated and the speed with which such negative publicity may spread. Any resulting damage to our brand or reputation could materially adversely affect our business, results of operations, and financial condition.

We rely on our homeowners and guests to provide trustworthy reviews and ratings that our homeowners or guests may rely upon to help decide whether or not to book a particular listing or accept a particular booking. We also use these reviews and ratings to uphold quality standards. Our homeowners and guests may be less likely to rely on reviews and ratings if they believe that our review system does not generate trustworthy, reliable reviews and ratings. We have procedures in place to combat fraud or abuse of our review system, but we cannot guarantee that these procedures are, or will be, effective.

If potential homeowners or guests disregard these reviews and ratings, our systems that use reviews and ratings to enforce quality standards would be less effective, which could reduce trust within our customer-base and damage our brand and reputation, and could materially adversely affect our business, results of operations, and financial condition.

Owner, guest, or third-party actions that are criminal, violent, inappropriate, dangerous, or fraudulent, may undermine the safety or the perception of safety of our services, affect our ability to attract and retain homeowners and guests, and materially adversely affect our reputation, business, results of operations, and financial condition.

Fraudulent or criminal activity could occur in connection with the use of our services, as we do not have complete control over, or the ability to predict, the actions of our users and other third parties, such as neighbors or invitees, either during the guest's stay, or otherwise, and therefore, we cannot guarantee the safety of our employees, homeowners, guests, and third parties. The actions of homeowners, guests, and other third parties have resulted, and can result in further, fatalities, injuries, other bodily harm, fraud, invasion of privacy, property damage, discrimination, and brand and reputational damage, which have created, and could continue to create potential legal or other liabilities for us. We do not verify the identity of all of our homeowners and guests nor do we verify or screen third parties who may be present during a reservation made through our platform. Our identity verification processes rely on, among other things, information provided by homeowners and guests, and our ability to validate that information and the effectiveness of third-party service providers that support our verification processes may be limited.

Certain verification processes may be less reliable than others. These processes are also currently minimal and subject to limitations, including laws and regulations that prohibit or limit our ability to conduct effective background checks in some jurisdictions, the unavailability of information, and the inability of our systems to detect all suspicious activity. There can be no assurances that the measures we take will significantly reduce criminal or fraudulent activity on our platform or in the homes we manage.

In addition, we may not adequately police the safety, suitability, location, quality, availability of recreational items or other amenities, compliance with our policies or standards, and legal compliance, such as fire code compliance or the presence of carbon monoxide detectors, of all our homeowners' properties. We have in the past taken steps to investigate issues raised by guests and homeowners and endeavor to require our local home care staff, including maintenance and housekeeping teams, to do periodic compliance checks, but we cannot ensure that these are consistently performed. We have created policies and standards to respond to issues reported with properties, but some vacation rentals may pose heightened safety risks to individual guests because those issues have not been reported to us, because our local operations team has not taken the requisite action based on our policies, or because guests or third parties disregard safety measures. We rely, in part, on reports of issues from homeowners, guests and employees to investigate and enforce many of our policies and standards. In addition, our policies may not contemplate certain safety risks posed by rental homes

or individual homeowners or guests or may not sufficiently address those risks. For example, we have been in the past, and may be in the future, subject to legal claims and potential liability relating to injuries or other damages sustained in connection with guests' use of recreational items and other amenities on our homeowners' properties. Though we typically seek to obtain waivers from liabilities associated with guest use of these items, homeowners do not always inform us that such items are present on their properties and, in any event, we cannot guarantee that any waiver we are able to obtain will be found to be enforceable.

We have also faced civil litigation, regulatory investigations, and inquiries involving allegations of, among other things, unsafe or unsuitable rental homes, discriminatory policies, data processing, practices or behavior on and off our platform or by homeowners, guests, and third parties, general misrepresentations regarding the safety or accuracy of offerings on our platform, and other homeowner, guest, or third-party actions that are criminal, violent, inappropriate, dangerous, or fraudulent. Our policies, tools, and procedures to protect homeowners, guests, and the communities in which our homeowners operate may not be successful. Similarly, listings that are inaccurate, of a lower than expected quality, or that do not comply with our policies may harm guests and public perception of the quality and safety of rental homes on our platform and materially adversely affect our reputation, business, results of operations, and financial condition.

If homeowners, guests, or third parties engage in criminal activity, or misconduct, including fraudulent, negligent, or inappropriate conduct or use our platform as a conduit for criminal activity, consumers may not consider our platform and the listings on our platform safe, and we may receive negative media coverage, or be subject to involvement in a government investigation concerning such activity, which could adversely impact our brand and reputation, and lower the adoption rate of our platform. For example:

- there have been shootings and other criminal or violent acts on properties booked on our platform, including as a result of unsanctioned house parties;
- there have been undisclosed hidden cameras and claims of invasion of privacy at properties; and
- there have been incidents of homeowners and guests engaging in criminal, fraudulent, or unsafe behavior and other misconduct while using our platform.

The methods used by perpetrators of fraud and other misconduct are complex and constantly evolving, and our trust and security measures have been, and may currently or in the future be, insufficient to detect and help prevent all fraudulent activity and other misconduct. For example, there have been incidents where guests have caused substantial property damage to listings or misrepresented the purpose of their stay and used listings for unauthorized or inappropriate conduct including parties, drug-related activities, or to perpetrate criminal activities.

In addition, certain regions where we operate have higher rates of violent crime or more relaxed safety standards, which can lead to more safety and security incidents, and may adversely impact the adoption of our platform and services in those regions and elsewhere.

If criminal, inappropriate, fraudulent, or other negative incidents continue to occur due to the conduct of homeowners, guests, or third parties, our ability to attract and retain homeowners and guests would be harmed, and our business, results of operations, and financial condition would be materially adversely affected. Such incidents have prompted, and may in the future prompt, stricter regulations or regulatory inquiries into our platform, policies and business practices. Further, claims have been asserted against us from our homeowners, guests, and third parties for compensation due to accidents, injuries, assaults, theft, property damage, privacy and security issues, and other incidents that are caused by other homeowners, guests, or third parties while using homes booked on our platform. These claims subject us to potentially significant liability, increase our operating costs, and could materially adversely affect our business, results of operations, and financial condition. We have obtained third-party insurance, which is subject to certain conditions and exclusions, for claims and losses incurred based on incidents related to bookings on our platform. Even where we do have third-party insurance, such insurance may be inadequate to fully cover alleged claims of liability, investigation costs, defense costs, and/or payouts. Even if these claims do not result in liability, we could incur significant time and cost investigating and defending against them. If the quantity or severity of incidents increases, our insurance rates and our financial exposure will grow, which would materially adversely affect our business, results of operations, and financial condition.

We are subject to payment-related fraud, and an increase in or failure to deal effectively with fraud, fraudulent activities, fictitious transactions, or illegal transactions would materially adversely affect our business, results of operations, and financial condition.

We process a significant volume and dollar value of transactions on a daily basis. We have incurred and will continue to incur losses from claims by homeowners, fraudulent bookings and fraudulent refund requests, and these losses may be substantial. Such instances have and can lead to the reversal of payments received by us for such bookings, referred to as a "chargeback." For the years ended December 31, 2023, 2022, and 2021, total chargeback expense was \$4.7 million, \$5.1 million, and \$2.8 million, respectively. Our ability to detect and combat fraud, which has become increasingly common and sophisticated, could be adversely impacted by the adoption of new payment methods, the emergence and innovation of new technology platforms, including mobile and other devices, and our growth in certain regions, including in regions with a history of elevated fraudulent activity. We expect that technically knowledgeable criminals will continue to attempt to circumvent our anti-fraud systems. In addition, the payment card networks have rules around acceptable chargeback ratios. If we are unable to effectively identify fraudulent bookings on our platform, combat the use of fraudulent credit cards, or otherwise maintain or lower our current levels of chargebacks, we may be subject to fines and higher transaction fees or processors holding significant reserves against us, be required to post collateral or be unable to continue to accept card payments because payment card networks have revoked our access to their networks, any of which would materially adversely impact our business, results of operations, and financial condition.

Measures that we are taking to improve the trust and safety of our platform may cause us to incur significant expenditures and may not be successful.

We have taken and continue to take measures to improve the trust and safety of the community on our platform, combat fraudulent activities and other misconduct and improve community trust, such as terminating the management contracts of homeowners who fail to comply with our policies. However, some of these measures increase friction on our platform by increasing the number of steps required to list or book, which reduces homeowner and guest activity on our platform, and could materially adversely affect our business, results of operations, and financial condition. Implementing these trust and safety initiatives, which include, among other things, limited verification of homeowners and listings, restrictions on "party" houses, manual screening of high-risk reservations, restrictions on certain types of bookings, and providing rental home neighbors with the contact information for our local staff, or other initiatives, has caused and will continue to cause us to incur significant ongoing expenses and may result in fewer listings and bookings or reduced homeowner and guest retention, which could materially adversely affect our business, results of operations, and financial condition. We have invested and plan to continue to invest significantly in the trust and safety of our platform and services, but there can be no assurances that these measures will significantly reduce criminal or fraudulent activity on or off our platform, or be sufficient to protect our reputation in the event of such activity.

If we are unable to manage the risks presented by our international operations, our business, results of operations, and financial condition would be materially adversely affected.

Currently, we provide vacation rental management services in the United States, Belize, Canada, Costa Rica, and Mexico. We also have design and technology activities in Chile, New Zealand and, since September 2023, in the Czech Republic. As of December 31, 2023, we had approximately 500 employees outside the United States. For the years ended December 31, 2023, 2022, and 2021, approximately, 2%, 2%, and 1% of our revenue, respectively, was generated from vacation rental management activities outside of the United States.

Managing an international organization is difficult, time-consuming, and expensive, and requires significant management attention. In addition, conducting international operations subjects us to risks, which include:

- operational and compliance challenges caused by distance, language, and cultural differences;
- the cost and resources required to localize our platform and services, including translation of our platform into foreign languages and adaptation of our platform and services for local practices and regulatory requirements;
- differing, more restrictive and conflicting laws and regulations, including those governing Internet activities, short-term and long-term rentals, tourism, taxes, licensing, payments processing, messaging, marketing activities, registration and/or verification of guests, ownership and protection of intellectual property, content, data collection and privacy, security, data localization, data transfer and government access to personal information, and the lack of familiarity and the burden of complying with them;
- uncertainty in the enforceability of legal rights, and uneven application of laws and regulations to businesses, in particular to U.S. companies;
- competition with companies that understand local markets better than we do, or that have a local presence and pre-existing relationships with potential homeowners and guests in those markets;
- differing levels of social acceptance of our brand and offerings;
- legal uncertainty regarding our liability for the listings, services, and content provided by homeowners, guests, and other third parties and uncertain resolutions of litigation or regulatory inquiries;
- variations in, and increased operational complexity around, payment activity between us, homeowners and guests, and inability to offer local payment forms like cash or country-specific digital forms of payment;
- potentially adverse tax consequences, including resulting from the complexities of foreign corporate income tax systems, value added tax ("VAT") regimes, tax withholding rules, lodging taxes, and other indirect taxes, tax collection or remittance obligations, and restrictions on the repatriation of earnings;
- difficulties in managing and staffing international operations, including due to differences in legal, regulatory, and collective bargaining processes;
- fluctuations in currency exchange rates relative to the U.S. dollar;
- regulations governing the control of local currencies and their impact on our ability to collect and remit funds to homeowners in those currencies or to repatriate cash into the United States;
- oversight by foreign government agencies whose approach to privacy or human rights may be inconsistent with those taken in other countries;
- increased financial accounting and reporting burdens, and complexities and difficulties in implementing and maintaining adequate internal controls in an international operating environment;
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general; and
- operating in countries that are more prone to crime or have lower safety standards, or have higher risk of corruption.

Any further international expansion of our business could exacerbate these risks and may not be successful. Increased operating expenses, decreased revenue, negative publicity, negative reaction from our homeowners and guests and other stakeholders, or other adverse impacts from any of the above factors or other risks related to our international operations, could materially adversely affect our brand, reputation, business, results of operations, financial condition, and growth prospects.

Our growth strategy has included and may in the future include strategic acquisitions and dispositions. We may not be able to consummate future acquisitions or successfully integrate past or future acquisitions.

A portion of our growth has been due to acquisitions of strategic businesses. We may make strategic acquisitions in the future to enhance our market position and broaden our product offerings. Our ability to successfully effectuate acquisitions in the future subject to a variety of risks, including:

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

The process of integrating acquired businesses into our existing operations may result in unforeseen operating difficulties and may require additional financial resources and attention from management that would otherwise be available for the ongoing development or expansion of our existing operations. There can be no assurance that pre-acquisition due diligence will have identified all material issues that might arise with respect to such acquired business. Furthermore, even if successfully integrated, the acquired business may not achieve the results we expected or produce expected benefits in the time frame planned. From time to time, we may also divest or wind down portions of our business, both acquired or otherwise, that are no longer strategically important, which could materially affect our cash flows and results of operations. Failure to continue with our acquisition strategy or the successful integration of acquired businesses could have an adverse effect on our business, financial condition, results of operations and cash flows.

Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings could reduce our ability to compete and could adversely affect our business.

We have incurred significant operating losses and generated negative cash flows from operations as we have been investing to support our business, and expect to continue to do so in the future as we execute on our strategic initiatives to return to growth in our business. Our future capital requirements and needs for additional financing will depend on many factors, including, but not limited to, our ability to execute on our Reorganization plan, our growth, our ability to attract and retain new homeowners and guests that utilize our services, the extent and profitability of any strategic transactions we enter into, the continuing market acceptance of our offerings, the timing and extent of spending to enhance our technology, the extent of our sales and marketing activities, and our cash flows, cash position and liquidity requirements. Our need for additional financing may also be impacted by the seasonality of our business. Our cash and working capital tends to be highest in the second quarter and lowest in the fourth quarter of the year. On May 8, 2024, the Company drew \$81.0 million under the Revolving Credit Facility to supplement our cash position and the Company continues to evaluate its liquidity needs in light of market conditions and expected cash flows. If our working capital reserves are inadequate, we may be required to evaluate additional financing opportunities, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, operating performance, and the condition of the capital markets at the time. Additional financing may not be available to us on acceptable terms when required, or at all. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A Common Stock. In addition, our stockholders will experience additional dilution when stock appreciation rights holders and option holders exercise their rights to purchase our Class A Common Stock under our equity incentive plans, any restricted stock units or performance stock units we may grant from time to time vest and settle, we issue equity awards to our employees under our equity incentive plans, or we otherwise issue additional equity interests.

If we are unable to raise additional funds when we need them and on terms that are acceptable to us, our ability to continue to develop or enhance our platform, products or services, support and grow our business and operations, respond to business challenges and opportunities, and execute our growth strategy would be significantly limited, and our business, results of operations, and financial condition would be materially adversely affected.

Our business depends on our ability to attract and retain capable management and employees, and if we lose any of our key personnel, or if we are unable to attract, retain and motivate a sufficient number of skilled personnel, our business, results of operations, and financial condition could be materially adversely affected, and we may be unable to execute our growth strategy.

Our future success depends in large part on our ability to attract and retain high-quality management and employees. Our CEO, CFO and other members of our senior management team, as well as other employees, may terminate their employment with us at any time. Losing the services of members of our senior management team could materially harm our business until a suitable replacement is found, and such replacement may not have equal experience and capabilities. In addition, we have not purchased life insurance on any members of our senior management team. Furthermore, given the importance of our key executives to our business, we are also vulnerable to the risk that they may take actions, either within or outside the scope of their duties, that intentionally or unintentionally tarnish our brand and reputation or otherwise adversely affect our business, results of operations, and financial condition. In addition, in 2023 and 2024, we announced and implemented reductions in our employee base. Such reductions could negatively impact our ability to attract, retain, and motivate employees.

We cannot guarantee that we will be able to attract and retain the personnel we need. Our business requires highly skilled personnel, including executive-level employees, who are in high demand and are often subject to competing offers.

Competition for qualified employees and executive-level employees is intense in our industry. We have experienced the turnover of key employees, including among the senior management team, and may experience employee and management transitions in future. The loss of qualified employees, or an inability to attract, retain, and motivate employees would materially adversely affect our business, results of operations, and financial condition and impair our ability to grow.

To attract and retain key personnel, we use various measures, including both cash and equity incentive programs. As we continue to mature, the incentives to attract, retain, and motivate employees provided by our programs or by future arrangements may not be effective. We have a number of current employees who hold equity in our company. It may be difficult for us to continue to retain and motivate these employees, and the value of their holdings could affect their decisions about whether or not they continue to work for us. Our ability to attract, retain, and motivate employees may be adversely affected by declines in our stock price. If we issue significant equity to attract employees or to retain our existing employees, we would incur substantial additional equity-based compensation expense and the ownership of our existing stockholders would be further diluted.

We may face increased personnel costs or labor shortages that could slow our growth and adversely affect our business, results of operations and financial condition.

Personnel costs are a primary component of our operating expenses. If we face labor shortages or increased personnel costs because of increased competition for employees, higher employee turnover rates, increases in the federally-mandated or state-mandated minimum wage, changes in exempt and non-exempt status, or other employee benefits costs (including costs associated with health insurance coverage or workers' compensation insurance), our operating expenses could increase and our growth could be adversely affected.

We have a substantial number of employees who are paid wage rates near, at or based on the applicable federal or state minimum wage, including workers who are paid on a piece-work basis, and increases in the applicable minimum wage will increase our personnel costs. As federal, state or other applicable minimum wage rates increase, we may be required to increase not only the wage rates of minimum wage employees, but also the wages paid to our other hourly employees. It may not be possible to increase prices in order to pass future increased personnel costs on to homeowners and/or guests, in which case our margins would be negatively affected. Even if we are able to increase prices to cover increased personnel costs, the higher prices could result in lower revenue, which may also reduce margins. In addition, we face risks related to the costs associated with compliance, or failure to comply with, with varying minimum wage laws.

We may face shortages of skilled labor from time to time in the various markets in which we operate. Furthermore, adequate staffing can be particularly challenging during peak season in certain markets, when we are required to hire a large number of seasonal workers in order to scale our local operations networks. Shortages of skilled labor may make it increasingly difficult and expensive to attract, train and retain the services of a sufficient number of qualified employees, which could adversely affect homeowner and guest satisfaction and impair our ability to attract new homeowners and guests and retain our relationships with our existing homeowners and guests. Furthermore, competition for qualified employees, particularly in markets where such shortages exist, could require us to pay higher wages, which could result in higher personnel costs. Certain Canadian employees of one of our Canadian subsidiaries are under collective bargaining agreements which regulate certain aspects of our employment terms, including compensation, for such individuals. Although none of our U.S. employees are currently covered under collective bargaining agreements, we cannot guarantee that our U.S. employees will not elect to be represented by labor unions in the future. If a significant number of our employees were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements, it could increase our costs and adversely affect our business, financial condition and results of operations.

In addition, we are subject to a number of other federal, state, local, and foreign laws regulating employment and employee working conditions, including employment dispute and employee bargaining processes, collective and representative actions, and other employment compliance requirements. Compliance with these regulations is costly and requires significant resources, and we may suffer losses from, or incur significant costs to defend, claims alleging non-compliance with these regulations. In addition, immigration reform continues to attract significant attention in the public arena and the U.S. Congress. If new immigration legislation is enacted, such laws may contain provisions that could increase our costs in recruiting, training and retaining employees.

Any decline or disruption to the travel and hospitality industries or economic downturn, natural disasters, local and global public health emergencies, geopolitical conflicts, or other catastrophic events or other events outside of our control would materially adversely affect our business, results of operations, and financial condition.

Our financial performance is dependent on the strength of the travel and hospitality industries and macroeconomic conditions. Events beyond our control, such as unusual or extreme weather or natural disasters, such as earthquakes, hurricanes, fires,

tsunamis, floods, significant snow storms, other severe weather, droughts, volcanic eruptions, and pandemics or health epidemics, such as the COVID-19 pandemic, restrictions related to travel, trade or immigration policies, wars or regional hostilities (such as the Ukraine-Russia and Israel-Hamas conflicts and any escalations thereof), terrorist attacks, political uncertainty, protests, foreign policy changes, systemic financial system or banking failures, imposition of taxes or surcharges by regulatory authorities, changes in regulations, policies, or conditions related to sustainability, including climate change, work stoppages, labor unrest or travel-related accidents can disrupt travel globally or otherwise result in declines in travel demand. Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers, and therefore reduce demand for our platform and services, which would materially adversely affect our business, results of operations, and financial condition. Increasing awareness around the impact of air travel on climate change and the impact of over-tourism may also adversely impact the travel and hospitality industries and demand for our platform and services.

Additionally, these factors could affect our business infrastructure and the rental homes that we manage. To the extent climate change causes changes in weather patterns, our coastal destinations could experience increases in storm intensity and rising sea levels causing damage to our homeowners' properties and result in a reduced number of listings in these areas. Short-term, extreme weather patterns may also make it unsafe or impractical for guests, or employees or contractors providing home care services, to travel to affected locations, which may, in turn, result in homeowners choosing not to rent their properties during certain times and reduce the overall number of nights available. Climate change may also affect our business by increasing the cost of, or making unavailable, property insurance on terms our homeowners find acceptable in areas most vulnerable to such events, increasing operating costs for our homeowners, including the cost of water or energy, and requiring our homeowners to expend funds as they seek to repair and protect their properties in connection with such events. As a result of the foregoing and other climate-related issues, our homeowners may decide to remove their listings from our platform. If we are unable to provide vacation rentals for booking in certain areas due to climate change, we may lose both homeowners and guests, which could have a material adverse effect on our business, results of operations, and financial condition.

Our financial performance is also subject to global economic conditions and their impact on levels of discretionary consumer spending. Some of the factors that have an impact on discretionary consumer spending include general economic conditions, worldwide or regional recessions, unemployment, consumer debt, reductions in net worth, fluctuations in exchange rates, wage inflation, residential real estate and mortgage markets, taxation, energy prices, interest rates, consumer confidence, tariffs, and other macroeconomic factors.

Consumer preferences tend to shift to lower-cost alternatives during recessionary periods and other periods in which disposable income is adversely affected, which could lead to a decline in the bookings and prices for rentals through our platform and an increase in cancellations, and thus result in lower revenue. Leisure travel in particular, which accounts for a substantial majority of our current business, is dependent on discretionary consumer spending levels. Downturns in worldwide or regional economic conditions, such as the downturn experienced during the COVID-19 pandemic, led to a general decrease in leisure travel and travel spending, and similar downturns in the future may materially adversely impact demand for our platform and services. Such a shift in consumer behavior would materially adversely affect our business, results of operations, and financial condition.

The coverage afforded under our insurance policies may be inadequate for the needs of our business or our third-party insurers may be unable or unwilling to meet our coverage requirements, which could materially and adversely affect our business, results of operations, and financial condition.

We use a combination of third-party insurance and self-insurance to manage the exposures related to our business operations. We support our homeowners by maintaining an accommodation protection program. Our business, results of operations, and financial condition would be materially adversely affected if (i) cost per claim, premiums or the number of claims significantly exceeds our expectations; (ii) we experience a claim in excess of our coverage limits; (iii) our insurance providers become insolvent or otherwise fail to pay on our insurance claims; (iv) we experience a claim for which coverage is not provided; or (v) the number of claims under our deductibles or self-insured retentions differs from historical averages. Our overall spend on insurance has increased as our business and risk exposure have grown and losses from covered claims have increased. Premiums have increased as a result, and we have experienced and expect to continue to experience increased difficulty in obtaining appropriate policy limits and levels of coverage at a reasonable cost and with reasonable terms and conditions. Our costs for obtaining these policies will continue to increase as our business grows and risk exposures continue to evolve. Furthermore, as our business continues to develop and diversify, we may experience difficulty in obtaining insurance coverage for new and evolving offerings and tiers, which could require us to incur greater costs and materially adversely affect our business, results of operations, and financial condition. Additionally, if we fail to comply with insurance regulatory requirements in the regions where we operate, or other regulations governing insurance coverage, our brand, reputation, business, results of operations, and financial condition could be materially adversely affected.

Accommodation Protection Program

As an additional benefit to our homeowners and in order to comply with certain short-term rental regulatory requirements, we enroll homeowners in our accommodation protection program, which provides protection for claims of guest-caused property damage or guest bodily injury arising from the reservation. The accommodation protection program is subject to certain terms, conditions and exclusions, and homeowners may opt out of the program, if the homeowner provides documentation of sufficient alternative coverage through their homeowners insurance. Our homeowners may also benefit from protection provided through our distribution partners when bookings of Vacasa rental homes are made through their platforms.

However, these programs may not provide protection for certain types of claims and may be insufficient to fully cover costs of investigation, costs of defense, and payments or judgments arising from covered claims. In addition, extensive or costly claims could lead to rate increases or difficulty securing coverage, which may result in increased financial exposure and an inability to meet regulatory requirements. Increased claim frequency and severity and increased fraudulent claims could result in greater payouts, premium increases, and/or difficulty securing coverage. Further, disputes with

homeowners as to whether a protection program applies to alleged losses or damages and the increased submission of fraudulent payment requests could require significant time and financial resources.

Corporate Insurance

We procure insurance policies to cover various operations-related risks, including general business liability, workers' compensation, cyber liability and data breaches, crime, directors and officers liability, and property insurance. We do not have sufficient coverage for certain catastrophic events, including certain business interruption losses, such as those resulting from the COVID-19 pandemic. Additionally, certain policies may not be available to us and the policies we have and obtain in the future may not be sufficient to cover all of our business exposure.

Risks Related to Accounting, Tax and Financial Statement Matters

A future impairment of our long-lived assets or goodwill could adversely affect our results of operations and financial condition.

We evaluate our long-lived assets or asset groups for indicators of possible impairment by comparing the carrying amount to future net undiscounted cash flows expected to be generated by such asset or asset group and its eventual disposal when events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. We review goodwill for impairment by initially considering qualitative factors to determine whether it is more likely than not that the fair value of our reporting unit is less than its carrying amount, including goodwill, as a basis for determining whether it is necessary to perform a quantitative analysis. If it is determined that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative analysis is performed to identify goodwill impairment.

Potential indicators of impairment include significant changes in performance relative to expected operating results, significant negative industry or economic trends, or a significant decline in the Company's stock price and/or market capitalization for a sustained period of time. If one or more of these impairment indicators occur or intensify, this could result in an impairment of long-lived assets or further impairment of goodwill. The Company performed a quantitative impairment assessment as of September 30, 2023, which resulted in long-lived asset and goodwill impairment charges of \$46.0 million and \$411.0 million, respectively. Additionally, the Company performed a quantitative impairment assessment as of March 31, 2024, which resulted in long-lived asset impairment charges of \$84.0 million. No other material impairment charges were taken as of March 31, 2024.

Future impairment of our long-lived assets or goodwill could be material and could adversely affect our results of operations and financial condition.

We may experience significant fluctuations in our results of operations from quarter to quarter and year to year as a result of seasonality and other factors, which make it difficult to forecast our future results.

Our results of operations may vary significantly from quarter to quarter and year to year and are not an indication of our future performance. Our overall business is seasonal, reflecting typical travel behavior patterns over the course of the calendar year. In addition, each market where we operate has unique seasonality, events, and weather that can increase or decrease demand for our offerings. Certain holidays can have an impact on our revenue by increasing Nights Sold on the holiday itself or during the preceding and subsequent weekends. Typically, our second and third quarters have higher revenue due to increased Nights

Sold. Our GBV typically follows the seasonality patterns of Nights Sold. Our operations and support costs also increase in the second and third quarters as we increase our hourly staffing to handle increased activity on our platform in those periods. Our business is also subject to fluctuations in available working capital. Our cash and working capital tends to be highest in the second quarter and lowest in the fourth quarter of the year. Fluctuations or changes in these seasonal patterns may adversely affect our financial results and business condition, including our position. On May 8, 2024, the Company drew \$81.0 million under the Revolving Credit Facility to supplement our cash position. If our working capital reserves are inadequate, we may be required to seek additional sources of capital, which may not be available or may come with undesirable terms. In such event, our ability to support our business and return our operations to growth, respond to business challenges and opportunities, and execute our growth strategy would be significantly limited, and our business, results of operations, and financial condition would be materially adversely affected.

As our business matures, other seasonal trends may develop, or these existing seasonal trends may become more extreme. In addition to seasonality, our results of operations may fluctuate as a result of a variety of other factors, many of which are beyond our control, may be difficult to predict, and may not fully reflect the underlying performance of our business, including:

- reduced travel and cancellations due to other events beyond our control, such as the COVID-19 pandemic or other epidemics, increased or continuing restrictions on travel and immigration, trade disputes, economic downturns, significant labor shortages, political, civil or social unrest, armed hostilities and the impact of climate on travel (including fires, floods, severe weather and other natural disasters) or law enforcement demands and other regulatory actions;
- periods with increased investments in our platform for existing offerings, new offerings and initiatives, marketing, and the accompanying growth in headcount;
- the impacts of the Reorganization and our ability to execute on this plan;
- our ability to grow our business and effectively manage that growth;
- increased competition;
- our ability to expand our operations in new and existing regions;
- changes in governmental or other regulations affecting our business;
- changes to our internal policies or strategies;
- harm to our brand or reputation; and
- other risks described elsewhere in this Quarterly Report and the 2023 Annual Report.

As a result, it may be more difficult to accurately forecast our results of operations and, if our forecasts are not accurate, we may fail to meet the expectations of investors and securities analysts, which could cause the trading price of our Class A Common Stock to fall substantially and potentially subject us to costly lawsuits, including securities class action suits. Moreover, we base our expense levels and investment plans on estimates for revenue that may turn out to be inaccurate. A significant portion of our expenses and investments are fixed, and we may not be able to adjust our spending quickly enough if our revenue is less than expected or if costs are higher than expected, resulting in losses that exceed our expectations. If our assumptions regarding the risks and uncertainties that

we use to plan our business are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, results of operations, and financial condition could be materially adversely affected.

We track certain operational metrics, which are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and materially adversely affect our stock price, business, results of operations, and financial condition.

We track certain operational metrics, including metrics such as GBV, Nights Sold, and GBV per Night Sold, which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools are subject to a number of limitations, and our methodologies for tracking these and other metrics may change over time, which could result in unexpected changes to our metrics, including the those we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across populations globally. The calculation of GBV and Nights Sold requires the ongoing collection of data on new offerings that are added to our platform over time. Our business is complex, and the methodology used to calculate GBV and Nights Sold may require future adjustments to accurately represent the full value of new offerings.

Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operational metrics are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, our stock price could decline, we may be subject to stockholder litigation, and our business, results of operations, and financial condition could be materially adversely affected.

Because we recognize revenue during the guest stay and not at booking, upticks or downturns in bookings are not immediately reflected in our results of operations.

We experience a difference in timing between when a booking is made and when we recognize revenue, which is at the time of the stay. The effect of significant downturns in bookings in a particular quarter may not be fully reflected in our results of operations until future periods because of this timing in revenue recognition. We have issued, and may continue to issue, future stay credits to guests who chose to cancel within our enhanced cancellation policy. Such future stay credits are recognized as a liability on our consolidated balance sheets. Alternatively, in certain instances, we may offer a refund in lieu of a future stay credit. We account for these refunds as variable consideration, which results in a reduction to revenue.

Our failure to properly manage funds held on behalf of customers could materially adversely affect our business, results of operations, and financial condition.

When a guest books and pays for a stay on our platform, we do not recognize the amount the guest has paid until the stay occurs, at which time we recognize our commission and fees as revenue and (other than in certain locations in which the homeowner is paid upon booking) initiate the process to remit the payment to the homeowner, which occurs monthly following the stay, barring any alterations or cancellations which may result in funds being returned to the guest. Accordingly, at any given time, we hold on behalf of our homeowners and guests a substantial amount of funds, which are generally held in bank deposit accounts and in U.S. treasury bills and recorded on our consolidated balance sheets as funds receivable and amounts held on behalf of customers. In certain jurisdictions, we are required to either safeguard customer funds in bankruptcy-remote bank accounts, or hold such funds in eligible liquid assets, as defined by the relevant regulators in such jurisdictions, equal to at least 100% of the aggregate amount held on behalf of customers. Our ability to manage and account accurately for the cash underlying our customer funds, and comply with related trust-accounting regulations requires a high level of operational and internal controls. As our business continues to grow and we expand our offerings and tiers, we must continue to strengthen our associated internal controls. Our success requires significant public confidence in our ability to handle large and growing transaction volumes and amounts of customer funds. Any failure to maintain the necessary controls or to manage the assets underlying our customer funds accurately could result in reputational harm, lead customers to discontinue or reduce their use of our platform and services, and result in significant penalties and fines from regulators, each of which could materially adversely affect our business, results of operations, and financial condition.

We rely on third-party payment service providers to process payments made by guests and certain payments made to homeowners on our platform. If these third-party payment service providers become unavailable or we are subject to increased fees, our business, results of operations, and financial condition could be materially adversely affected.

We rely on a number of third-party payment service providers, including payment card networks, banks, payment processors, and payment gateways, to link us to payment card and bank clearing networks to process payments made by our guests and to remit payments to homeowners on our platform. We have agreements with these providers, some of which are the sole providers we rely on for their particular service.

If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted, we would need to find alternate payment service providers, and we may not be able to secure similar terms or replace such payment service providers in an acceptable time frame.

If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be as effective, efficient, or well-received by our homeowners and guests. Any of the foregoing could cause us to incur significant losses and, in certain cases, require us to make payments to homeowners out of our funds, which could materially adversely affect our business, results of operations, and financial condition.

In addition, the software and services provided by our third-party payment service providers may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us reputational harm or cause us to lose our ability to accept online payments or other payment transactions or make timely payments to homeowners on our platform, which could make our platform less convenient and desirable to customers and adversely affect our ability to attract and retain homeowners and guests.

Moreover, our agreements with payment service providers allow, and in the future may allow, these companies, under certain conditions, to hold an amount of our cash as a reserve. They may be entitled to a reserve or suspension of processing services upon the occurrence of specified events, including material adverse changes in our business, results of operations, and financial condition. An imposition of additional reserves or a suspension of processing services by one or more of our processing companies could have a material adverse effect on our business, results of operations, and financial condition.

If we fail to invest adequate resources into the payment processing infrastructure on our platform, or if our investment efforts are unsuccessful or unreliable, our payments activities may not function properly or keep pace with competitive offerings, which could adversely impact their usage. Further, our ability to expand our payments activities into additional countries is dependent upon the third-party providers we use to support these activities. If we expand the availability of our payments activities to additional geographic regions or begin to offer new payment methods to our homeowners and guests in the future, we may become subject to additional regulations and compliance requirements, and exposed to heightened fraud risk, which could lead to an increase in our operating expenses.

For certain payment methods, including credit and debit cards, we pay interchange and other fees, and such fees result in significant costs. Payment card network costs have increased, and may continue to increase in the future, the interchange fees and assessments that they charge for each transaction that accesses their networks, and may impose special fees or assessments on any such transaction. Our payment card processors have the right to pass any increases in interchange fees and assessments on to us. Credit card transactions result in higher fees to us than transactions made through debit cards. Any material increase in interchange fees in the United States or other geographic regions, including as a result of changes in interchange fee limitations imposed by law in

some geographic regions, or other network fees or assessments, or a shift from payment with debit cards to credit cards could increase our operating costs and materially adversely affect our business, results of operations, and financial condition.

We are subject to payment network rules and any material modification of our payment card acceptance privileges could have a material adverse effect on our business, results of operations, and financial condition.

The loss of our credit and debit card acceptance privileges or the significant modification of the terms under which we obtain card acceptance privileges would significantly limit our business model since a vast majority of our guests pay using credit or debit cards. We are required by our payment processors to comply with payment card network operating rules, including the Payment Card Industry ("PCI") Data Security Standard (the "PCI DSS"). Under the PCI DSS, we are required to adopt and implement internal controls over the use, storage, and transmission of card data to help prevent credit card fraud. If we fail to comply with the rules and regulations adopted by the payment card networks, including the PCI DSS, we would be in breach of our contractual obligations to payment processors and merchant banks. Such failure to comply may damage our relationship with payment card networks, subject us to restrictions, fines, penalties, damages, and civil liability, and could eventually prevent us from processing or accepting payment cards, which would have a material adverse effect on our business, results of operations, and financial condition.

Moreover, the payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our payment processors might find difficult or even impossible to comply with, or costly to implement. As a result, we could lose our ability to give consumers the option of using payment cards to make their payments or the choice of currency in which they would like their payment card to be charged. Further, there is no guarantee that, even if we comply with the rules and regulations adopted by the payment card networks, we will be able to maintain our payment card acceptance privileges. We also cannot guarantee that our compliance with network rules or the PCI DSS will prevent illegal or improper use of our payments platform or the theft, loss, or misuse of the credit or debit card data of customers or participants, or a security breach. We are also required to submit to periodic audits, self-assessments, and other assessments of our compliance with the PCI DSS. If an audit, self-assessment, or other assessment indicates that we need to take steps to remediate any deficiencies, such remediation efforts may distract our management team and require us to undertake costly and time-consuming remediation efforts, and we could lose our payment card acceptance privileges.

We are also subject to network operating rules and guidelines promulgated by the National Automated Clearing House Association ("NACHA") relating to payment transactions we process using the Automated Clearing House ("ACH") Network. Like the payment networks, NACHA may update its operating rules and guidelines at any time, which can require us to take more costly compliance measures or to develop more complex monitoring systems.

Uncertainty in the application of taxes to our homeowners, guests, or platform could increase our tax liabilities and may discourage homeowners and guests from conducting business on our platform.

We are subject to a variety of taxes and tax collection obligations in the United States (federal, state, and local) and several foreign jurisdictions. New or revised foreign, federal, state, or local tax regulations may subject us or our homeowners and guests to additional indirect taxes, such as lodging, hotel, sales and use, privilege, excise, VAT, goods and services, harmonized sales, business, and gross receipt (together, "indirect taxes"), income, and other taxes, and, depending upon the jurisdiction,

could subject us or our homeowners and guests to significant monetary penalties and fines for non-payment of taxes. Any additional tax expenses and other liabilities to which we or our homeowners and/or guests are subject would likely increase the cost of doing business for our homeowners, increase the price paid by guests, and may discourage homeowners and guests from using our platform, which could lead to a decline in revenue. As a result, our business, results of operations, and financial condition could be materially adversely affected by additional taxes of this nature or additional taxes or penalties resulting from our failure to comply with any reporting, collection, and payment obligations. We accrue a reserve for such taxes, and upon examination or audit, such reserves may be insufficient. We are currently subject to tax audit in several states and local jurisdictions.

The application of taxes, particularly indirect taxes, to activities such as ours and to our homeowners and guests is a complex and evolving issue. Laws and regulations relating to taxes as applied to our platform, and to our homeowners and guests, vary greatly among jurisdictions, and it is difficult or impossible to predict how such laws and regulations will be applied. We devote significant resources, including management time, to the application and interpretation of tax laws and working with various jurisdictions to clarify whether taxes are applicable and the amount of taxes that apply. The application of indirect taxes to our homeowners, guests, and our platform significantly increases our operational expenses as we build the infrastructure and tools to capture data and to report, collect, and remit taxes. The lack of uniformity in the laws and regulations relating to indirect taxes as applied further increases the operational and financial complexity of our systems and processes, and introduces potential for errors or incorrect tax calculations, all of which are costly to our business and results of operations. In addition, certain regulations may be so complex as to make it infeasible for us to be fully compliant. As our business operations expand or change, including as a result of introducing new or enhanced offerings, tiers or features, or due to acquisitions, the application of indirect taxes to our business and to our homeowners and guests will further change and evolve, and could further increase our liability for taxes, discourage homeowners and guests from using our platform, and materially adversely affect our business, results of operations, and financial condition.

We may have exposure to greater than anticipated tax liabilities.

The application of domestic and international income and non-income tax laws, rules and regulations to our business is subject to interpretation by the relevant taxing authorities. Given a focus on revenue generation, taxing authorities have become more aggressive in their enforcement of such laws, rules and regulations, resulting in increased audit activity and audit assessments, and legislation.

We are subject to regular review and audit by U.S. federal, state, local, and foreign tax authorities. As such, potential tax liabilities may exceed our current tax reserves or may require us to modify our business practices and incur additional cost to comply, any of which may have a material adverse effect on our business.

The determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Our provision for income taxes is also determined by the manner in which we operate our business, and any changes to such operations or laws applicable to such operations may affect our effective tax rate.

Our tax positions or tax returns are subject to change, and therefore we cannot accurately predict whether we may incur material additional tax liabilities in the future, which would materially adversely affect our results of operations and financial condition.

Changes in tax laws or tax rulings could materially affect our business, results of operations, and financial condition.

The tax regimes we are subject to or operate under, including income and non-income (including indirect) taxes, are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially adversely affect our results of operations and financial condition. For example, the Organization for Economic Co-Operation and Development ("OECD") has announced an accord commonly referred to as "Pillar Two" to set a minimum global corporate tax rate of 15%, which has been, is being or may be implemented in many jurisdictions. The OECD is also issuing guidelines that are different, in some respects, than current international tax principles. If countries amend their tax laws to adopt all or part of the OECD guidelines, this may increase tax uncertainty and increase taxes applicable to us. We cannot predict whether the U.S. Congress or any other governmental body, whether in the United States or in other jurisdictions, will enact new tax legislation (including increases to tax rates), whether the U.S. Internal Revenue Service or any other tax authority will issue new regulations or other guidance, whether the OECD or any other intergovernmental organization will publish any guidelines on global taxation or whether member states will implement such guidelines, nor can we predict what effect such legislation, regulations or international guidelines might have. However, changes to existing laws and regulations could adversely affect our business, results of operations and financial condition.

In addition, we are subject to a variety of taxes and tax collection obligations in the United States (federal, state, and local) and numerous foreign jurisdictions. A number of jurisdictions have proposed or implemented new tax laws or interpreted existing laws to explicitly apply various taxes to businesses like ours, and are increasing their enforcement actions with respect to such laws. Laws and regulations relating to taxes vary greatly among jurisdictions, and it is difficult or impossible to predict how such laws and regulations will be applied. The application of indirect taxes to activities such as ours is a complex and evolving issue, and responding to tax audits and other tax-related inquiries can be time consuming and expensive.

We may recognize additional tax expenses and be subject to additional tax liabilities, and our business, results of operations, and financial condition could be materially adversely affected by additional taxes of this nature or additional taxes or penalties resulting from our failure to comply with any reporting, collection, and payment obligations. We accrue a reserve for such taxes when the likelihood is probable that such taxes apply to us, and upon examination or audit, such reserves may be insufficient. Additional taxes imposed in connection with our business could have the effect of increasing the prices paid by guests and could discourage guests from using our properties, and lead to a decline in revenue, and materially adversely affect our business, results of operations, and financial condition.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We expect to have material net operating loss carryforwards for U.S. federal and state income tax purposes. As of December 31, 2023, our federal net operating loss carryforwards were approximately \$218.6 million. Realization of tax savings from these net operating loss carryforwards will depend on our future taxable income, and there is a risk that some of our existing carryforwards could expire unused and be unavailable to offset future taxable income, which could materially adversely affect our results of operations and financial condition. In addition, under Sections 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership by significant stockholders or groups of stockholders over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, to offset its post-change taxable income or tax liabilities may be limited. Similar rules may apply under state tax laws. We expect that our net operating losses will be subject to limitations under these rules, and we may experience ownership changes in the future because of shifts in our stock ownership, many of which may be outside of our control. Our ability to use our pre-change net operating loss carryforwards and other tax attributes to offset future U.S. federal taxable income may be subject to limitations, which could result in increased future tax liability to us. In addition, tax benefits that we derive from certain tax attributes, including net operating losses, that are allocable to us as a result of the transactions undertaken in connection with the Business Combination are subject to the terms of, and may give rise to payments that we will be required to make under, the Tax Receivable Agreement, as discussed below.

We are a holding company and our principal asset is our indirect equity interests in OpCo and, accordingly, we are dependent upon distributions from OpCo to pay taxes and other expenses.

We are a holding company and our principal asset is our 57.7% indirect ownership of OpCo. We have no independent means of generating material revenue. As the initial sole manager of OpCo, we generally intend to cause OpCo to make distributions to its equity holders in amounts sufficient to cover the taxes on their allocable share of the taxable income of OpCo, including for this purpose, any payments we are obligated to make under the Tax Receivable Agreement and other costs or expenses, but we may be limited in our ability to cause OpCo to make distributions to its equity holders (including for purposes of paying corporate and other overhead expenses and dividends) by our contractual arrangements, including the terms of our Revolving Credit Facility and any additional debt facilities that we may enter into in the future. In addition, certain laws and regulations may result in restrictions on OpCo's ability to make distributions to Vacasa, Inc., or the ability of OpCo's subsidiaries to make distributions to it.

To the extent that we need funds and OpCo or its subsidiaries are restricted from making such distributions, under applicable law or regulation or otherwise, we may not be able to obtain such funds on terms acceptable to us or at all and, as a result, could suffer an adverse effect on our liquidity and financial condition. In certain situations, including where OpCo does not have sufficient cash to make tax distributions to all of its members in the full amounts that may be payable in connection with the Fourth Amended and Restated Limited Liability Company Agreement of OpCo (the "OpCo LLC Agreement") (or where tax distributions to the members of OpCo would materially exceed a set percentage of our aggregate taxable income), tax distributions to the equity holders of OpCo may be reduced (such that each member of OpCo may not receive tax distributions sufficient to cover its tax liability). Tax distributions will generally be treated as advances of other distributions made under the OpCo LLC Agreement.

Although OpCo may not always make such distributions, under the OpCo LLC Agreement, we generally expect OpCo, from time to time, to make distributions in cash to its equity holders in amounts sufficient to cover the taxes on their allocable share of the taxable income of OpCo (in addition, Vacasa, Inc. may receive certain non-pro rata distributions from OpCo to cover certain overhead and other expenses, as provided in the OpCo LLC Agreement). As a result of (i) potential differences in the amount of net taxable income indirectly allocable to us and to OpCo's other equity holders, (ii) the lower tax rate applicable to corporations as opposed to the assumed tax rate for making such distributions in the OpCo LLC Agreement, (iii) the favorable tax benefits that we anticipate from Vacasa, Inc.'s acquisition of common units of OpCo ("OpCo Units"), in exchange for, at our election, either cash (based on the market price of a share of our Class A Common Stock) or shares of our Class A Common Stock and payments under the Tax Receivable Agreement and (iv) the fact that tax distributions made in respect of OpCo Units will generally be made pro rata in respect of such Units as described in the OpCo LLC Agreement, we expect that these tax distributions may be in amounts that exceed our tax liabilities. Our Board will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment of obligations under the Tax Receivable Agreement and the payment of other expenses. We will have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the exchange ratio for OpCo Units will be made as a result of any cash distribution by us or any retention of cash by us. To the extent we do not distribute such cash as dividends on our Class A Common Stock and instead, for example, hold such cash balances, or lend them to OpCo, this may result in shares of our Class A Common Stock increasing in value relative to the value of OpCo Units. The holders of OpCo Units (the "OpCo Unitholders") may benefit from any value attributable to such cash balances if they acquire shares of our Class A Common Stock in exchange for their OpCo Units. In addition, our payment of tax distributions to the members of OpCo could result in the distribution of cash out of OpCo that is in excess of what is required for such members (or their direct or indirect equity holders) to pay their tax liabilities attributable to their direct or indirect ownership of OpCo, which could have an adverse effect on our liquidity.

We may incur certain tax liabilities attributable to the Blockers as a result of the Business Combination.

On December 6, 2021, we consummated the business combination (the "Business Combination") contemplated by that certain business combination agreement, dated as of July 28, 2021 (as amended, the "Business Combination Agreement"), by and among TPG Pace, Vacasa Holdings, Turnkey Vacations, Inc., a Vacasa Holdings equity holder ("TK Newco"), certain other Vacasa Holdings equity holders (together with TK Newco, the "Blockers"), us, and certain other parties, pursuant to which, among other things, TPG Pace merged with and into us, following which the separate corporate existence of TPG Pace ceased, and we became the surviving corporation. As the successor to these merged entities, Vacasa, Inc. has generally succeeded to and is responsible for any outstanding or historical tax liabilities of the merged entities, including any liabilities that might be incurred as a result of the mergers described in the previous sentence. The pre-Business Combination owners of the Blockers will not indemnify Vacasa, Inc. for any such liabilities, and such liabilities could have an adverse effect on our liquidity and financial condition.

We may bear certain tax liabilities that are attributable to audit adjustments for taxable periods (or portions thereof) ending prior to the Business Combination, or that are disproportionate to our ownership interest in OpCo in the taxable period for which the relevant adjustment is imposed.

Pursuant to certain provisions of the Code enacted as part of the Bipartisan Budget Act of 2015 (such provisions, the "Partnership Tax Audit Rules"), partnerships (and not the partners of the partnerships) can be liable for U.S. federal income taxes (and any related interest and penalties) resulting from adjustments made pursuant to an IRS audit or judicial proceedings to the items of income, gain, loss, deduction, or credit shown on the partnership's tax return (or how such items are allocated among the partners), notwithstanding the fact that liability for taxes on partnership income is generally borne by the partners rather than the partnership.

Under the Partnership Tax Audit Rules, a partnership's liability for taxes resulting from adjustments made pursuant to an IRS audit or judicial proceedings may be reduced or avoided in certain circumstances depending on the status or actions of its partners. For example, if partners agree to amend their tax returns and pay the resulting taxes, the partnership's liability can be reduced. Partnerships also may be able to make elections to "push out" the tax liability resulting from the adjustment to the persons who were partners in the prior taxable year that is the subject of the adjustment, and, as a result, avoid having the relevant liability paid at the partnership-level and instead be borne by the persons who are partners at the time the relevant liability is paid.

A representative of the holders of Vacasa Holdings' equity prior to the Business Combination (including, for this purpose, the owners of the Blockers with respect to their indirect interest in Vacasa Holdings equity and the holders of vested Vacasa Holdings unit appreciation rights and the holders of vested options to purchase shares of TK Newco common stock) existing prior to the Business Combination (the "Existing VH Holders") will be entitled to direct whether or not OpCo or its subsidiaries will make the "push out" election described above for adjustments attributable to taxable periods (or portions thereof) ending on or prior to the date of the Business Combination, and whether any such entity will pay any applicable liability at the entity level. The provisions of the OpCo LLC Agreement prohibit OpCo from seeking indemnification or other recoveries from the Existing VH Holders in respect of such liabilities. With respect to the representative's exercise of this authority, its interests will generally differ from the interests of our other equity holders. Moreover, with respect to taxable periods beginning after the

Business Combination, there is no requirement that OpCo or any of its subsidiaries make any "push out" election. We accordingly may be required to bear a share of any taxes, interest, or penalties associated with any adjustments to applicable tax returns that exceeds our proportionate share of such liabilities based on our ownership interest in OpCo in the taxable period for which such adjustments are imposed (including periods prior to the effective date of the Business Combination during which we had no interest in OpCo), which could have an adverse effect on our operating results and financial condition.

Vacasa, Inc. will be required to pay the TRA Parties for certain tax benefits it may claim (or is deemed to realize) in the future, and the amounts it may pay could be significant.

In connection with the Business Combination, Vacasa, Inc. acquired existing equity interests from certain Existing VH Holders in exchange for the issuance of shares of Class A Common Stock and rights to receive payments under the Tax Receivable Agreement. As a result of these acquisitions, Vacasa, Inc. has succeeded to certain tax attributes of the Blockers and will receive the benefit of tax basis in assets of OpCo and its subsidiaries. In addition, redemptions or exchanges of OpCo Units in exchange for shares of our Class A Common Stock or cash may produce favorable tax attributes that would not be available to Vacasa, Inc. in the absence of such redemptions or exchanges. Such transactions are also expected to result in increases in Vacasa, Inc.'s allocable share of the tax basis in OpCo's tangible and intangible assets. These increases in tax basis may increase (for income tax purposes) depreciation and amortization deductions and therefore reduce the amount of income or franchise tax that Vacasa, Inc. would otherwise be required to pay in the future had such sales and exchanges never occurred.

We have entered into the tax receivable agreement (the "Tax Receivable Agreement") with the Existing VH Holders (other than the holders of Vacasa Holdings unit appreciation rights and other than holders of options to purchase shares of TK Newco common stock, but including, for this purpose, current and former members of management that hold interests in Vacasa Holdings indirectly through a management holding vehicle), which we refer to in this Quarterly Report collectively as the "TRA Parties," that provides for the payment by Vacasa, Inc. to such TRA Parties (or their transferees or assignees) of 85% of the net cash savings, if any, in U.S. federal, state and local income tax or franchise tax that Vacasa, Inc. realizes (determined by using certain assumptions) in periods after the Business Combination as a result of (i) certain increases in tax basis that occur as a result of (A) any acquisition of OpCo Units from certain Existing VH Holders in the Business Combination, (B) exercises of the redemption rights under the OpCo LLC Agreement (the "Redemption Rights") by certain OpCo Unitholders to exchange their OpCo Units for shares of Class A Common Stock or cash, and (C) payments made under the Tax Receivable Agreement; (ii) any net operating losses or certain other tax attributes that become available to Vacasa, Inc. to offset income or gain realized after the Blocker Mergers; (iii) any existing tax basis associated with assets of OpCo or its subsidiaries, the benefit of which is allocable to Vacasa, Inc. as a result of the exchanges of OpCo Units for Class A Common Stock of Vacasa, Inc. or cash; and (iv) tax benefits related to imputed interest deemed to be paid by Vacasa, Inc. as a result of any payments that Vacasa, Inc. makes under the Tax Receivable Agreement. The Tax Receivable Agreement makes certain simplifying assumptions regarding the determination of the cash savings that Vacasa, Inc. realizes or is deemed to realize from the covered tax attributes, which may result in payments pursuant to the Tax Receivable Agreement in excess of those that would result if such assumptions were not made.

The actual tax benefit, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including, but not limited to, the timing of the redemptions of OpCo Units, the price of Class A Common Stock at the time of each redemption, the extent to which such redemptions are taxable transactions, the amount of tax basis associated with OpCo Units of the redeeming holder at the time of the relevant redemption, the depreciation and amortization periods that apply to the tax basis covered by the Tax Receivable Agreement, the amount, character, and timing of taxable income Vacasa, Inc. generates in the future, the timing and amount of any earlier payments that Vacasa, Inc. may have made under the Tax Receivable Agreement, the income tax rates then applicable to Vacasa, Inc., and the portion of Vacasa, Inc.'s payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis. The payments under the Tax Receivable Agreement are not conditioned upon any TRA Party continuing to own an equity interest in us. To the extent that we are not able to make payments under the Tax Receivable Agreement when due, then (subject to the other provisions of the Tax Receivable Agreement, including those described below regarding the potential acceleration of obligations under the Tax Receivable Agreement) such payments will generally accrue interest until paid.

In addition, the TRA Parties (or their transferees or assignees) will not reimburse Vacasa, Inc. for any payments previously made if any covered tax benefits are subsequently disallowed, except that any excess payments made to any TRA Party (or its transferees or assignees) will be netted against future payments that would otherwise be made under the Tax Receivable Agreement, if any, after the determination of such excess. Vacasa, Inc. could make payments to the TRA Parties under the Tax Receivable Agreement that are greater than its actual cash tax savings and may not be able to recoup those payments, which could negatively impact its liquidity.

Finally, the Tax Receivable Agreement provides that, in the case of a change in control (as defined in the Tax Receivable Agreement), the Tax Receivable Agreement will automatically terminate, and in the case of a material breach of Vacasa, Inc.'s obligations under the Tax Receivable Agreement and certain other events, Vacasa, Inc. may be required to make a payment to the TRA Parties in an amount equal to the present value of future payments (calculated using a discount rate equal to the lesser of 6.50% and a benchmark floating interest rate plus 150 basis points, which may differ from our, or a potential acquirer's, then-current cost of capital) under the Tax Receivable Agreement, which payment would be based on certain assumptions, including those relating to Vacasa, Inc.'s future taxable income. In these situations, Vacasa, Inc.'s obligations under the Tax Receivable Agreement could have a substantial negative impact on its, or a potential acquirer's, liquidity and could have the effect of delaying, deferring, modifying, or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. These provisions of the Tax Receivable Agreement may result in situations where the TRA Parties have interests that differ from or are in addition to those of our other stockholders. In addition, Vacasa, Inc. could be required to make payments under the Tax Receivable Agreement that are due in advance of any actual realization of such further tax benefits, that are in excess of Vacasa, Inc.'s (or a potential acquirer's) actual cash tax savings, and which could negatively impact our liquidity.

Risks Related to Information Technology, Data Security and Data Privacy

If we fail to comply with federal, state, and foreign laws relating to privacy and data protection, we may face potentially significant liability, negative publicity, an erosion of trust, and increased regulatory scrutiny, any of which could materially adversely affect our business, results of operations, and financial condition.

Privacy and data protection laws, rules, and regulations are complex, and their interpretation is rapidly evolving, making implementation and enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Compliance with such laws may require changes to our data collection, use, transfer, disclosure, other processing, and certain other related business practices and may thereby increase compliance costs or have other material adverse effects on our business. We receive, store, handle, transmit, use and otherwise process business information and information related to individuals, including from and about actual and prospective customers, as well as our employees and service providers. As part of homeowner and guest registration and business processes, we may collect and use personal data, such as names, dates of birth, email addresses, phone numbers, and, in some cases, identity verification information (for example, government-issued identification or passport information), as well as payment card or other financial information that homeowners and guests provide to us for such purposes. The laws of many states and countries require businesses which maintain such personal data to implement reasonable security measures to keep such information secure and otherwise restrict the ways in which such information can be collected, processed, disclosed, transferred and used.

Numerous states have enacted or are in the process of enacting state-level data privacy laws and regulations governing the collection, use, and processing of state residents' personal data. For example, the California Consumer Privacy Act provides rights to California residents related to their personal information, places limitations on data uses, creates new audit requirements for higher risk data, and establishes a regulatory agency dedicated to enforcement. Similar laws have taken effect in or will take effect in the future in other states. The effects of these laws, and the enactment of any other state or federal privacy laws, are and will continue to be significant and may require us to modify our data processing practices and policies and may thereby increase compliance costs (and our potential liability) or have other material adverse effects on our business.

As of March 31, 2021, or shortly thereafter, we ceased all property management operations in the EU. Further, we ceased all direct marketing and advertising campaigns directed at EU audiences, stopped offering EU currency and language customization options on our website, and stopped offering all EU member state dedicated addresses and phone numbers that an EU resident could use to contact us. We therefore take the position that we no longer target the EU market. To the extent we have employees and offices in the EU, or are otherwise subject to the General Data Protection Regulation (the "GDPR"), we remain obligated to handle and safeguard all personal data collected from EU residents in accordance with the GDPR for as long as we retain such personal data. This obligation extends to compliance with laws, rules, and regulations regarding cross-border transfers of personal data. Failure to comply with the GDPR may result in fines of up to 20 million Euros or up to 4% of the annual global revenue of the infringer, whichever is greater. It may also lead to civil litigation, with the risks of damages or injunctive relief, or regulatory orders adversely impacting the ways in which our business can use personal data. To the extent we send direct electronic marketing communications to EU residents and/or place cookies on electronic devices used by EU or UK residents within the EU/UK, we may also be subject to evolving EU and UK privacy laws on cookies and e-marketing. Canada also maintains data privacy legislation, which may lead to additional costs and increase our overall risk exposure.

Further, we are subject to the PCI DSS, which is a standard designed to protect credit and debit card data as mandated by payment card industry entities. As a 'level 2' vendor, we self-attest to PCI compliance. We perform certain internal compliance activities and also rely on vendors to manage PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI DSS based on past, present, and future business practices. Our actual or perceived failure to comply with the PCI DSS can subject us to fines, termination of banking relationships, and increased transaction fees.

If any jurisdiction in which we operate adopts new laws or changes its interpretation of its laws, rules, or regulations relating to data residency or localization such that we are unable to comply in a timely manner or at all, we could risk losing our rights to operate in such jurisdictions. The GDPR, CCPA, and other privacy regulations around the world expose us to the possibility of material penalties, significant legal liability, changes in how we operate or offer our products, and interruptions or cessation of our ability to operate in key geographic regions, any of which could materially adversely affect our business, results of operations, and financial condition.

Any failure or perceived failure by us to comply with privacy and data protection policies, notices, laws, rules, and regulations could result in investigations or enforcement proceedings or private actions against us by individuals (including class actions), consumer rights groups, government agencies, or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make costly changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. If any of these events were to occur, our business, results of operations, and financial condition could be materially adversely affected.

If we or our third-party service providers experience cyberattacks, data security breaches, or other security incidents, there may be damage to our brand and reputation, material financial penalties, and legal liability, along with a decline in use of our platform, which could materially adversely affect our business, results of operations, and financial condition.

We rely on the proper functioning, availability, integrity, confidentiality and security of sophisticated software applications, systems, and computing infrastructure ("IT Systems"). While we own or manage many of these IT Systems, we also increasingly rely on third-party IT Systems that are critical to our operations. The security and confidentiality of data and availability of our technology when engaging in e-commerce is essential to maintaining consumer and travel service provider confidence in our platform and services. There are risks of security breaches to our IT Systems and those of services providers we rely on as we increase the types of technology we use to operate our platform, including mobile apps and third-party payment processing providers, and as we collaborate with third parties that may need to process our homeowner, guest, employee or contractor data or have access to our IT Systems. An increasing number of companies, including those with significant online operations, have recently disclosed cyberattacks and breaches of their security, some of which involved sophisticated tactics and techniques (for example, ransomware) allegedly attributable to criminal enterprises or nation-state actors, following a trend of cyberattacks increasing in frequency and magnitude on a global basis. These risks are likely to increase as we expand our offerings, integrate our products and services, utilize third-party products and services, and store and process more data, including personal information as well as proprietary business information.

While we have taken measures to protect the confidentiality, integrity, and availability of our systems and our sensitive, proprietary, and confidential information and to guard against the type of activity that can lead to data breaches, we cannot ensure that every third party and service provider we utilize has taken similar measures, or that the measures that we or the third parties and service

providers we work with have implemented are sufficient security safeguards or that any implemented measures, including policies and procedures, or that such measures will always be followed, fully implemented and/or be effective against current or future security threats. In addition, we cannot ensure that any process for vetting the security of service providers will identify all risks to the confidentiality, availability, security or integrity of their IT Systems. We face evolving cybersecurity risks that threaten the confidentiality, integrity, and availability of our IT Systems and data from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware.

We have in the past experienced cyberattacks and security incidents, none of which have, to date, had a material impact on our business, and we expect to continue experiencing such attacks and incidents in the future. Cyberattacks are becoming increasingly sophisticated, with attackers utilizing tools, including artificial intelligence, designed to circumvent controls, avoid detection and obfuscate evidence, which means that we may be unable to identify, investigate or remediate cybersecurity incidents in a timely or effective manner. Further, the techniques used by threat actors to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are unknown until launched against a target. As such, we and our service providers may be unable to anticipate these tactics and techniques or to implement adequate preventative measures.

Certain of our third-party providers provide smart lock hardware and related control software that we use to secure physical access to many of the properties we manage. We rely on these third-party providers to ensure adequate security measures for these services. Any compromise or interruption in the services provided by these third parties could impair our ability to provide guests, owners, and housekeepers/maintenance staff with access to homes, which could result in breaches of contract, litigation, or loss of business. A security breach or material failure on the part of one of these providers could also result in providing a threat actor with access to one or more of our managed properties, therefore compromising the physical security of such properties. Any such delay or breach may harm our reputation or our ability to retain the confidence of existing homeowners, protect the safety of our guests, or attract new homeowners or guests.

Further, with a large geographically disparate employee base, we are not immune from the possibility of a malicious insider compromising our information systems and infrastructure. This risk has grown in light of the greater adoption of remote work as a response to the COVID-19 pandemic and will continue for the foreseeable future. We also have a distributed customer support organization, including third-party providers that have access to personal and proprietary business information. There can be no assurance that any measures implemented can fully safeguard against a sufficiently determined and skilled insider threat.

In addition, threat actors have targeted and will continue to target us and our homeowners, guests, partners, vendors and other third parties directly with attempts to breach the security of our and their IT Systems, including email accounts or management systems, such as through phishing attacks where a third party attempts to infiltrate our IT Systems or acquire information by posing as a legitimate inquiry or electronic communication, which are fraudulent identity theft schemes designed to appear as legitimate emails from us or from our homeowners or guests, partners, or vendors or other third parties that we do business with. We have experienced and have seen many instances of our homeowners, guests, and other parties we do business with falling prey to such schemes, which result in accounts being taken over by fraudsters intent on perpetrating fraud. Threat actors may employ other schemes aimed at defrauding us, our homeowners or guests in ways that we may not anticipate or be able to adequately guard against. Computer circumvention capabilities, new discoveries or advances or other developments, including our own acts or omissions, could result in a compromise or breach of consumer data. For example, third parties have attempted, and may continue to attempt, to fraudulently induce employees, travel partners and other service providers or consumers to disclose usernames, passwords or other sensitive information, or to make payments to fraudulent accounts. As such, even if phishing and spamming attacks and other fraud schemes are not carried out through our systems, victims may nevertheless seek recovery from us. In addition, we may not always be able to fully recover any payments made through such fraud. Because of our prominence, we believe that we are a particularly attractive target for such attacks. Though it is difficult to determine what, if any, harm may directly result from any specific scheme or attack, any failure to maintain performance, confidentiality, integrity, reliability, security, and availability of our offerings, services, and IT Systems may harm our reputation and our ability to retain existing homeowners and guests and attract new homeowners and guests. The ability of fraudsters to directly target our homeowners and guests with fraudulent communications, or cause an account takeover, exposes us to significant financial fraud risk, including costly litigation, which is difficult to fully mitigate. Such an incident may also require us to incur significant expense and expend material resources to investigate and correct the issue and to prevent recurrence, and expose us to legal liabilities, including regulatory enforcement and indemnity obligations, which could have a material adverse effect on our business, financial condition or results of operations.

We have acquired and may continue to acquire companies that are vulnerable to security breaches, and we may be liable in the event of any security breaches of these acquired companies. Such companies may also introduce malware or other security issues if the systems of such companies become integrated with our IT Systems. While we conduct due diligence of these companies, we do not have access to the full operating history of the companies and cannot be certain there have not been security breaches prior to our acquisition. In addition, our diligence may not discover all issues with the security safeguards, policies, and procedures of such acquired companies, and it may take time and require significant investment to improve the security safeguards, policies and procedures of such companies, so we cannot be certain that there will not be a security breach after our acquisition.

Our existing general liability and cyber liability insurance policies may not cover, or may cover only a portion of, any potential claims related to security breaches to which we are exposed or may not be adequate to indemnify us for all or any portion of liabilities that may be imposed. We also cannot be certain that our existing insurance coverage will continue to be available on economically reasonable terms, or at all, or in amounts sufficient to cover the potentially significant losses that may result from a security breach, or that the insurer will not deny coverage of any future claim. Security breaches also could harm our reputation and result in litigation against us. Any of these results could have a material adverse effect on our business, results of operations, and financial condition.

We expend, and expect to continue to expend, significant resources to protect against security related incidents and address problems caused by such incidents. Even if we were to expend more resources, regulators and complainants may not deem our efforts sufficient, and regardless of the expenditure, the risk of security related incidents cannot be fully mitigated. Any actual or alleged security breaches or alleged violations of federal, state, or foreign laws or regulations relating to privacy and data security could result in mandated user notifications, litigation, government investigations or enforcement actions, significant fines, and expenditures; divert management's attention from operations; deter people from using our platform; damage our brand and reputation; force us to cease operations for some length of time; and materially adversely affect our business, results of operations, and financial condition. Defending against claims or litigation based on any security breach or incident, regardless of their merit, will be costly and may cause reputational harm. The successful assertion of one or more large claims against us that exceed available insurance coverage, denial of coverage as to any specific claim, or any change or cessation in our insurance policies and coverages, including premium increases or the imposition of large deductible requirements, could have a material adverse effect on our business, results of operations, and financial condition.

We rely primarily on Amazon Web Services to host and deliver our platform, and on a number of other third-party service providers in connection with other key aspects of our platform and operations, and any interruptions or delays in services from these third parties could impair the delivery of our platform and services, and our business, results of operations, and financial condition could be materially adversely affected.

We rely primarily on Amazon Web Services ("AWS") to host and deliver our platform. Third parties also provide services to key aspects of our operations, including Internet connections and networking, data storage and processing, trust and safety, security infrastructure, source code management, and software testing and deployment. In addition, we rely on third parties for many aspects of our payments processing platform, and a significant portion of our customer support operations are conducted by third parties at their facilities. We also rely on third-party services for maps and location data that are core to the functionality of our platform, and we integrate applications, content, and data from third parties to deliver our platform and services.

We do not control the operation, physical security, or data security of any of these third-party providers. Despite our efforts to use commercially reasonable diligence in the selection and retention of such third-party providers, such efforts may be insufficient or inadequate to prevent or remediate such risks. Our third-party providers, including our cloud computing providers and our payment processing providers, may be subject to intrusions, computer viruses, denial-of-service attacks, sabotage, ransomware attacks, acts of vandalism, acts of terrorism, and other misconduct. Our third-party providers are also vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events, and they may be subject to financial, legal, regulatory, and labor issues, each of which may impose additional costs or requirements on us or prevent these third parties from providing services to us or our customers on

our behalf. In addition, these third parties may breach their agreements with us, disagree with our interpretation of contract terms or applicable laws and regulations, refuse to continue or renew these agreements on commercially reasonable terms or at all, fail to or refuse to process transactions or provide other services adequately, take actions that degrade the functionality of our platform and services, increase prices, impose additional costs or requirements on us or our customers, or give preferential treatment to our competitors. If we are unable to procure alternatives in a timely and efficient manner and on acceptable terms, or at all, we may be subject to business disruptions, losses, or costs to remediate any of these deficiencies. Our systems currently do not provide complete redundancy of data storage or processing, including payment processing. Although we are in the process of developing comprehensive business continuity and disaster recovery plans for all of our operations, there is no guarantee that such plans will be effective. The occurrence of any of the above events could result in homeowners or guests ceasing to use our platform, reputational damage, legal or regulatory proceedings, or other adverse consequences, which could materially adversely affect our business, results of operations, and financial condition.

Our platform is highly complex, and any undetected errors could materially adversely affect our business, results of operations, and financial condition.

Our platform is a complex system composed of many interoperating components and software. Our business is dependent upon our ability to prevent system interruption on our platform. Our software, including open source software that is incorporated into our code, may, now or in the future, contain undetected errors, bugs, or vulnerabilities. Some errors in our software code have not been and may not be discovered until after the code has been released. We have, from time to time, found defects or errors in our system and software limitations that have resulted in, and may discover additional issues in the future that could result in, platform unavailability or system disruption. For example, defects or errors have resulted in and could result in the delay in making payments to homeowners or overpaying or underpaying homeowners, which would impact our cash position and may cause homeowners to lose trust in our payment operations. Any errors, bugs, or vulnerabilities discovered in our code or systems released to production or found in third-party software, including open source software that is incorporated into our code, any misconfigurations of our systems, or any unintended interactions between systems could result in poor system performance, an interruption in the availability of our platform, incorrect payments, negative publicity, damage to our reputation, loss of existing and potential homeowners and guests, loss of revenue, liability for damages, a failure to comply with certain legal, regulatory or tax reporting obligations, and regulatory inquiries or other proceedings, any of which could materially adversely affect our business, results of operations, and financial condition.

System capacity constraints, system or operational failures, or denial-of-service or other attacks could materially adversely affect our business, results of operations, and financial condition.

Since our founding, we have experienced rapid growth in consumer traffic to our platform. If our systems and network infrastructure cannot be expanded or are not scaled to cope with increased demand or fail to perform, we could experience unanticipated disruptions in service, slower response times, decreased customer satisfaction, and delays in the introduction of new offerings and tiers. It may be particularly difficult for us to manage these issues as a large portion of our employees continue to work remotely.

Our corporate headquarters, a significant portion of our research and development activities, and certain other critical business operations are located on the West Coast of the United States. Our systems and operations are vulnerable to damage or interruption from human error, computer viruses, earthquakes, floods, fires, power loss, and similar events. A catastrophic event that results in the destruction or disruption of our third-party cloud facilities or our critical business or information technology systems could severely affect our ability to conduct normal business operations and result in lengthy interruptions or delays of our platform and services.

Our systems and operations are also subject to break-ins, sabotage, intentional acts of vandalism, terrorism, and similar misconduct from external sources and malicious insiders. Our existing security measures may not be successful in preventing attacks on our systems, and any such attack could cause significant interruptions in our operations. For instance, from time to time, we have experienced denial-of-service attacks on our systems that have made portions of our platform slow or unavailable for periods of time. There are numerous other potential forms of attack, such as phishing, account takeovers, malicious code injections, ransomware, and the attempted use of our platform to launch a denial-of-service attack against another party, each of which could cause significant interruptions in our operations or involve us in legal or regulatory proceedings. Accordingly, reductions in the availability and response time of our online platform could cause loss of substantial business volumes during the occurrence of any such attack on our systems and measures that we may take to divert suspected traffic in the event of such an attack could result in the diversion of bona fide customers. These issues are likely to become more difficult to manage as we expand the number of places where we operate and the variety of services we offer, and as the tools and techniques used in such attacks become more advanced and available. Successful attacks could result in negative publicity and damage to our reputation, and could prevent consumers from booking or visiting our platform during the attack, any of which could materially adversely affect our business, results of operations, and financial condition.

In the event of certain system failures, we may not be able to switch to back-up systems immediately and the time to full recovery could be prolonged. We have experienced system failures from time to time, which have not only placed increased burdens on our engineering staff, but these outages can create, and have created, a significant amount of consumer questions and complaints that need to be addressed by our customer support team. Any unscheduled interruption in our service could result in an immediate and significant loss of revenue, an increase in customer support costs, and harm to our reputation, and could result in some consumers switching to our competitors. If we experience frequent or persistent system failures, our brand and reputation could be permanently and significantly harmed, and our business, results of operations, and financial condition could be materially adversely affected. While we have taken and continue to take steps to increase the reliability and redundancy of our systems, these steps are expensive and may not be completely effective in reducing the frequency or duration of unscheduled downtime. We do not carry business interruption insurance sufficient to compensate us for all losses that may occur.

In addition, we use both internally developed systems and third-party systems to operate our platform, including transaction and payment processing, and financial and accounting systems. If the number of consumers using our platform increases substantially, or if critical third-party systems stop operating as designed, we may need to significantly upgrade, expand, or repair our transaction and payment processing systems, financial and accounting systems, and other infrastructure. We may not be able to upgrade our systems and infrastructure to accommodate such conditions in a timely manner, and depending on the systems affected, our transaction and payment processing and financial and accounting systems could be impacted for a meaningful amount of time, which could materially adversely affect our business, results of operations, and financial condition.

Our business depends on the performance and reliability of the Internet, mobile, telecommunications network operators, and other infrastructures that are not under our control. As consumers increasingly turn to mobile devices, we also become dependent on consumers' access to the Internet through mobile carriers and their systems. Disruptions in Internet access, whether generally, in a specific region or otherwise, could materially adversely affect our business, results of operations, and financial condition.

The continued proliferation of devices and platforms other than desktop computers creates challenges. If we are unable to operate effectively on these platforms, our business, results of operations, and financial condition could be materially adversely affected.

We anticipate that consumer use of mobile devices and platforms other than desktop computers will continue to grow and that usage of desktop computers will continue to decline. The functionality and user experiences associated with these alternative devices, such as a smaller screen size or lack of a screen, may make the use of our platform through such devices more difficult than through a desktop computer, lower the use of our platform, and make it more difficult for our homeowners to upload content to our platform. In addition, consumer purchasing patterns can differ on alternative devices, and it is uncertain how the continued proliferation of mobile devices will impact the use of our platform and services. Mobile consumers may also be unwilling to download multiple apps from multiple companies providing similar services and may opt to use one of our competitors' services instead of ours. As a result, brand recognition and the consumer experience with our mobile app will likely become increasingly important to our business. In addition, these new modalities create opportunities for device or systems companies, such as Amazon, Apple, and Google, to control the interaction with our consumers and disintermediate existing platforms such as ours.

We need to provide solutions for consumers who are limited in the size of the app they can support on their mobile devices and address latency issues in countries with lower bandwidth for both desktop and mobile devices. Because our platform contains data-intensive media, these issues are exacerbated. As new devices, operating systems, and platforms continue to be released, it is difficult to predict the problems we may encounter in adapting our offerings and features to them, and we may need to devote significant resources to the creation, support, and maintenance of our offerings and features.

Our success will also depend on the interoperability of our offerings with a range of third-party technologies, systems, networks, operating systems, and standards, including iOS and Android; the availability of our mobile apps in app stores and in "super-app" environments; and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if accessibility of various apps is limited by executive order or other government actions, the full functionality of devices may not be available to our customers. Moreover, third-party platforms, services and offerings are constantly evolving, and we may not be able to modify our platform to assure its compatibility with those of third parties. If we lose such interoperability, we may experience difficulties or increased costs in integrating our offerings into alternative devices or systems, or manufacturers or operating systems elect not to include our offerings, make changes that degrade the functionality of our offerings, or give preferential treatment to competitive products, the growth of our community and our business, results of operations, and financial condition could be materially adversely affected. This risk may be exacerbated by the frequency with which consumers change or upgrade their devices. In the event consumers choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our traffic and homeowner and guest engagement may be harmed.

If we are unable to adapt to changes in technology and the evolving demands of homeowners and guests, our business, our brand, market share, results of operations, and financial condition could be materially adversely affected.

The industries in which we compete are characterized by rapidly changing technology, evolving industry standards, consolidation, frequent new offering announcements, introductions, and enhancements, and changing consumer demands and preferences. Our future success will depend, in part, on our ability to adapt our platform and services to evolving industry standards and local preferences and to continually innovate and improve the performance, features, and reliability of our platform and services in response to competitive offerings and the evolving demands of homeowners and guests. We believe our future success will also depend on our ability to adapt to emerging technologies. As a result, we intend to continue to spend significant resources maintaining, developing, and enhancing our technologies and platform; however, these efforts may be more costly than expected and may not be successful. For example, we may not make the appropriate investments in new technologies, which could materially adversely affect our business, results of operations, and financial condition. Further, technological innovation often results in unintended consequences such as bugs, vulnerabilities, and other system failures. Any such bug, vulnerability, or failure, especially in connection with a significant technical implementation or change, could result in lost business, harm to our brand or reputation, consumer complaints, and other adverse consequences, any of which could materially adversely affect our business, results of operations, and financial condition.

Furthermore, in the future, the competitive pressure to innovate could encompass a wider range of services and technologies, including services and technologies that may be outside of our historical core business, and our ability to keep pace may slow. Our current and potential competitors range from large and established companies to emerging start-ups. Emerging start-ups may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new services or technologies before we do. Some of our larger competitors or potential competitors have more resources or more established or varied relationships with consumers than we have, and they could use these advantages in ways that could affect our competitive position, including by making acquisitions, entering or investing in travel reservation businesses, investing in research and development and competing aggressively for highly skilled employees.

In addition, the widespread adoption of new internet, networking or telecommunications technologies or other technological changes could require us to incur substantial expenditures to modify or adapt our services or infrastructure to these new technologies, which could adversely affect our business, results of operations, and financial condition. Any failure to implement or adapt to new technologies in a timely manner or at all could adversely affect our ability to compete, increase our consumer acquisition costs or otherwise adversely affect our business, and therefore adversely affect our brand, market share, results of operations, and financial condition.

If we do not adequately protect our intellectual property rights and our data, our business, results of operations, and financial condition could be materially adversely affected.

We hold a broad collection of intellectual property rights, including registered domain names, registered and unregistered trademarks, service marks, copyrights, patents, trade secrets and other forms of intellectual property rights in the United States and in certain other countries. In the future, we may acquire or license additional patents or patent portfolios, or other intellectual property assets and rights, from third parties, which could require significant cash expenditures.

We rely on a combination of trademark, copyright, trade secret and patent laws, international treaties, our terms of service, other contractual provisions, user policies, restrictions on disclosure, technological measures, and confidentiality and inventions assignment agreements with our employees and consultants to protect our intellectual property assets from infringement and misappropriation. We also rely on unpatented proprietary technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our technology or obtain and use information that we regard as proprietary. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, and independent contractors to enter into confidentiality agreements. However, such agreements may not be enforceable in full or in part in all jurisdictions and any breach could have a negative effect on our business and our remedy for such breach may be limited. If we are unable to maintain the proprietary nature of our technologies, our business would be materially adversely affected.

Furthermore, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. As such, there can be no assurance that others will not offer technologies, products, services, features, or concepts that are substantially similar to ours and compete with our business, or copy or otherwise obtain, disclose and/or use our brand, content, design elements, creative, editorial, and entertainment assets, or other proprietary information without authorization.

We may be unable to prevent third parties from seeking to register, acquire, or otherwise obtain or maintain trademarks, service marks, domain names, or social media handles that are similar to, infringe upon, violate, or diminish the value of our trademarks, service marks, copyrights, and our other proprietary rights. Third parties have also obtained or misappropriated certain of our data through website scraping, robots, aggregating our data for their internal use, or by featuring or providing our data through their respective websites, and/or launched businesses monetizing this data. While we routinely employ technological, operational, and legal measures in an attempt to divert, halt, or mitigate such operations, we may not always be able to detect or halt the underlying activities as technologies used to accomplish these operations continue to rapidly evolve.

We believe our intellectual property assets and rights are essential to our business. If the protection of our proprietary rights and data is inadequate to prevent unauthorized infringement, use, violation or misappropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our branding, technologies, offerings, or features or methods of operations. Even if we do detect infringements, violations or misappropriations and decide to enforce our rights, litigation may be necessary to enforce our rights, and any enforcement efforts we undertake could be time-consuming and expensive, could divert our management's attention, and may result in a court determining that certain of our intellectual property rights are unenforceable. If we fail to protect our intellectual property and data in a cost-effective and meaningful manner, our competitive standing could be harmed; our homeowners, guests, other consumers, and corporate and community partners could devalue the content of our platform; and our brand, reputation, business, results of operations, and financial condition could be materially adversely affected.

We have been, and may in the future be, subject to claims that we or others violated certain third-party intellectual property rights, which, even where meritless, can be costly to defend and could materially adversely affect our business, results of operations, and financial condition.

We have received in the past, and may receive in the future, communications from third parties, including practicing and non-practicing entities, claiming that we have infringed, misused, or otherwise misappropriated their intellectual property rights, including alleged patent infringement. Additionally, we have been, and may in the future be, involved in claims, suits, regulatory proceedings, and other proceedings involving alleged infringement, misuse, or misappropriation of third-party intellectual property rights, or relating to our intellectual property holdings and rights. Like many other companies in the Internet and technology industries, we enter into agreements which include indemnification provisions related to intellectual property which can subject us to costs and damages in the event of a claim against an indemnified party.

Claims involving intellectual property could subject us to significant liability for damages and could result in our having to stop using certain technologies, content, branding, domain names or business methods or practices found to be in violation of another party's rights. We might be required or may opt to seek a license for rights to intellectual property held by others, which may not be available on commercially reasonable terms, or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, content, branding, business methods, or practices. The development of alternative non-infringing technology or practices could require significant effort and expense and make us less competitive, or may not be technically feasible. Any of these results could materially adversely affect our ability to compete and our business, results of operations, and financial condition.

Furthermore, our exposure to risks associated with various intellectual property claims may increase as a result of acquisitions of other companies. Third parties may make infringement and similar or related claims after we have acquired a company or technology that had not been asserted prior to the acquisition. As a result, our business, results of operations, and financial condition could be materially and adversely affected as a result of the occurrence of any of the foregoing.

Our use of "open source" software could adversely impact the value or enforceability of our intellectual property in proprietary software, and materially adversely affect our business, results of operations, and financial condition, and affect our ability to offer our platform and services and subject us to costly litigation and other disputes.

We have in the past incorporated and may in the future incorporate "open source" software into our codebase as we continue to develop our platform and services. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. The use and distribution of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Open source software is generally licensed by its authors or other third parties under open source licenses. By the terms of such open source licenses, we could also be required to release the source code of our proprietary products or services, and to make our proprietary products or services available under open source licenses, if we combine and/or distribute our proprietary software with such open source software in a manner that triggers the obligation of the license. In addition to using open source software, we also license to others some of our software through open source projects. We could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms, including claims for infringement of intellectual property rights or for breach of contract. If we receive an allegation that we have violated an open source license, we may incur significant legal expenses, be subject to damages, be required to redesign our product to remove the open source software, or be required to publicly release certain portions of our proprietary source code, all of which could have a material impact on our business. Even in the absence of a claim, if we discover the use of open source software inconsistent with our practices, we could expend significant time and resources to replace the open source software or obtain a commercial license, if available. All of these risks are heightened by the fact that the ownership of or disclosure requirements regarding open source software can be uncertain, leading to litigation, and many of the licenses applicable to open source software have not been interpreted by courts, and these licenses could be construed to impose unanticipated conditions or restrictions on our ability to commercialize our products. Any use of open source software inconsistent with our policies or licensing terms could harm our business and financial position.

While we employ practices designed to monitor our compliance with the licenses of third-party open source software and protect our proprietary source code, there is a risk that we may incorporate open source software with unfavorable licensing terms, including the obligation to make our source code available for others to use or modify without compensation to us, or inadvertently use open source software, which is fairly common in software development in the Internet and technology industries. Such inadvertent use of open source software could expose us to claims of non-compliance with the applicable terms of the underlying licenses, which could lead to unforeseen business disruptions, including being restricted from offering parts of our product that incorporate the software, being required to publicly release proprietary source code, being required to re-engineer parts of our code base to comply with license terms, or being required to extract the open source software at issue. Our exposure to these risks may be increased as a result of evolving our core source code base, introducing new offerings, integrating acquired-company technologies, or making other business changes, including in areas where we do not currently compete. Any of the foregoing could adversely impact the value or enforceability of our intellectual property, and materially adversely affect our business, results of operations, and financial condition.

We are subject to risks related to our use of artificial intelligence, or AI, in our business.

We believe that the use of AI and machine learning tools in our business, and the insights and functionality they can provide us, will become increasingly important to the efficiency of our business and to the value that our solutions deliver to our homeowners and guests. These emerging technologies are in the early stages of commercial use, and they present a number of risks inherent in their use, including public perception or reputational harm, inaccuracies, unintended biases and discriminatory outcomes, as well as potential legal concerns such as intellectual property protection and infringement, regulatory compliance and data security. While we are in the initial stages of using these technologies in our business, their use may result in liability and could cause us to incur additional costs to resolve such issues, which may harm our business and results of operations. Potential government regulation related to AI use and ethics may also increase the burden and cost of research and development in this area, and failure to properly remediate AI usage or ethics issues may cause public confidence in AI to be undermined, which could slow adoption of AI in our offerings. The rapid evolution of AI will require the application of resources to develop, test and maintain our products and services to help ensure that AI is implemented ethically in order to minimize unintended, harmful impact. In addition, we cannot predict future developments in AI and related impacts on our business and our industry. If we are unable to successfully adapt to new developments related to AI, our business, results of operations and financial position could be negatively impacted.

Risks Related to Other Legal and Regulatory Matters

Laws, regulations, and rules that affect the short-term rental business have limited, and may continue to limit, the ability or willingness of homeowners to rent through Vacasa and expose our homeowners or us to significant penalties, which have had, and could continue to have, a material adverse effect on our business, results of operations, and financial condition.

There have been and continue to be legal and regulatory developments that affect the short-term rental business. Hotels and groups affiliated with hotels have engaged and will likely continue to engage in various lobbying and political efforts for stricter regulations governing our business model in both local and national jurisdictions. Other private groups, such as homeowners, landlords, and condominium and neighborhood associations, have adopted contracts or regulations that purport to ban or otherwise restrict short-term or seasonal vacation rentals, and third-party lease agreements between landlords and tenants, home insurance policies, and mortgages may prevent or restrict the ability of homeowners to list their spaces. These groups and others cite concerns around affordable housing and over-tourism in major cities, and some state and local governments have implemented or have considered implementing rules, ordinances, or regulations governing the short-term rental of properties. Such regulations include ordinances that restrict or ban homeowners from short-term rentals, set annual caps on the number of days homeowners can share their homes, require homeowners to register with the municipality or city, or require homeowners to obtain permission before offering short-term rentals. In addition, some jurisdictions regard short-term rental as "hotel use" and claim that such use constitutes a conversion of a residential property to a commercial property requiring a permitting process.

Additionally, any adoption or amendments to any rules, regulations or laws requiring the Company to modify its guest fee structure or the way it presents its fees to guests could be difficult or costly to implement, and such implementation could negatively impact our site conversion rate, and those of our distribution partners, and, therefore, our revenue.

Macroeconomic pressures and public policy concerns could continue to lead to new laws and regulations, or interpretations or reinterpretations of existing laws and regulations, that limit the ability of homeowners to rent out their homes. If laws, regulations, rules, or agreements significantly restrict or discourage homeowners in certain jurisdictions from renting their properties, it would have a material adverse effect on our business, results of operations, and financial condition.

While a number of cities and counties have implemented legislation to address short-term rentals, there are many others that have not addressed or are not yet explicitly enforcing short-term rental laws, and could follow suit and enact or enforce regulations. New laws, regulations, government policies, or changes in their interpretations or changes in enforcement of laws in the markets where we operate could present significant challenges and uncertainties. In the event of any such changes, we may be unable to operate in some jurisdictions, our short-term rental properties could be limited, current and future rental listings and bookings could decline significantly, and our relationship with our homeowners and guests could be negatively impacted, which would have a materially adverse effect on our business, results of operations, financial condition and reputation.

Certain jurisdictions have adopted laws and regulations that seek to impose lodging taxes, often known as transient or occupancy taxes, on our guests, collection and remittance obligations on our homeowners and/or us, and withholding obligations on us, as more fully described in our 2023 Periodic Reports risk factor titled "Uncertainty in the application of taxes to our homeowners, guests, or platform could increase our tax liabilities and may discourage homeowners and guests from conducting business on our platform." In addition, we are subject to regulations with respect to short-term rentals, owner registration, licensing, and other requirements for the listing of accommodations, such as real estate broker or agent real estate licenses and travel agency licenses in some jurisdictions. We have been, and may continue to be, subject to audits and inquiries relating to these activities,

and we could be held liable, incur financial and potential criminal penalties or be prohibited from operating in certain jurisdictions if we are found to have not complied with any of these requirements, which could have a material adverse effect on our business, results of operations, and financial condition.

In addition, we expect there will be increasing regulation, disclosure-related and otherwise, with respect to environmental, social and governance matters, and increased regulatory scrutiny as a result, which will likely lead to increased compliance costs and many of the other risks identified above.

We have historically taken a very limited role in advocacy but we may in the future determine that it is necessary for us to increase our efforts to defend against the application of laws and regulations that limit our ability to do business and we cannot guarantee we would be successful in those efforts. Further, if we or our homeowners and guests were required to comply with laws and regulations, government requests, or agreements with government agencies that adversely impact our relations with homeowners and guests, our business, results of operations, and financial condition would be materially adversely affected. Moreover, if we enter an agreement with a government or governmental agency to resolve a dispute, the terms of such agreement will likely be publicly available and could create a precedent that may put us in a weaker bargaining position in future disputes with other governments.

We are subject to a wide variety of complex, evolving, and sometimes inconsistent and ambiguous laws and regulations that may adversely impact our operations and discourage homeowners and guests from using our services, and that could cause us to incur significant liabilities, including fines and criminal penalties, which could have a material adverse effect on our business, results of operations, and financial condition.

Complying with the laws and regulations of different jurisdictions that impose varying standards and requirements is burdensome for businesses like ours, imposes added cost, increases potential liability to our business, and makes it more difficult to realize business efficiencies and economies of scale. For example, we incur significant operational costs to comply with requirements of jurisdictions and cities that have disparate requirements around tax collection, tax reporting, owner registration, limits on lengths of stays, landlord-tenant laws and other regulations, each of which require us to dedicate significant resources to provide the infrastructure and tools needed on and outside our platform for our homeowners to meet these legal requirements and for us to fulfill any obligations we may have. The complexity of our services and changes required to comply with the large number of disparate and constantly evolving requirements can lead to compliance gaps if our internal resources cannot keep up with the pace of regulatory change and new requirements imposed on our platform or services, or if our platform does not work as intended or has errors or bugs, or if the manual processes we put in place to comply with certain requirements are not followed properly or at all.

While we endeavor to monitor the changing legal landscape relating to short-term rentals and longer seasonal rentals, it may be difficult or impossible for us to investigate or evaluate laws or regulations in all cities, countries, and regions in which we do business. The application of existing laws and regulations to our business and platform can be unclear, may be difficult for homeowners, guests, and us to understand and apply, and are subject to change, as governments or government agencies seek to apply legacy systems of laws or adopt new laws to new online business models in the travel and accommodations industries, including ours. Uncertain and unclear application of such laws and regulations to homeowner and guest activity and our platform and services could cause and has caused some homeowners and guests to leave or choose not to use our platform, reduce supply and demand for our platform and services, increase the costs of compliance with such laws and regulations, and increase the threat of litigation or enforcement actions related to our platform and services, all of which would materially adversely affect our business, results of operations, and financial condition. See also our risk factor titled "We could face liability for information or content on, or accessible through, our platform."

There are laws that apply to us, and there are laws that apply to our homeowners and/or guests, and we have limited means of enforcing or ensuring the compliance of our homeowners and guests with all applicable legal requirements. Certain governments have attempted, and may attempt in the future, to hold us responsible for laws that apply to our homeowners and/or guests. Whether

applicable to us, our homeowners, and/or our guests, the related consequences arising out of such laws and regulations, including costs of complying with audits, and penalties for violations of and costs to maintain compliance with such laws and regulations, have had and could continue to have a material adverse effect on our reputation, business, results of operations, and financial condition.

We take certain measures to comply and to help homeowners comply with laws and regulations, such as requiring registration numbers to be displayed on a listing profile for listings in some jurisdictions where such registration is required. These measures, changes to them, and any future measures we adopt could increase friction on our platform, and reduce the number of listings available on our platform from homeowners and bookings by guests, and could reduce the activity of homeowners and guests on our platform. We may be subject to additional laws and regulations which could require significant changes to our platform that discourage homeowners and guests from using our platform.

In addition to laws and regulations directly applicable to the short-term rental and longer seasonal business as discussed in our risk factor titled "Laws, regulations, and rules that affect the short-term rental business have limited, and may continue to limit, the ability or willingness of homeowners to rent through Vacasa and expose our homeowners or us to significant penalties, which have had, and could continue to have, a material adverse effect on our business, results of operations, and financial condition," we are subject to laws and regulations governing our business practices, the Internet, e-commerce, and electronic devices, including those relating to taxation, privacy and data collection, data protection and security, pricing, content, advertising, discrimination, consumer protection, protection of minors, copyrights, distribution, messaging, mobile communications, electronic device certification, electronic waste, electronic contracts, communications, Internet access, competition, and unfair commercial practices. We are also subject to laws and regulations governing the provision of online payment services, the design and operation of our platform, and the operations, characteristics, and quality of our platform and services.

To address the COVID-19 pandemic, many jurisdictions adopted laws, rules, regulations, and/or decrees, including implementing travel restrictions, restricting access to city centers, limiting accommodation offerings in surrounding areas, or limiting social mobility and gatherings. Governments, corporations, and other authorities may implement similar restrictions or policies in response to future events that could restrict the ability of our homeowners and guests to participate on our platform.

There is increased governmental interest in regulating technology companies in a number of areas including privacy, tax, mandatory fees and consumer pricing, data localization and data access, algorithm-based discrimination, and competition. In addition, climate change and greater emphasis on sustainability could lead to regulatory efforts to address the carbon impact of housing and travel. In addition, we could face risks related to compliance with insurance regulations. As a result, governments may enact new laws and regulations and/or view matters or interpret laws and regulations differently than they have in the past, and in a manner that could materially adversely affect our business, results of operations, and financial condition.

Any new or existing laws and regulations applicable to existing or future business areas, including amendments to or repeal of existing laws and regulations, or new interpretations, applications, or enforcement of existing laws and regulations, could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and materially adversely impact bookings on our platform, thereby materially adversely affecting our business, results of operations, and financial condition. Our current and future efforts to influence legislative and regulatory proposals have an uncertain chance of success, could be limited by laws regulating lobbying or advocacy activity in certain jurisdictions, and even if successful, could be expensive and time consuming, and could divert the attention of management from our core business operations.

We rely on a mix of independent contractors and employees to provide operational services to us, and any potential reclassification of independent contractors as deemed employees could adversely affect our business, results of operations and financial condition.

We rely on a mix of independent contractors and employees to provide operational services to our business. The state of the law regarding independent contractor status varies from jurisdiction to jurisdiction and is subject to change based on court decisions and regulation. Regulatory authorities and other parties have increasingly asserted within several industries that certain independent contractors should be classified as employees. As a result, there is significant uncertainty regarding the future of the worker classification regulatory landscape. It is possible that legislative, judicial and regulatory (including tax) authorities may introduce proposals or assert interpretations of existing rules and regulations that would change the classification of a significant number of independent contractors doing business with us from independent contractor to employee. In addition, we could also be involved in lawsuits and claims that assert that certain independent contractors should be classified as our employees. Adverse determinations regarding the status of any of our independent contractors, or the enactment of rules and regulations (or changes in the interpretations of existing rules and regulations) that lead to the reclassification of such independent contractors as employees, would result in a significant increase in employment-related costs, such as wages, benefits and taxes, and may subject us to potential penalties, any of which would adversely affect our business, results of operations and financial condition.

We are subject to regulatory audits, inquiries, litigation, and other disputes from time to time which have in the past materially adversely affected, and may in the future materially adversely affect, our business, results of operations, and financial condition.

We have been, and expect to continue to be, a party to various legal and regulatory claims, litigation or pre-litigation disputes, and proceedings arising in the normal course of business, and as a result of actions such as the Reorganization. The number and significance of these claims, disputes, and proceedings have increased as our company has grown larger, the number of bookings has increased, awareness of our brand has grown, our presence on well-known platforms has increased, and the scope and complexity of our business has expanded, and we expect the number and significance of these claims, disputes and proceedings will continue to increase in the future.

We have been, and expect to continue to be, subject to various government audits, inquiries, investigations, and proceedings related to legal and regulatory requirements such as compliance with laws related to short-term rentals, tax, consumer protection, pricing, advertising, discrimination, data protection, data sharing, payment processing, trust compliance, privacy, and competition. In many cases, these inquiries, investigations, and proceedings can be complex, time consuming, costly to investigate, and require significant company and management attention. For certain matters, we are implementing recommended changes to our products, operations, and compliance practices and removal of noncompliant listings and homes from our service. We are unable to predict the outcomes and implications of such audits, inquiries, investigations, and proceedings on our business, and such audits, inquiries, investigations, and proceedings could result in large fines and penalties, require changes to our products and operations, restrict our ability to operate in certain regions and materially adversely affect our brand, reputation, business, results of operations, and financial condition. In some instances, applicable laws and regulations do not yet exist or are being adapted and implemented to address certain aspects of our business, and such adoption or change in their interpretation could further alter or impact our business and subject us to future government audits, inquiries, investigations, and proceedings.

Legal claims have been asserted against us for alleged discriminatory conduct undertaken by homeowners against certain guests (such as conduct relating to acceptance of service animals), and for our own platform policies or business practices. Changes to the interpretation of the applicability of fair housing, civil rights or other statutes to our business or the conduct of our users could materially adversely impact our business, results of operations, and financial condition. We may also become more vulnerable to third-party claims as U.S. laws such as the Digital Millennium Copyright Act ("DMCA") and the Stored Communications Act, and non-U.S. laws such as the European E-Commerce Directive, are interpreted by the courts or otherwise modified or amended, as our platform and services to our homeowners and guests continue to expand, and if we expand geographically into jurisdictions where the underlying laws with respect to the potential liability of online intermediaries such as ourselves are either unclear or less favorable.

In addition, we face claims and litigation relating to fatalities, shootings, other violent acts, illness (including COVID-19), cancellations and refunds, personal injuries, property damage, carbon monoxide incidents, homeowner disputes, and privacy violations that occurred in connection with a rental through our platform. We also have faced putative class action litigation and government inquiries, and could face additional litigation and government inquiries and fines relating to our business practices, cancellations and other consequences due to natural disasters or other unforeseen events beyond our control such as wars, regional hostilities, health concerns, including epidemics and pandemics such as COVID-19, or law enforcement demands and other regulatory actions.

In addition, in the ordinary course of business, we have been party to disputes that allege we have infringed third parties' intellectual property or in which we agree to provide indemnification to third parties with respect to certain matters, including losses arising from our breach of such agreements or from intellectual property infringement claims, or where we make other contractual commitments to third parties. We also have indemnification agreements with certain of our directors and executive officers that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. We may be subject to litigation stemming from these obligations.

Adverse results in any regulatory audit, inquiry, litigation, legal proceedings, or claims may include awards of potentially significant monetary damages, including statutory damages for certain causes of action in certain jurisdictions, penalties, fines, injunctive relief, royalty or licensing agreements, or orders preventing us from offering certain services in a region or state. Moreover, many regulatory audits, inquiries, litigation, legal proceedings, or claims are resolved by settlements that can include both monetary and non-monetary components. Adverse results or settlements may result in changes in our business practices in significant ways, increased operating and compliance costs, and a loss of revenue. In addition, any litigation or pre-litigation claims against us, whether or not meritorious, are time consuming, require substantial expense, and could result in the diversion of significant operational resources. We use various software platforms that, in some instances, have limited functionality, which may impede our ability to retrieve records in the context of a governmental audit, inquiry or litigation. In addition, our insurance may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liability that may be imposed. We expect regulatory audits, inquiries, litigation, legal proceedings, and other claims will continue to consume significant company resources and adverse results in future matters could materially adversely affect our business, results of operations, and financial condition.

We could face liability for information or content that is on, or accessible through, our platform.

We could face claims relating to information or content that is published or made available on our platform. We generally manage the **only ones** content that is posted on our site as part of our vacation rental management services. As such, we **face**. **There** are exposed to potential claims of defamation, disparagement, negligence, warranty, personal harm, intellectual property infringement, and other alleged damages that could be asserted against us, in addition to our homeowners and guests.

While we rely on a variety of statutory and common-law frameworks and defenses, including those provided by the DMCA and the fair-use doctrine in the United States, differences among statutes, limitations on immunity, requirements to maintain immunity, and moderation efforts in the many jurisdictions in which we operate may affect our ability to rely on these frameworks and defenses, or may create uncertainty regarding liability for information or content on our platform. Moreover, regulators in the United States and in other countries may introduce new regulatory regimes that increase potential liability for information or content available on our platform.

Because liability often flows from information or content on our platform and/or services accessed through our platform, as we continue to expand our offerings, tiers, and scope of business, both in terms of the range of offerings and services and geographical operations, we may face or become subject to additional or different laws and regulations. Our potential liability for information or content created by third parties and posted to our platform could require us to implement additional measures to reduce our exposure to such liability, may require us to expend significant resources, may limit the desirability of our platform to homeowners and guests, may cause damage to our brand and reputation, and may cause us to incur time and costs defending such claims in litigation, thereby materially adversely affecting our business, results of operations, and financial condition.

In the European Union, the Consumer Rights Directive and the Unfair Commercial Practices Directive harmonized consumer rights across the EU member states. If consumer protection regulators find that we are in breach of consumer protection laws, we may be fined or required to change our terms and processes, which may result in increased operational costs. Consumers and certain consumer protection associations may also bring individual claims against us if they believe that our terms and/or business practices are not in compliance with local consumer protection laws. Currently, class actions may also be brought in certain countries in the European Union, and the Collective Redress Directive will extend the right to collective redress across the European Union.

We are subject to governmental economic and trade sanctions laws and regulations that limit the scope of our offering. Additionally, failure to comply with applicable economic and trade sanctions laws and regulations could subject us to liability and negatively affect our business, results of operations and financial condition.

We are required to comply with economic and trade sanctions administered by governments where we operate, including the U.S. government (including, without limitation, regulations administered and enforced by the Office of Foreign Assets Control ("OFAC") and the U.S. Department of State). These economic and trade sanctions prohibit or restrict transactions to or from or dealings with certain specified countries, regions, their governments and, in certain circumstances, their nationals, and with individuals and entities that are specially designated, such as individuals and entities included on OFAC's List of Specially Designated Nationals or other sanctions measures. Any future economic and trade sanctions imposed in jurisdictions where we **have been** significant business could materially adversely impact our business, results of operations, and financial condition. Our ability to track and verify transactions and otherwise comply with these regulations require a high level of internal controls, and we cannot guarantee that we have not engaged in dealings with persons sanctioned under applicable sanctions laws. Any non-compliance with economic and trade sanctions laws and regulations or related investigations could result in claims or actions against us and materially adversely affect our business, results of operations, and financial condition. As our business continues to grow and regulations change, we may be required to make additional investments in our internal controls or modify our business.

We have operations in countries known to experience high levels of corruption and any violation of anti-corruption laws could subject us to penalties and other adverse consequences.

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and other laws in the United States and elsewhere that prohibit improper payments or offers of payments to foreign governments and their officials, political parties, state-owned or controlled enterprises, and/or private entities and individuals for the purpose of obtaining or retaining business. We have operations in and deal with countries known to experience corruption. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees, contractors, agents, or users that could be in violation of various laws, including the FCPA and anti-bribery laws in these countries. We have implemented policies, procedures, systems, and controls designed to ensure compliance with applicable laws and to discourage corrupt practices by our employees, consultants, and agents, and to identify and address potentially impermissible transactions under such laws and regulations; however, our existing and future safeguards, including training programs to discourage corrupt practices by such parties, may not prove effective, and we cannot ensure that all such parties, including those that may be based in or from countries where practices that violate U.S. or other laws may be customary, will not take actions in violation of our policies, for which we may be ultimately responsible. Additional compliance requirements may require us to revise or expand our compliance programs, including the procedures we use to monitor international and domestic transactions. Failure to comply with any of these laws and regulations may result in extensive internal or external investigations as well as significant financial penalties and reputational harm, which could materially adversely affect our business, results of operations, and financial condition.

Our Certificate of Incorporation provides that the doctrine of “corporate opportunity” will not apply with respect to any director or stockholder who is not employed by us or our subsidiaries.

The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers, directors and other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our Certificate of Incorporation provides that the doctrine of “corporate opportunity” does not apply with respect to any stockholder or director (other than any director who is also an officer) of Vacasa, Inc. (each, an “Exempted Person”).

The Exempted Persons will therefore have no **material** duty to communicate or present corporate opportunities to us, and will have the right to either hold any corporate opportunity for their own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any other director or stockholder who is not employed by us or our subsidiaries.

As a result, the Exempted Persons will generally not be prohibited from operating or investing in competing businesses. We therefore may find ourselves in competition with any one or more of these parties, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. To the extent we find ourselves in competition with Exempted Persons, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact our business, results of operations, financial condition or prospects.

Risks Related to Ownership of our Class A Common Stock

Our focus on the long-term best interests of our company and our consideration of all of our stakeholders, including our stockholders, homeowners, guests, employees, the communities in which we operate, and other stakeholders that we may identify from time to time, may conflict with short- or medium-term financial interests and business performance, which may negatively impact the value of our Class A Common Stock.

We believe that focusing on the long-term best interests of our company and our consideration of all of our stakeholders, including our stockholders, homeowners, guests, employees, the communities in which we operate, and other stakeholders we may identify from time to time, is essential to the long-term success of our company and to long-term stockholder value. Therefore, we have made decisions, and may in the future make decisions, that we believe are in the long-term best interests of our company and our stockholders, even if such decisions may negatively impact the short- or medium-term performance of our business, results of operations, and financial condition or the short- or medium-term performance of our Class A Common Stock. Our commitment to pursuing long-term value for the company and its stockholders, potentially at the expense of short- or medium-term performance, may materially adversely affect the trading price of our Class A Common Stock, including by making owning our Class A Common Stock less appealing to investors who are focused on returns over a shorter time horizon. Our decisions and actions in pursuit of long-term success and long-term stockholder value, which may include changes to our platform to enhance the **risk factors disclosed** experience of our homeowners, guests, and the communities in which we operate, including by improving the trust and safety of our platform, changes in the manner in which we deliver customer support, investing in our **2023 Periodic Reports**, relationships with our homeowners, guests, and employees, investing in and introducing new products and services, or changes in our approach to working with local or national jurisdictions on laws and regulations governing our business, or the Reorganization, may not result in the long-term benefits that we expect, in which case our business, results of operations, and financial condition, as well as the trading price of our Class A Common Stock, could be materially adversely affected.

Our principal stockholders have significant influence over us, including over decisions that require the approval of stockholders, and their interests may conflict with the interests of other stockholders.

On June 7, 2023, we entered into four individual director designation agreements (collectively, the “Director Designation Agreements” and each a “Director Designation Agreement”) with (i) SLP Venice Holdings, L.P. and SLP V Venice Feeder I, L.P. (together with their affiliates, the “Silver Lake Stockholders”); ; (ii) RW Vacasa AIV LP, RW Industrious Blocker LP, Riverwood Capital Partners II (Parallel-B) L.P., RCP III Vacasa AIV, L.P., RCP III Blocker Feeder LP, Riverwood Capital Partners III (Parallel-B) L.P., RCP III (A) Blocker Feeder LP and RCP III (A) Vacasa AIV L.P. (together with their affiliates, the “Riverwood Stockholders”); (iii) LEGP I VCS, LLC, LEGP II VCS, LLC, Level Equity Opportunities Fund 2015, L.P., Level Equity Opportunities Fund 2018, L.P., Level Equity - VCS Investors, LLC and LEGP II AIV(B), L.P. (together with their affiliates, the “Level Equity Stockholders”); and (iv) Mossytreet Inc. (together with its affiliates, the “EB Stockholders”). The Director Designation Agreement with the EB Stockholders terminated on February 15, 2024 in accordance with its terms, as the EB Stockholders ceased to beneficially own the requisite amount of Shares (as defined therein).

In the aggregate, as of March 31, 2024, the Silver Lake Stockholders, the Riverwood Stockholders, and the Level Equity Stockholders controlled approximately 46.6% of the combined voting power of our Common Stock as a result of their ownership of Class A Common Stock and Class B Common Stock. The Director Designation Agreements contain director nominations rights so long as each holder continues to hold prescribed amounts of our Common Stock. As a result, these stockholders and their affiliates have significant influence over the management and affairs of our company and, if they were to decide to act together, would have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and the approval of significant corporate transactions, including any merger, consolidation or sale of all or substantially all of our assets and the issuance or redemption of equity interests in certain circumstances. The interests of one or more of these stockholders may not always coincide with, and in some cases may conflict with, our interests and the interests of our other stockholders. For instance, these stockholders could attempt to delay or prevent a change in control of our company, even if such change in control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock. This concentration of ownership may also affect the prevailing market price of our common stock due to investors’ perceptions that conflicts of interest may exist or arise. As a result, this concentration of ownership may not be in the best interests of other stockholders.

In addition, because these stockholders hold part of their economic interest in our business through Vacasa Holdings LLC (“OpCo”), rather than through Vacasa, Inc., and may hold rights to receive payments under the Tax Receivable Agreement, their interests may further conflict with the interests of holders of Class A Common Stock. For example, such holders may have different tax positions from us, which could influence their decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, and whether and when we should undergo certain changes of control within the meaning of the Tax Receivable Agreement or terminate the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. These holders’ significant ownership in and influence over us may discourage someone from making a significant equity investment in us, or could discourage transactions involving a change in control, including transactions in which holders of shares of our Class A Common Stock might otherwise receive a premium for their shares over the then-current market price.

The trading price of the shares of our Class A Common Stock may be volatile, and holders of the Class A Common Stock could incur substantial losses.

Our stock price has been, and may continue to be, volatile. The stock market has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell our Class A Common Stock at or above the price paid for the shares. The market price for our Class A Common Stock may be influenced by

many factors, including:

- actual or anticipated variations in our operating results;
 - changes in financial estimates by us or by any securities analysts who might cover our stock;
 - conditions or trends in our industry;
 - stock market price and volume fluctuations of comparable companies;
 - announcements by us or our competitors of new product or service offerings, significant acquisitions, strategic partnerships or divestitures;
 - announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
 - investors' general perception of our company and our business, including as a result of the Reorganization;
 - changes in financial markets or general economic conditions, including the effects of a recession or slow economic growth in the U.S. or abroad, interest rates, fuel prices, currency fluctuations, corruption, political instability, acts of war, including impacts from the Ukraine-Russia and Israel-Hamas conflicts and escalations thereof, or similar macroeconomic conditions and concerns;
-
- recruitment or departure of key personnel; and
 - sales of our Class A Common Stock, including sales by our directors and officers or specific stockholders.

In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Future sales of our Class A Common Stock in the public market could cause the market price of our Class A Common Stock to decline significantly, even if our business is doing well.

The ownership of a substantial amount of our Class A Common Stock is concentrated with limited number of holders. Furthermore, the holders ("OpCo Unitholders") of common units of OpCo ("OpCo Units"), other than Vacasa, Inc., have the right, pursuant to the Fourth Amended and Restated Limited Liability Company Agreement of OpCo, to cause OpCo to acquire all or a portion of their vested OpCo Units, which may be settled for, at our election, shares of Class A Common Stock at a redemption ratio of one share of Class A Common Stock for each OpCo Unit redeemed (subject to conversion rate adjustments for stock splits, stock dividends and reclassification) or an equivalent amount of cash and, in each case, the cancellation of an equal number of shares of such OpCo Unitholder's Class B Common Stock. Any shares of Class A Common Stock we may issue in connection with such redemptions will also be eligible for sale in the public market, subject to compliance with applicable securities laws. The market price of our Class A Common Stock could decline significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These sales, or the possibility that these sales may occur, might also make it more difficult for us to raise capital through the issuance and sale of equity securities in the future at a time and at a price that we deem appropriate.

We are an "emerging growth company" within the meaning of the Securities Act, and as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, our Class A Common Stock may be less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), and we may take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." In particular, while we are an "emerging growth company," we will not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act; we are exempt from any rules that could be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor's report on financial statements; we are subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and we are not required to hold non-binding advisory votes on executive compensation.

We may be an "emerging growth company" until December 31, 2026, though we may cease to be an "emerging growth company" earlier under certain circumstances, including: (i) the last day of the fiscal year in which (a) we have total annual gross revenue of at least \$1.235 billion, or (b) the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter; and (ii) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period.

The exact implications of the JOBS Act are subject to interpretation and guidance by the SEC and other regulatory agencies, and we cannot ensure that we will be able to take advantage of all of the benefits of the JOBS Act. In addition, investors may find our Class A Common Stock less attractive to the extent we rely on the exemptions and relief granted by the JOBS Act. If some investors find our Class A Common Stock less attractive as a result, there may be a less active trading market for our Class A Common Stock and our stock price may decline or become more volatile.

We do not anticipate paying any cash dividends on our Class A Common Stock in the foreseeable future.

We currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of our Revolving Credit Facility restrict our ability to pay dividends, and the terms of any future debt agreements we may enter into are likely to contain similar restrictions. As a result, capital appreciation, if any, of our Class A Common Stock will be the sole source of gain for the foreseeable future.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended **September 30, 2023** **March 31, 2024**, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The documents listed in the Exhibit Index of this Quarterly Report are herein incorporated by reference or are filed with this Quarterly Report, in each case as indicated herein.

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	File Number	Date	Exhibit	
3.1	Amended and Restated Certificate of Incorporation of the Company.	8-K	001-41130	12/9/21	3.1	
3.2	Amended and Restated Bylaws of the Company.	8-K	001-41130	12/9/21	3.2	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Vacasa, Inc. dated May 23, 2023.	8-K	001-41130	5/25/23	3.1	
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Vacasa, Inc. dated October 2, 2023.	8-K	001-41130	10/2/23	3.1	
10.1	Supplement No. 1, dated as of October 6, 2023, to the Collateral Agreement, dated as of December 6, 2021, by and among Vacasa Holdings LLC, V-Revolver Sub LLC, the other grantors party thereto, and JPMorgan Chase Bank, N.A., as Collateral Agent.					*
10.2	Supplement No. 1, dated as of October 6, 2023, to the Guarantee Agreement, dated as of October 7, 2021, by and among Vacasa Holdings LLC, V-Revolver Sub LLC, the subsidiary guarantors identified therein, and JPMorgan Chase Bank, N.A., as Administrative Agent.					*
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
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.					**
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.					**

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3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Vacasa, Inc. dated October 2, 2023.	8-K	001-41130	10/02/23	3.1	
10.1#	Transition Agreement, dated February 24, 2024, between Vacasa LLC and John Banczak.					*
10.2#	Vacasa Annual Incentive Plan for Executives.	8-K	001-41130	02/16/24	10.1	
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
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.					**
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.					**
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.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					

	Inline XBRL Instance Document – the instance document
101.INS	does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

** Furnished herewith.

Indicates management contract or compensatory plan.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Vacasa, Inc.

(Registrant)

November 7, 2023 May 10, 2024
(Date)

By: /s/ Robert Greyber
Name: Robert Greyber
Title: Chief Executive Officer
(Principal Executive Officer)

November 7, 2023 May 10, 2024
(Date)

By: /s/ Bruce Schuman
Name: Bruce Schuman
Title: Chief Financial Officer
(Principal Financial Officer)

53 90

Exhibit 10.1

Certain portions TRANSITION AGREEMENT

This Transition Agreement (“**Agreement**”) is made by and between John Banczak (“**Employee**”) and Vacasa LLC (the “**Company**”) (collectively referred to as the “**Parties**” or individually referred to as a “**Party**”).

WHEREAS, Employee's employment with the Company will end as of the Separation Date (as defined below); and

WHEREAS, Employee and the Company want to establish the obligations of the Parties including, without limitation, all amounts due and owing to Employee.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Parties hereby agree as follows:

1. **Separation Date.** Employee's status as an employee and officer of the Company, and as an officer of each of its parents, subsidiaries and affiliates, shall end effective as of the earliest of (i) March 31, 2024 (the "**Planned Separation Date**"), (ii) the date the Company terminates Employee's employment for any reason, (iii) the date Employee voluntarily resigns Employee's employment for any reason, or (iv) the date of Employee's death (the earliest such date, the "**Separation Date**"). Employee hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Employee's status as an officer of the Company and as an officer of each of its parents, subsidiaries and affiliates as of the Separation Date.

2. **Continued Employment.**

a. **Employment Period.** From the date hereof through the Separation Date (the "**Employment Period**"), Employee will remain employed at-will by the Company as its Chief Operations Officer. During the Employment Period, Employee will continue to be paid Employee's base salary at the rate in effect on the date of this exhibit (indicated Agreement, be eligible for all employee benefit plans available to executives of the Company and be eligible to vest into the Vacasa, Inc. equity awards ("**Equity Awards**") held by #####) have been omitted pursuant Employee as of the date of this Agreement in accordance with their terms; provided that Employee shall not be granted any new Equity Awards following the date of this Agreement, or be eligible for a calendar year 2024 annual performance bonus. Effective as of the Separation Date (and notwithstanding Employee's performance of Transition Services (as defined in Section 3)), all then-unvested Equity Awards held by Employee shall automatically be forfeited without payment.

b. **Withholding Taxes.** All payments made to Regulation SK Item 601(a)(6). Employee during the Employment Period will be subject to required withholding taxes and authorized deductions.

Execution Version

c. **Confidentiality Agreement.** Employee reaffirms Employee's commitment to remain in compliance with the Employee Proprietary Information Agreement signed by Employee on December 23, 2014 (the "**Confidentiality Agreement**"), including the restrictive covenants set forth therein.

SUPPLEMENT NO. 1d. **Offer Letter.** The amended and restated employment offer letter agreement between Employee and the Company, dated as of October 6, 2023 (this February 6, 2023 (the "**Supplement Offer Letter**") shall remain in effect during the Employment Period, provided that in the event of any inconsistency between the terms of the Offer Letter and this Agreement, the terms of this Agreement shall control. Notwithstanding anything to the contrary in this Agreement, if Employee's employment with the Company is terminated by the Company without Cause (as defined in the Offer Letter) before the Planned Separation Date, then Employee will be eligible for the severance benefits set forth under the section of the Offer Letter titled "**Potential Termination Payments and Benefits**," subject to the terms and conditions thereof. The Parties agree that a termination of Employee's employment with the Company on the Planned Separation Date in accordance with Section 1 of this Agreement shall not constitute a termination of Employee's employment without Cause for purposes of the Offer Letter or any other agreement between Employee and the Company or any of its affiliates. Immediately following the end of the Employment Period, the Offer Letter shall terminate.

3. **Consulting Period.**

a. **Consulting Period.** If the Separation Date occurs on the Planned Separation Date, and if Employee both signs and delivers to the Company on the Separation Date a copy of the Release Agreement substantially in the form attached hereto as Exhibit A (the "**Release**") that becomes effective and irrevocable on the eighth day after Employee signs it, then (i) during the period (the "**Consulting Period**") commencing on April 1, 2024 and ending on the earliest of (A) September 30, 2024, (B) the date Employee takes any action that constitutes Cause, (C) the date Employee ceases to provide, or remain available to provide, the Transition Services, or (D) the date of Employee's death (such earliest date, the "**Consulting Period End Date**"), Employee shall serve as an independent contractor to the Collateral Company and shall provide transition services (the "**Transition Services**") on an as-requested and as-needed basis in Employee's areas of expertise and work experience and responsibility, and shall be paid the retainer set forth in Section 3(b), (ii) Employee will be eligible to receive the COBRA reimbursements set forth in Section 3(d), and (iii) Employee may keep the laptop provided by the Company to Employee, provided that a member of the Company's IT department has confirmed to the Company, on or before the effective date of the Release, the permanent deletion therefrom of all Company Materials (as defined in the Release) and other Company confidential information. The Transition Services shall be provided remotely. During the Consulting Period, Employee agrees to remain in compliance with the Confidentiality Agreement dated to the same extent as if Employee were an employee of December 6, 2021 (as the Company.

b. *Retainer.* During the Consulting Period, the Company shall pay to Employee, on or as soon as practicable after the last day of each calendar month during the Consulting Period, a monthly retainer of \$41,666.66, which shall be prorated for any partial month of service during the Consulting Period.

c. *Benefits.* Employee understands and agrees that, while performing any services for the Company after the Separation Date, Employee shall be an independent contractor, and shall not be eligible to participate in or accrue benefits under any Company benefit plan for which status as an employee of the Company is a condition of such participation or accrual. Nothing in this Section shall be deemed to diminish Employee's eligibility to elect continued

2

healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ~~amended~~ ("COBRA").

d. *COBRA Premiums.* Subject to Section 3(a), the Company will reimburse Employee for a portion of the cost of continued healthcare coverage under COBRA for Employee and ~~restated, supplemented~~ Employee's eligible dependents, if any, with such portion limited to the amount the Company would have otherwise contributed towards Employee's group health insurance as an active employee (the "**COBRA Coverage Reimbursement**"), commencing on April 1, 2024 and continuing until the earliest of (i) the Consulting Period End Date, (ii) the date upon which Employee (and Employee's eligible dependents, as applicable) becomes covered under similar plans, or (iii) the date upon which Employee ceases to be eligible for coverage under COBRA (such period, the "**COBRA Coverage Reimbursement Period**"). The COBRA Coverage Reimbursement under this Section is subject to Employee electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for Employee and Employee's eligible dependents, if any. If the Company determines in its sole discretion that it cannot provide the COBRA Coverage Reimbursement without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of any COBRA Coverage Reimbursement, the Company will provide to Employee a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to the monthly COBRA Coverage Reimbursement (each, a "**COBRA Replacement Payment**"), which COBRA Replacement Payments will be made regardless of whether Employee elects COBRA continuation coverage and will end on the earlier of (x) the date upon which Employee obtains other employment or (y) the date the Company has paid an amount totaling the number of COBRA Replacement Payments equal to the number of months in the COBRA Coverage Reimbursement Period. For the avoidance of doubt, the COBRA Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings. Notwithstanding anything to the contrary under this Agreement, if the Company determines in its sole discretion at any time that it cannot provide the COBRA Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), Employee will not receive the COBRA Replacement Payments or any reimbursement for further COBRA coverage.

e. *Independent Contractor Status.* Employee and the Company acknowledge and agree that, during the Consulting Period, Employee shall be an independent contractor. During the Consulting Period and thereafter, Employee shall not be an agent or employee of the Company and shall not be authorized to act on behalf of the Company. Personal income and self-employment taxes for compensation received from the Company during the Consulting Period, including monthly retainers, shall be the sole responsibility of Employee. Employee agrees to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties resulting from any failure by Employee to make required personal income and self-employment tax payments with respect to such compensation.

f. *No Competitive Activities.* Employee acknowledges and agrees that, during the Consulting Period, Employee shall not, directly or indirectly, become employed by, consult for, or otherwise ~~modified~~ provide assistance or advice to any competitor of the Company, and that any such

3

activity by Employee shall constitute Cause and shall result in the immediate termination of this Agreement, and all of the Company's obligations and Employee's rights hereunder.

4. **Final Paycheck: Accrued Wages and Expenses.** Employee shall be entitled to the following in connection with Employee's separation from employment on the Separation Date, regardless of whether Employee executes the Release.

a. **Final Paycheck.** As soon as administratively practicable on or after the Separation Date, the Company will pay Employee (i) all accrued but unpaid base salary earned through the Separation Date but not yet paid to Employee, and (ii) all accrued and unused vacation earned through the Separation Date to the extent required by the Company's policies and applicable law, subject to standard payroll deductions and withholdings.

1.

b. **Business Expenses.** The Company shall reimburse Employee for all outstanding and unpaid expenses incurred prior to the Separation Date which are consistent with, and subject to, the Company's policies in effect from time to time the "Collateral Agreement"), VACASA HOLDINGS LLC, a Delaware limited liability company ("Holdings"), V-REVOLVER SUB LLC, a Delaware limited liability company (the "Borrower"), the with respect to travel, entertainment and other GRANTORS from time to time party hereto and JPMORGAN CHASE BANK, N.A., as Collateral Agent (in such capacity and together with successors in such capacity, the "Collateral Agent"). business expenses.

A.5. **Reference Cooperation.** After the Separation Date, Employee shall cooperate at no charge with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters within the scope of Employee's duties and responsibilities to the Company or its affiliates during Employee's employment with the Company (including, without limitation, Employee being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give truthful and complete testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Employee's possession during Employee's employment); provided, however, that any such request by the Company shall not be unduly burdensome or interfere with Employee's ability to engage in gainful employment. To the extent travel is made required to (a) fulfill Employee's obligations under this Section, the Revolving Credit Company shall pay for Employee's travel expenses provided that such expenses are incurred in compliance with the Company's travel policies.

6. **Full Payment.** Employee acknowledges that the payments and arrangements in this Agreement dated shall constitute full and complete satisfaction of any and all amounts properly due and owing to Employee as a result of October 7, 2021 (as amended, amended Employee's employment with the Company and restated, supplemented or otherwise modified from time to time, the "termination thereof).

7. **Credit Agreement Costs**"), among Holdings,. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the Borrower, the Lenders party thereto, the Issuing Banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and as Collateral Agent and (b) the Collateral preparation of this Agreement.

8. **Authority.** The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee

4

has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement.

B.9. **Capitalized terms used herein Right to Consult an Attorney.** The Company hereby advises Employee to consult with an attorney before executing this Agreement.

10. **Severability.** In the event that any provision or any portion of any provision of this Agreement becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and not otherwise defined herein effect without said provision or portion of provision.

11. Attorneys' Fees. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall have be entitled to recover its costs and expenses, including the meanings assigned costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

12. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and the person signing on behalf of the Company below (or such other representative of the Company specifically authorized to Such terms agree to modifications of this Agreement).

13. Governing Law. This Agreement shall be governed by the laws of the State of Texas, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the Credit State of Texas.

14. Counterparts. This Agreement may be executed in counterparts and the Collateral Agreement, as applicable.

C. The Grantors have entered into the Collateral Agreement in order to induce the Lenders to make Loans and the Issuing Banks to issue Letters of Credit. Section 5.14 of the Collateral Agreement provides that additional Subsidiaries may become Grantors under the Collateral Agreement electronically or by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiaries (each, a "New Grantor" and collectively, the "New Grantors") are executing this Supplement in accordance with the requirements of the Credit Agreement to become Grantors under the Collateral Agreement in order to induce the Lenders to make additional Loans and the Issuing Banks to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent facsimile, and each New Grantor agree as follows: SECTION 1. In accordance with Section 5.14 of the Collateral Agreement, each

New Grantor by its signature below becomes a Grantor under the Collateral Agreement with counterpart and electronic copy or facsimile shall have the same force and effect as if originally named therein an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

15. Entire Agreement. This Agreement, together with the Confidentiality Agreement and the Offer Letter, as a Grantor, amended by this Agreement, constitutes the entire agreement between Employee and each New Grantor hereby the Company concerning the subject matter hereof, and supersedes and replaces any other agreements or understandings regarding the same.

(a) 16. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party. Employee acknowledges that:

- (a) Employee has read this Agreement;
- (b) Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice, or has voluntarily decided not to all retain legal counsel;
- (c) Employee understands the terms and provisions consequences of this Agreement and of the Collateral Agreement applicable to releases it as a Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct on and as contains;
- (d) Employee is fully aware of the date hereof. In furtherance legal and binding effect of the foregoing, each New Grantor, as security for the payment this Agreement; and performance in full of the Secured Obligations, does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, a security interest in and lien on all of such New Grantor's right, title and interest in, to and under the Pledged Collateral and the Article 9 Collateral (as each such term is defined in the Collateral Agreement). Each reference to a "Grantor" in the Collateral Agreement shall be deemed to include each New Grantor. The Collateral Agreement is hereby incorporated herein by reference.

5

SECTION 2. Each New Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforceability of such obligations may be limited by applicable bankruptcy,

insolvency and other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be effective as delivery of a manually signed counterpart of this Supplement. This Supplement shall become effective as to each New Grantor when a counterpart hereof executed on behalf of such New Grantor shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon each New Grantor and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of each New Grantor, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that the New Grantors shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein (and any such assignment or transfer shall be void) except as expressly provided in this Supplement, the Collateral Agreement and the Credit Agreement.

SECTION 4. Each New Grantor hereby represents and warrants that, as of the date hereof, (a) set forth on Schedule I attached hereto is a schedule with the true and correct legal name of the New Grantor, its jurisdiction of formation and the location of its chief executive office, (b) Schedule II sets forth a true and complete list, with respect to the New Grantor, of (i) all the Equity Interests owned by the New Grantor in any Subsidiary and the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Equity Interests owned by the New Grantor and (ii) all the Pledged Debt Securities owned by the New Grantor and (c) Schedule III attached hereto sets forth (i) all of the New Grantor's Patents constituting Article 9 Collateral, including the name of the registered owner, type, registration or application number and the expiration date (if already registered) of each such Patent owned by the New Grantor, (ii) all of the New Grantor's Trademarks constituting Article 9 Collateral, including the name of the registered owner, the registration or application number and the expiration date (if already registered) of each such Trademark owned by the New Grantor, and (iii) all of the New Grantor's Copyrights (including exclusive Copyright Licenses) constituting Article 9 Collateral, including the name of the registered owner, title and, if applicable, the registration number of each such Copyright owned or licensed by the New Grantor, and (d) Schedule IV attached hereto sets forth, as of the date hereof, each Commercial Tort Claim in respect of which a complaint or counterclaim has been filed by the New Grantor seeking damages in an amount of \$10,000,000 or more.

SECTION 5. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

SECTION 7. Any provision of (e) Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Supplement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of such invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Collateral Agreement.

SECTION 9. Each New Grantor agrees to reimburse the Collateral Agent for its fees and expenses incurred hereunder and under the Collateral Agreement as provided in Section 9.03(a) of the Credit Agreement; (provided signature page follows that each reference therein to the "Borrower"

shall be deemed to be a reference to “each New Grantor” and each reference therein to the “Administrative Agent” shall be deemed to be a reference to the “Collateral Agent.”)

SECTION 10. #####

6

[Signature Pages Follow]

IN WITNESS WHEREOF, the New Grantors and the Collateral Agent Parties have duly executed this Supplement to Agreement on the Collateral Agreement as of the day and year first above written, respective dates set forth below.

JOHN BANCZAK, an individual

VACASA COLORADO LLC

By: Dated: February 24, 2024 /s/ Bruce Schuman John Banczak

Name: Bruce Schuman
Title: Secretary

JOHN BANCZAK

VACASA SEASONALS INC.

By: /s/ Bruce Schuman
Name: Bruce Schuman
Title: Secretary

VACASA ARIZONA LLC

Dated: February 24, 2024 By: /s/ Robert Brush Greyber

Robert Greyber
Name: Robert Brush
Title: Manager

Chief Executive Officer

[Signature Page to Supplement No.1 to Collateral Agreement]

JPMORGAN CHASE BANK, N.A., Exhibit A
as Collateral Agent
RELEASE AGREEMENT

By: This Release Agreement (this “**/s/ Elefherios Karsos Agreement**”

Name: Elefherios Karsos

Title: Authorized Officer”) is made by John Banczak (“

Exhibit 10.2

Execution Version

SUPPLEMENT NO. 1, dated as Employee”) in favor of October 6, 2023 to the Guarantee Agreement, dated as of October 7, 2021 Vacasa LLC (the “**Guarantee Agreement**”), among VACASA HOLDINGS LLC, a Delaware limited liability company (“**Holdings**”), V-REVOLVER SUB LLC, a Delaware limited liability company (the “**Borrower**”), the other subsidiaries of the Borrower party thereto (Holdings and such subsidiaries being collectively referred to as the “**Guarantors Company**”) and JPMORGAN CHASE BANK, N.A. the Releasees (as defined below), effective as Administrative Agent. of the Effective Date (as defined below).

A. 1. Reference is made Release of Claims. For purposes hereof, “**Releasees**” refers to the Revolving Credit Agreement dated as of October 7, 2021 (as amended, amended Company and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) its parents, subsidiaries and affiliated partnerships and entities, including Vacasa Holdings LLC and Vacasa, Inc., among Holdings, the Borrower, the Lenders party thereto, the Issuing Banks party thereto their respective predecessors, successors and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Guarantee Agreement, as applicable.

C. The Guarantors have entered into the Guarantee Agreement in order to induce the Guaranteed Parties to extend credit to the Borrower. Section 5.13 of the Guarantee Agreement provides that additional Subsidiaries may become Subsidiary Guarantors under the Guarantee Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiaries (each, a “**New Guarantor**” and collectively, the “**New Guarantors**”) are executing this Supplement to become Subsidiary Guarantors under the Guarantee Agreement in order to induce the Guaranteed Parties to make additional extensions of credit under the Credit Agreement and as consideration for such extensions of credit previously issued.

Accordingly, the Administrative Agent and the New Guarantors agree as follows: **SECTION 1.** In accordance with Section 5.13 of the Guarantee Agreement, each New Guarantor by its signature below becomes a Subsidiary Guarantor under the Guarantee Agreement with the same force and effect as if originally named therein as a Subsidiary Guarantor, assigns, and each New Guarantor hereby agrees to all of their respective current and former officers, managers, directors, employees, agents, investors, attorneys, shareholders, administrators, benefit plans, plan administrators, insurers, trustees and divisions. In exchange for the terms benefits and provisions of the Guarantee Agreement applicable to it as a Subsidiary Guarantor (and a Guarantor)

thereunder. Each reference to a "Subsidiary Guarantor" or a "Guarantor" in the Guarantee Agreement shall be deemed to include each New Guarantor. The Guarantee Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Guarantor represents and warrants to the Administrative Agent and the other Guaranteed Parties that (a) the execution, delivery and performance by the New Guarantor of this Supplement have been duly authorized by all necessary corporate or other action and, if required, action by the holders of such New Guarantor's Equity Interests, and that this Supplement has been duly executed and delivered by the New Guarantor and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and (b) as of the date hereof, all representations and warranties arrangements set forth in the Credit Transition Agreement as (the "Transition Agreement") to which this Agreement is an exhibit, Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby unconditionally, irrevocably, absolutely and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees, related in any way to the New Guarantor are true transactions or occurrences, including acts or omissions, between Employee and correct in all material respects as any of the date hereof; provided that, Releasees, to the fullest extent such representations permitted by law, including, but not limited to, Employee's employment with the Company and warranties specifically refer the termination of Employee's employment, arising at any time up to an earlier and including the date they are true Employee signs this Agreement, including, without limitation, claims for: violation of any written or unwritten contract, agreement, policy, plan or covenant of any kind; discrimination, harassment or retaliation on any basis; wrongful termination; personal injury; defamation; invasion of privacy; infliction of emotional distress; negligence; fraud; breach of fiduciary duty; breach of good faith and correct fair dealing; any other tort or violation of any public policy or common law of any jurisdiction; and violation of any foreign, federal, state, or local law, including any constitution, statute, ordinance, regulation, or order, including, but not limited to violations of Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Family Medical Leave Act, the Worker Adjustment and Retraining Notification, the Equal Pay Act, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act and the Fair Labor Standards Act, the Texas Commission on Human Rights Act, the Texas Minimum Wage Act, the Texas military leave law the Texas Labor Code (specifically including the Texas Payday Law, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, and the Texas Whistleblower Act) and amendments to those laws; and any and all material respects claims for attorneys' fees and costs.

2. **Claims Not Released.** The release of claims in Section 1 (the "Release of Claims") does not extend to the right to enforce the Company's obligations under the Transition Agreement. The Release of Claims does not release claims that cannot be released as a matter of such earlier date; provided further that law, including any representation and warranty that is qualified as Protected Activity (as defined below). The Release of Claims does not extend to "materiality," "Material Adverse Effect" or similar language is true and correct in all respects, any right

8

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Supplement by

facsimile Employee may have to unemployment compensation benefits or other electronic transmission shall be effective as delivery workers' compensation benefits.

3. **Unknown Claims.** Employee acknowledges that Employee is familiar with the provisions of California Civil Code Section 1542, a manually signed counterpart statute that otherwise prohibits the release of unknown claims, and that Employee, being aware of this Supplement. The words "execution," "execute," "signed," "signature," and words Code section, expressly waives any rights that Employee may have thereunder, as well as under any other statute or common law principles of like import in or related to any document to be signed in connection similar effect with this Supplement shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, respect to the extent claims released hereunder. California Civil Code Section 1542 provides as follows: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and as provided for that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

4. **No Pending or Future Lawsuits.** Employee represents that Employee has no lawsuits, claims, or actions pending in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, Employee's name, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it. This Supplement shall become effective as to each New Guarantor when a counterpart hereof executed on behalf of such New Guarantor shall have been delivered any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to the Administrative Agent and a counterpart hereof shall have been executed bring any claims on Employee's own behalf or on behalf of any other person or entity against the Administrative Agent, and thereafter shall be binding upon each New Guarantor and the Administrative Agent and their respective permitted successors and assigns, and shall inure to the benefit Company or any of each New Guarantor, the Administrative Agent and the other Guaranteed Parties and their respective successors and assigns, except that Releasees.

5. **Restrictive Covenants.** Employee agrees to comply with all restrictive covenants set forth in the New Guarantors shall not have Confidentiality Agreement (as defined in the right to assign or transfer their rights or obligations hereunder or any interest herein (and any such assignment or transfer shall be void) except as expressly provided in this Supplement, the Guarantee Agreement and the Credit Agreement.

SECTION 4. Except as expressly supplemented hereby, the Guarantee Agreement Transition Agreement), which shall remain in full force and effect. effect pursuant to their terms, and which is a material condition to the arrangements set forth in Section 3 of the Transition Agreement.

6. **Return of Company Property.** Employee warrants and represents that Employee has returned to the Company all files, memoranda, records and other documents, and any other digital, physical or personal property that are the property of the Company and its affiliates (collectively, "Company Materials") and that Employee had in Employee's possession, custody or control, other than the laptop provided by the Company to Employee, which Employee may retain, subject to the requirements of Section 3(a) of the Transition Agreement.

7. **No Admission of Liability.** Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

8. **No Liens.** Employee warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

9. **Protected Activity Not Prohibited.** Employee understands that nothing in this Agreement shall in any way limit or prohibit Employee from engaging in any Protected Activity, nor require disclosure to the Company of Employee's participation or engagement in any Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean (a) filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any

9

SECTION 5. This Supplement

investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"), including Employee's right to receive damages or other relief from any such investigation or proceeding, or (b) disclosing or discussing conduct occurring at the workplace, at work-related events coordinated by or through the Company, between employees, or between the Company and an employee (whether on or off the employment premises), that Employee reasonably believes under state, federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy. Employee understands that in connection with such Protected Activity, Employee is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Employee shall prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the Government Agencies. Employee further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications

or attorney work product. Nothing in this Agreement constitutes a waiver of any rights Employee may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act. In addition, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

10. Non-disparagement. Except as otherwise provided in Section 9 above, Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame or disparage the personal and/or business reputations, practices or conduct of the Company or any of the other Releasees. Employee's obligations under this Section shall not be construed as restricting Employee from making truthful statements under oath in any lawsuit or other proceeding. Nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful.
11. Twenty-One Days to Consider Agreement. The Company hereby advises Employee in writing to consult with an attorney before executing this Agreement. Employee acknowledges Employee has been provided with at least 21 days from the date the Company delivered this Agreement within which to review and consider this Agreement before signing it. Should Employee decide not to use the full 21 days, then Employee knowingly and voluntarily waives

10

any claim that Employee was not in fact given that period of time or did not use the entire 21 days to consult an attorney and/or consider this Agreement. Employee acknowledges that the Company has not asked Employee to shorten the 21-day time period for consideration of whether to sign this Agreement. Employee agrees that any changes, whether material or immaterial, to this Agreement, do not restart the running of the 21-day period.

12. Right of Revocation. Employee may revoke this Agreement for up to seven days following Employee's execution of this Agreement and it shall not become effective or enforceable until the revocation period has expired. Such revocation must be in writing by email addressed to and received by Rebecca Boyden at rebecca.boyden@vacasa.com not later than the seventh day following execution of this Agreement by Employee. If Employee revokes this Agreement within the seven-day revocation period under this Section, this Agreement shall not be effective or enforceable, and Employee will not receive the payments and benefits described in Section 3 of the Transition Agreement. If Employee does not revoke this Agreement in accordance with this Section, the Agreement shall be effective and irrevocable on the eighth day after it is signed by Employee (the "**Effective Date**").
13. Right to Consult an Attorney. The Company hereby advises Employee to consult with an attorney before executing this Agreement.
14. Severability. In the event that any provision or any portion of any provision of this Agreement becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.
15. Attorneys' Fees. In the event that either party brings an action to enforce or effect its rights under this Agreement or the Transition Agreement, the prevailing party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.
16. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and a representative of the Company specifically authorized to agree to modifications of this Agreement.
17. Governing Law. This Agreement shall be governed by the law laws of the State of New York, Texas, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of Texas.

18. Execution. This Agreement may be executed electronically or by facsimile, and each electronic copy or facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement.
19. Entire Agreement. This Agreement, together with the Transition Agreement and the Confidentiality Agreement, constitutes the entire agreement between Employee and the Company concerning the transition and separation of Employee's employment, and supersedes and replaces any other agreements or understandings regarding the same.

11

SECTION 6. Any provision

20. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Employee's claims against the Company and any of the other Releasees. Employee acknowledges that:
- (a) Employee has read this Agreement;
 - (b) Employee has been represented in the preparation, negotiation, and execution of this Supplement held Agreement by legal counsel of Employee's own choice, or has voluntarily decided not to be invalid, illegal or unenforceable in any jurisdiction shall, retain legal counsel;
 - (c) Employee has received payment for all salary and other wages and benefits accruing through the Separation Date, as to such jurisdiction, be ineffective well as payment for all reimbursable business expenses, and has vested into each equity award to the extent Employee has a right to vest into such award pursuant to its terms through the Separation Date;
 - (d) Employee has received all paid or unpaid time off, accommodations, and other benefits, if any, required under applicable law during Employee's employment with the Company;
 - (e) Employee understands the terms and consequences of such invalidity, illegality or unenforceability without affecting the validity, legality this Agreement and enforceability of the remaining provisions hereof; releases it contains;
 - (f) Employee is fully aware of the legal and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions the economic binding effect of which comes as close as possible to this Agreement; and
 - (g) Employee has not relied upon any representations or statements made by the Company that of such invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be are not specifically set forth in writing and given as provided in Section 5.01 of the Guarantee this Agreement.

SECTION 8. Each New Guarantor agrees to reimburse the Administrative Agent for its fees and expenses incurred hereunder and under the Guarantee Agreement as provided in Section 9.03(a) of the Credit Agreement; Dated: _____ provided that each reference therein to the "Borrower" shall be deemed to be a reference to "each New Guarantor."

[Signature pages follow]

IN WITNESS WHEREOF, the New Guarantors and the Administrative Agent have duly executed this Supplement to the Guarantee Agreement as of the day and year first above written.

VACASA COLORADO LLC JOHN BANCZAK

12

By: /s/ Bruce Schuman

Name: Bruce Schuman

Title: Secretary

VACASA SEASONALS INC.

By: /s/ Bruce Schuman

Name: Bruce Schuman

Title: Secretary

VACASA ARIZONA LLC

By: /s/ Robert Brush

Name: Robert Brush

Title: Manager

JPMORGAN CHASE BANK, N.A., as Administrative Agent, on behalf of itself and the other Guaranteed Parties

By: /s/ Eleftherios Karsos

Name: Eleftherios Karsos

Title: Authorized Officer

Exhibit 31.1

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

I, Robert Greyber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024 of Vacasa, 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(s) 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 15d-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; and

5. The registrant's other certifying officer(s) 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: November 7, 2023 May 10, 2024

By:

/s/ Robert Greyber

Robert Greyber

Chief Executive Officer
(principal executive officer)

Exhibit 31.2

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

I, Bruce Schuman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended **September 30, 2023** **March 31, 2024** of Vacasa, 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(s) 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 15d-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; and
-
5. The registrant's other certifying officer(s) 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: **November 7, 2023** **May 10, 2024**

By:

/s/ Bruce Schuman
Bruce Schuman
Chief Financial Officer
(principal financial officer)

**CERTIFICATION 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 of Vacasa, Inc. (the "Company") on Form 10-Q for the quarterly period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: **November 7, 2023** **May 10, 2024**

By:

/s/ Robert Greyber

Robert Greyber

Chief Executive Officer

(principal executive officer)

**CERTIFICATION 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 of Vacasa, Inc. (the "Company") on Form 10-Q for the quarterly period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: **November 7, 2023** **May 10, 2024**

By:

/s/ Bruce Schuman

Bruce Schuman

Chief Financial Officer

(principal financial officer)

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