

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 **March 31, 2025**

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 001-38160

Redfin Corporation

(Exact name of registrant as specified in its charter)

Delaware	74-3064240
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1099 Stewart Street	Suite 600
Seattle	WA
(Address of Principal Executive Offices)	98101
	(Zip Code)
(206) 576-8610	
Registrant's telephone number, including area code	

(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	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	RDFN	The Nasdaq Global Select Market

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

The registrant had 128,031,179 shares of common stock outstanding as of May 1, 2025.

Redfin Corporation

Quarterly Report on Form 10-Q
For the Quarter Ended March 31, 2025

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As used in this quarterly report, the terms "Redfin," "we," "us," and "our" refer to Redfin Corporation and its subsidiaries taken as a whole, unless otherwise noted or unless the context indicates otherwise. However, when referencing (i) the 2023 notes, the 2025 notes, and the 2027 notes, the terms "we," "us," and "our" refer only to Redfin Corporation and not to Redfin Corporation and its subsidiaries taken as a whole, (ii) the Apollo term loan, the terms "we," "us," and "our" refer only to Redfin Corporation and its subsidiaries except for Bay Equity LLC, taken as a whole, and (iii) each warehouse credit facility, the terms "we," "us," and "our" refer to Bay Equity LLC.

Note Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements. All statements contained in this report other than statements of historical fact, including statements regarding our future operating results and financial position, our pending merger, our business strategy and plans, our market growth and trends, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "hope," "potentially," "preliminary," "likely," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described under Item 1A of our annual report for the year ended December 31, 2024, and Part II, Item 1A of this quarterly report. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely on forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this report or to conform these statements to actual results or revised expectations.

Note Regarding Industry and Market Data

This quarterly report contains information using industry publications that generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. While we are not aware of any misstatements regarding the information from these industry publications, we have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied on therein.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**Redfin Corporation and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share and per share amounts, unaudited)**

	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 183,538	\$ 124,743
Restricted cash	128	229
Accounts receivable, net of allowances for credit losses of \$5,531 and \$4,571	39,731	48,730
Loans held for sale	172,744	152,426
Prepaid expenses	31,229	26,853
Other current assets	31,354	22,457
Total current assets	458,724	375,438
Property and equipment, net	38,220	41,302
Right-of-use assets, net	22,536	23,713
Mortgage servicing rights, at fair value	2,614	2,736
Goodwill	461,349	461,349
Intangible assets, net	46,660	99,543
Contract asset, noncurrent	38,180	—
Other assets, noncurrent	7,896	8,376
Total assets	\$ 1,076,179	\$ 1,012,457
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 20,113	\$ 16,847
Accrued and other liabilities	118,726	82,709
Warehouse credit facilities	170,212	146,629
Convertible senior notes, net	73,593	73,516
Lease liabilities	12,749	12,862
Total current liabilities	395,393	332,563
Lease liabilities, noncurrent	18,487	19,855
Convertible senior notes, net, noncurrent	499,181	498,691
Term loan	243,003	243,344
Deferred revenue, noncurrent	77,321	—
Deferred tax liabilities	780	672
Total liabilities	1,234,165	1,095,125
Commitments and contingencies (Note 6)		
Stockholders' deficit		
Common stock—par value \$0.001 per share; 500,000,000 shares authorized; 128,022,988 and 126,389,290 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	128	126
Additional paid-in capital	922,728	905,506
Accumulated other comprehensive loss	(189)	(166)
Accumulated deficit	(1,080,653)	(988,134)
Total stockholders' deficit	(157,986)	(82,668)
Total liabilities and stockholders' deficit	\$ 1,076,179	\$ 1,012,457

See Notes to the consolidated financial statements.

Redfin Corporation and Subsidiaries
Consolidated Statements of Comprehensive Loss
(in thousands, except share and per share amounts, unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 221,027	\$ 225,479
Cost of revenue	150,393	154,667
Gross profit	70,634	70,812
Operating expenses		
Technology and development	39,486	46,429
Marketing	39,265	24,878
General and administrative	56,467	67,873
Restructuring and reorganization	20,930	889
Total operating expenses	156,148	140,069
Loss from operations	(85,514)	(69,257)
Interest income	1,119	1,832
Interest expense	(7,784)	(4,874)
Income tax (expense) benefit	(255)	172
Gain on extinguishment of convertible senior notes	—	5,686
Other expense, net	(85)	(333)
Net loss	\$ (92,519)	\$ (66,774)
Dividends on convertible preferred stock	\$ —	\$ (233)
Net loss attributable to common stock—basic and diluted	\$ (92,519)	\$ (67,007)
Net loss per share attributable to common stock—basic and diluted	\$ (0.73)	\$ (0.57)
Weighted-average shares to compute net loss per share attributable to common stock—basic and diluted	127,168,402	118,364,267
Net loss	(92,519)	(66,774)
Other comprehensive income		
Foreign currency translation adjustments	(23)	(3)
Unrealized gain on available-for-sale debt securities	—	40
Comprehensive loss	\$ (92,542)	\$ (66,737)

See Notes to the consolidated financial statements.

Redfin Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Three Months Ended March 31,	
	2025	2024
Operating Activities		
Net loss	\$ (92,519)	\$ (66,774)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	8,309	14,398
Stock-based compensation	15,362	17,409
Contract asset amortization	1,323	—
Amortization of debt discount and issuance costs	851	709
Non-cash lease expense	2,615	3,154
Net gain on IRLCs, forward sales commitments, and loans held for sale	(3,042)	(4,124)
Change in fair value of mortgage servicing rights, net	116	(365)
Gain on extinguishment of convertible senior notes	—	(5,686)
Other	4,600	263
Change in assets and liabilities:		
Accounts receivable, net	8,999	(3,245)
Prepaid expenses and other assets	(1,620)	(4,718)
Accounts payable	3,263	5,432
Accrued and other liabilities and deferred tax liabilities	14,537	8,155
Deferred revenue	97,321	—
Lease liabilities	(3,384)	(4,089)
Origination of mortgage servicing rights	(44)	(61)
Proceeds from sale of mortgage servicing rights	50	269
Origination of loans held for sale	(774,556)	(828,421)
Proceeds from sale of loans originated as held for sale	755,697	821,714
Net cash provided by (used in) operating activities	<u>37,878</u>	<u>(45,980)</u>
Investing activities		
Purchases of property and equipment	(3,234)	(3,558)
Sales of investments	—	39,225
Maturities of investments	—	6,395
Net cash (used in) provided by investing activities	<u>(3,234)</u>	<u>42,062</u>
Financing activities		
Proceeds from the issuance of common stock pursuant to employee equity plans	1,835	94
Tax payments related to net share settlements on restricted stock units	(721)	(529)
Borrowings from warehouse credit facilities	783,547	827,186
Repayments to warehouse credit facilities	(759,963)	(822,562)
Principal payments under finance lease obligations	—	(27)
Repurchases of convertible senior notes	—	(42,525)
Repayment of term loan principal	(625)	(313)
Net cash provided by (used in) financing activities	<u>24,073</u>	<u>(38,676)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(23)	(3)
Net change in cash, cash equivalents, and restricted cash	58,694	(42,597)
Cash, cash equivalents, and restricted cash:		
Beginning of period ⁽¹⁾	124,972	151,000
End of period ⁽²⁾	<u>\$ 183,666</u>	<u>\$ 108,403</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$ 8,553	\$ 7,078
Non-cash transactions		
Stock-based compensation capitalized in property and equipment	747	1,265
Leasehold improvements paid directly by lessor	471	—
Recharacterization from intangible assets, net to other current assets and contract asset, noncurrent	49,378	—

(1) Cash, cash equivalents, and restricted cash consisted of the following (beginning of period):

	As of December 31,	
	2024	2023
Cash and cash equivalents	\$ 124,743	\$ 149,759
Restricted cash	229	1,241
Total cash, cash equivalents, and restricted cash	<u>124,972</u>	<u>151,000</u>

(2) Cash, cash equivalents, and restricted cash consisted of the following (end of period):

	As of March 31,	
	2025	2024
Cash and cash equivalents	\$ 183,538	\$ 107,129
Restricted cash	128	1,274
Total cash, cash equivalents, and restricted cash	<u>183,666</u>	<u>108,403</u>

See Notes to the consolidated financial statements.

Redfin Corporation and Subsidiaries
Consolidated Statements of Changes in Mezzanine Equity and Stockholders' (Deficit) Equity
(in thousands, except share amounts, unaudited)

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2024	—	\$ —	126,389,289	\$ 126	\$ 905,506	\$ (988,134)	\$ (166)	\$ (82,668)
Issuance of common stock pursuant to exercise of stock options	—	—	240,866	1	1,835	—	—	1,836
Issuance of common stock pursuant to settlement of restricted stock units	—	—	1,476,640	1	(1)	—	—	—
Common stock surrendered for employees' tax liability upon settlement of restricted stock units	—	—	(83,807)	—	(721)	—	—	(721)
Stock-based compensation	—	—	—	—	16,109	—	—	16,109
Other comprehensive loss	—	—	—	—	—	—	(23)	(23)
Net loss	—	—	—	—	—	(92,519)	—	(92,519)
Balance, March 31, 2025	—	\$ —	128,022,988	\$ 128	\$ 922,728	\$ (1,080,653)	\$ (189)	\$ (157,986)
Balance, December 31, 2023	40,000	\$ 39,959	117,372,171	\$ 117	\$ 826,146	\$ (823,333)	\$ (182)	\$ 2,748
Issuance of convertible preferred stock, net	—	11	—	—	—	—	—	—
Issuance of common stock as dividend on convertible preferred stock	—	—	30,640	—	—	—	—	—
Issuance of common stock pursuant to exercise of stock options	—	—	15,333	—	94	—	—	94
Issuance of common stock pursuant to settlement of restricted stock units	—	—	2,099,383	2	(2)	—	—	—
Common stock surrendered for employees' tax liability upon settlement of restricted stock units	—	—	(77,286)	—	(529)	—	—	(529)
Stock-based compensation	—	—	—	—	18,674	—	—	18,674
Other comprehensive income	—	—	—	—	—	—	37	37
Net loss	—	—	—	—	—	(66,774)	—	(66,774)
Balance, March 31, 2024	40,000	\$ 39,970	119,440,241	\$ 119	\$ 844,383	\$ (890,107)	\$ (145)	\$ (45,750)

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Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(in thousands, except share and per share amounts, unaudited)

Note 1: Summary of Accounting Policies

Proposed Transaction with Rocket Companies—On March 9, 2025 we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Rocket Companies, Inc. ("Rocket"), and Neptune Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Rocket ("Merger Sub"). The Merger Agreement provides for the merger of Merger Sub with and into us, with us continuing as the surviving corporation and as a direct wholly owned subsidiary of Rocket (the "Merger").

Under the terms of the Merger Agreement, all of our issued and outstanding shares of common stock, par value \$ 0.001 per share will be converted into the right to receive 0.7926 shares of Rocket's Class A common stock, par value \$ 0.00001 per share (the "Rocket Stock") and the cash payable in lieu of fractional shares, without interest and subject to any applicable withholding taxes.

The Merger Agreement contains customary representations, warranties, and covenants. The consummation of the Merger is conditioned on the receipt of the approval of our stockholders, as well as the satisfaction of other customary closing conditions, including domestic and foreign regulatory approvals and performance in all material respects by each party of its obligations under the Merger Agreement. Consummation of the Merger is not subject to a financing condition. The Merger is anticipated to close in the second or third quarter of 2025, subject to our receipt of required regulatory approvals and other customary closing conditions. However, we cannot predict with certainty whether or when all of the required closing conditions will be satisfied or if the Merger will close, if at all. Upon the consummation of the Merger, we will cease to be a publicly traded company and our common stock will be delisted from the Nasdaq Global Select Market.

The Merger Agreement contains certain customary termination rights for us and Rocket, including if the Merger is not consummated by December 9, 2025. If the Merger Agreement is terminated under certain specified circumstances, including (i) a termination by us to enter into an alternative acquisition agreement constituting a Superior Proposal (as defined in the Merger Agreement), (ii) a termination by Rocket following a change or withdrawal of our board of directors' recommendation of the Merger to our stockholders, or (iii) a termination by Rocket as a result of a material breach of our non-solicitation obligations under the Merger Agreement, then we will be obligated to pay to Rocket a termination fee of approximately \$65,534 in cash.

Other than transaction expenses associated with the proposed Merger of \$ 8,100 recorded in general and administrative expense in the accompanying condensed consolidated statements of operations for the quarter ended March 31, 2025, the terms of the Merger Agreement did not impact our condensed consolidated financial statements.

Zillow Partnership—On February 6, 2025, we entered into a Content License Agreement and Partnership Agreement with Zillow, Inc. ("Zillow"). Under the Content License Agreement, Zillow will become the exclusive provider of multifamily rental property listings with more than 25 units ("Rental Listings") on our websites, including Redfin.com, Rent.com, and ApartmentGuide.com. The Content License Agreement has an initial five-year term beginning on the date Zillow's Rental Listings first become viewable on Zillow and Redfin websites, with automatic renewal options for two additional two-year terms unless terminated with twelve months' notice prior to the end of the current term.

Under the Content License Agreement, we will allow Zillow to display their properties on our websites. Zillow will send us their property content through a data feed. When visitors to our websites show interest in Zillow provided property content, we will send these potential customer leads to Zillow through an application programming interface. We have agreed to meet certain minimum thresholds for delivering these leads. Zillow will pay us for each valid potential customer we send them. The payment rates will vary depending on the type of property. Zillow has guaranteed us a minimum payment of \$75,000 for our lead generation services for the first twelve months after the official transition date, which is July 31, 2025.

Under the Partnership Agreement, in February 2025, we also received an upfront payment of \$ 100,000 from Zillow, which is separate from the lead-generated revenue we will receive for leads delivered under the Content License Agreement.

In connection with this agreement, we plan to restructure our rentals segment between February and July 2025, primarily through the elimination of certain employee roles within or supporting the rentals segment, which is expected to impact approximately 450 employees. We recorded \$18,874 in restructuring and reorganization expense in our consolidated statement of comprehensive loss primarily related to employee costs, impairment of property and equipment, and write-offs of customer accounts receivable in the three months ended March 31, 2025. We expect between \$3,000 and \$4,000 of additional restructuring costs to be recognized and paid in the second quarter of 2025. The details of the restructuring costs were as follows:

	Three Months Ended March 31, 2025	
Restructuring and reorganization charges		
Employee costs	\$	12,038
Impairment of property and equipment and prepaid expenses		4,352
Write-off of accounts receivable		2,484
	\$	18,874

Zillow Partnership Revenue Recognition—We determined that the Content License Agreement and Partnership Agreement should be combined and accounted for as a single contract under Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers. The combined contract contains a single performance obligation composed of interdependent and interconnected obligations to provide content license and lead generation services to Zillow.

The transaction price includes two variable components. The \$100,000 upfront payment received under the Partnership Agreement is recognized as deferred revenue initially and will be recognized on a straight-line basis over the five-year initial contract term, which approximates the pattern of satisfaction of our performance obligation. We do not believe it is probable that a significant reversal in the amount of the upfront payment and its related revenue recognized will occur. The variable consideration related to the per-lead fees will be recognized over time based on the actual number of leads generated. We believe the minimum payment guarantee is intended to act as a protective measure only based on our historical traffic and website performance. As such, we do not consider it to represent a substantive minimum nor have any impact on revenue recognition patterns.

Zillow Partnership Contract Fulfillment Costs—The customer relationships acquired as part of our 2021 acquisition of Rent., which were previously recorded in intangible assets, net in our consolidated balance sheets and that are being used to satisfy and fulfill the Partnership Agreement, have been recharacterized as costs to fulfill a contract under ASC 340-40, Other Assets and Deferred Costs. These costs relate directly to the contract, generate resources that will be used in satisfying performance obligations in the future, and are expected to be recovered through the upfront payment and per-lead fees.

These contract fulfillment costs are being amortized over time on a straight-line basis over the initial five-year contract term, which is the period over which the asset is expected to provide economic benefit. We assess these assets for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

We amortized the customer relationships, recorded in intangible assets, net in our consolidated balance sheets, through the date of the Partnership Agreement with Zillow. Upon the commencement of the Partnership Agreement with Zillow and receipt of the \$100,000 upfront payment, we recharacterized the related customer relationships to a contract asset and recorded deferred revenue. For the three months ended March 31, 2025, contract asset amortization is recorded within cost of revenue, and we recognized a portion of the revenue of the upfront payment that was deferred and it is recorded within revenue in our consolidated statements of comprehensive loss. The initial recognition of deferred revenue, contract asset, and recharacterization of our customer relationships related to the Zillow Partnership were as follows:

Description	Financial Statement Line Item	Period Ended December 31, 2024	Initial recognition and recharacterization of intangible assets, contract assets, and deferred revenue	Period Ended March 31, 2025
Contract assets				
Contract fulfillment costs	Other current assets	N/A	\$ 9,876	\$ 9,876
Contract fulfillment costs	Contract asset, noncurrent	N/A	39,502	37,857
Customer relationships	Intangible assets, net	50,313	(49,378)	—
Total		\$ 50,313	\$ —	\$ 47,733
Deferred revenue (\$100,000 receipt of cash)				
Deferred revenue	Accrued and other liabilities	N/A	\$ 20,000	\$ 20,000
Deferred revenue	Deferred revenue, noncurrent	N/A	80,000	77,321
Total			\$ 100,000	\$ 97,321

Basis of Presentation—The consolidated financial statements and accompanying notes have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

The financial information as of December 31, 2024 that is included in this quarterly report is derived from the audited consolidated financial statements and notes for the year ended December 31, 2024 included in Item 8 in our annual report for the year ended December 31, 2024. Such financial information should be read in conjunction with the notes of the consolidated financial statements included in our annual report.

The unaudited consolidated interim financial statements, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our financial position as of March 31, 2025, our statements of comprehensive loss, and statements of changes in mezzanine equity and stockholders’ (deficit) equity for the three months ended March 31, 2025 and 2024, as well as our statements of cash flows for the three months ended March 31, 2025 and 2024. The results for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for any interim period or for any other future year.

Principles of Consolidation—The unaudited consolidated interim financial statements include the accounts of Redfin Corporation and our wholly owned subsidiaries. Intercompany transactions and balances have been eliminated.

Use of Estimates—The preparation of consolidated financial statements, in conformity with GAAP, requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the respective periods. Our estimates include, but are not limited to, valuation of deferred income taxes, stock-based compensation, capitalization of website and software development costs, the incremental borrowing rate for the determination of the present value of lease payments, recoverability of intangible assets with finite lives, fair value of our mortgage loans held for sale (“LHFS”) and mortgage servicing rights, estimated useful life of intangible assets, fair value of reporting units for purposes of allocating and evaluating goodwill for impairment, and current expected credit losses on certain financial assets. The amounts ultimately realized from the affected assets or ultimately recognized as liabilities will depend on, among other factors, general business conditions and could differ materially in the near term from the carrying amounts reflected in the consolidated financial statements.

Recently Adopted Accounting Pronouncements—In September 2023, the Financial Accounting Standards Board (“FASB”) issued authoritative guidance under ASU 2023-07, Segment Reporting - Improvements to Reportable Segment Disclosures. The ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted this guidance for the year ended December 31, 2024 and the adoption did not have a material impact on our financial statement disclosures. See Note 2 for further details.

Recently Issued Accounting Pronouncements—In December 2023, the FASB issued authoritative guidance under ASU 2023-09, Income Taxes - Improvements to Income Tax Disclosures. The ASU enhances annual income tax disclosures to address investor requests for more information about the tax risks and opportunities present in an entity’s worldwide operations. The two primary enhancements disaggregate existing income tax disclosures related to the effective tax rate reconciliation and income taxes paid. The amendments in this ASU are effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the potential impact of the guidance on our financial statement disclosures.

Note 2: Segment Reporting and Revenue

In its operation of our business, our management, including our chief operating decision maker (“CODM”), who is also our chief executive officer, evaluates the performance of our operating segments based on revenue, gross profit, operating income, and net (loss) income. We do not analyze discrete segment balance sheet information related to long-term assets, substantially all of which are located in the United States. We have five operating segments and five reportable segments, real estate services, rentals, mortgage, title, and monetization.

We generate revenue primarily from commissions and fees charged on each real estate services transaction closed by our lead agents or partner agents, from subscription-based product offerings for our rentals business, and from the origination, sales, and servicing of mortgages. Our key revenue components are brokerage revenue, partner revenue, rentals revenue, mortgage revenue, title revenue, and monetization revenue.

Our CODM utilizes the segment financial information presented to assess trends in our segments and make resource allocation and business direction decisions. Some examples include determining whether we need to decrease spending in particular segments to help achieve profit targets, determining whether staffing levels and pay are appropriate for each segment, or considering different customer pricing strategies. These decisions are typically made in consultation with business leaders for each segment, who evaluate the output and recommend changes to our CODM.

Information on each of our reportable and other segments and reconciliation to net (loss) income is presented in the tables below. We have assigned certain previously reported expenses to each segment to conform to the way we internally manage and monitor our business. We allocated indirect costs to each segment based on a reasonable allocation methodology, when such costs are significant to the performance measures of the segments.

Three Months Ended March 31, 2025							
	Real estate services	Rentals	Mortgage	Title	Monetization	Corporate overhead	Total
Revenue	\$ 126,278	\$ 52,288	\$ 29,318	\$ 8,637	\$ 4,506	\$ —	\$ 221,027
Cost of revenue	106,423	12,964	23,912	6,994	100	—	150,393
Gross profit	19,855	39,324	5,406	1,643	4,406	—	70,634
Operating expenses							
Technology and development	25,489	10,992	689	108	784	1,424	39,486
Marketing	28,358	10,243	644	18	2	—	39,265
General and administrative	17,731	14,603	6,364	703	947	16,119	56,467
Restructuring and reorganization	—	—	—	—	—	20,930	20,930
Total operating expenses	71,578	35,838	7,697	829	1,733	38,473	156,148
(Loss) income from operations	(51,723)	3,486	(2,291)	814	2,673	(38,473)	(85,514)
Interest income, interest expense, income tax expense, gain on extinguishment of convertible senior notes, and other expense, net	50	102	5	160	59	(7,381)	(7,005)
Net (loss) income	\$ (51,673)	\$ 3,588	\$ (2,286)	\$ 974	\$ 2,732	\$ (45,854)	\$ (92,519)

Three Months Ended March 31, 2024							
	Real estate services	Rentals	Mortgage	Title	Monetization	Corporate overhead	Total
Revenue	\$ 131,180	\$ 49,518	\$ 33,819	\$ 6,513	\$ 4,449	\$ —	\$ 225,479
Cost of revenue	110,914	11,457	25,904	6,166	226	—	154,667
Gross profit	20,266	38,061	7,915	347	4,223	—	70,812
Operating expenses							
Technology and development	28,507	15,512	656	95	737	922	46,429
Marketing	11,177	12,788	906	7	—	—	24,878
General and administrative	19,775	22,478	6,683	827	327	17,783	67,873
Restructuring and reorganization	—	—	—	—	—	889	889
Total operating expenses	59,459	50,778	8,245	929	1,064	19,594	140,069
(Loss) income from operations	(39,193)	(12,717)	(330)	(582)	3,159	(19,594)	(69,257)
Interest income, interest expense, income tax expense, gain on extinguishment of convertible senior notes, and other expense, net	(46)	7	3	139	105	2,275	2,483
Net (loss) income	\$ (39,239)	\$ (12,710)	\$ (327)	\$ (443)	\$ 3,264	\$ (17,319)	\$ (66,774)

Note 3: Financial Instruments

Derivatives

Our primary market exposure is to interest rate risk, specifically U.S. treasury and mortgage interest rates, due to their impact on mortgage-related assets and commitments. We use forward sales commitments on whole loans and mortgage-backed securities to manage and reduce this risk. We do not have any derivative instruments designated as hedging instruments.

Forward Sales Commitments—We are exposed to interest rate and price risk on loans held for sale from the funding date until the date the loan is sold. Forward sales commitments on whole loans and mortgage-backed securities are used to fix the forward sales price that will be realized at the sale of each loan.

Interest Rate Lock Commitments—Interest rate lock commitments ("IRLCs") represent an agreement to extend credit to a mortgage loan applicant. We commit (subject to loan approval) to fund the loan at the specified rate, regardless of changes in market interest rates between the commitment date and the funding date. Outstanding IRLCs are subject to interest rate risk and related price risk during the period from the date of commitment through the loan funding date or expiration date. Loan commitments generally range between 30 and 90 days and the borrower is not obligated to obtain the loan. Therefore, IRLCs are subject to fallout risk, which occurs when approved borrowers choose not to close on the underlying loans. We review our commitment-to-closing ratio ("pull-through rate") as part of an estimate of the number of mortgage loans that will fund according to the IRLCs.

The notional amounts of our forward sales commitments and IRLCs were as follows:

Instrument	March 31, 2025	December 31, 2024
Forward sales commitments	\$ 426,928	\$ 270,050
IRLCs	339,829	197,336

The locations and amounts of gains (losses) recognized in income related to our derivatives were as follows:

Instrument	Classification	Three Months Ended March 31,	
		2025	2024
Forward sales commitments	Revenue	\$ (1,524)	\$ 2,406
IRLCs	Revenue	3,106	2,525

Fair Value of Financial Instruments

A summary of assets and liabilities related to our financial instruments, measured at fair value on a recurring basis and as reflected in our consolidated balance sheets, is set forth below:

	Balance at March 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash equivalents				
Money market funds	\$ 137,293	\$ 137,293	\$ —	\$ —
Total cash equivalents	137,293	137,293	—	—
Loans held for sale	172,744	—	172,744	—
Other current assets				
Forward sales commitments	599	—	599	—
IRLCs	6,246	—	—	6,246
Total other current assets	6,845	—	599	6,246
Mortgage servicing rights, at fair value	2,614	—	—	2,614
Total assets	\$ 319,496	\$ 137,293	\$ 173,343	\$ 8,860
Liabilities				
Accrued liabilities				
Forward sales commitments	\$ 1,436	\$ —	\$ 1,436	\$ —
IRLCs	276	—	—	276
Total liabilities	\$ 1,712	\$ —	\$ 1,436	\$ 276

	Balance at December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash equivalents				
Money market funds	\$ 65,599	\$ 65,599	\$ —	\$ —
Total cash equivalents	65,599	65,599	—	—
Loans held for sale	152,426	—	152,426	—
Other current assets				
Forward sales commitments	1,063	—	1,063	—
IRLCs	3,359	—	—	3,359
Total other current assets	4,422	—	1,063	3,359
Mortgage servicing rights, at fair value	2,736	—	—	2,736
Total assets	<u>\$ 225,183</u>	<u>\$ 65,599</u>	<u>\$ 153,489</u>	<u>\$ 6,095</u>
Liabilities				
Accrued liabilities				
Forward sales commitments	\$ 377	\$ —	\$ 377	\$ —
IRLCs	496	—	—	496
Total liabilities	<u>\$ 873</u>	<u>\$ —</u>	<u>\$ 377</u>	<u>\$ 496</u>

There were no transfers into or out of Level 3 financial instruments during the periods presented.

The significant unobservable input used in the fair value measurement of IRLCs is the pull-through rate. Significant changes in the input could result in a significant change in fair value measurement.

The following is a quantitative summary of key unobservable inputs used in the valuation of IRLCs and Mortgage Servicing Rights ("MSRs"):

Key Inputs	Valuation Technique	March 31, 2025		December 31, 2024	
		Range	Weighted-Average	Range	Weighted-Average
IRLCs					
Pull-through rate	Market pricing	70.1% - 100.0%	88.2%	74.2% - 100.0%	92.4%
MSRs					
Prepayment speed	Discounted cash flow	6.0% - 24.0%	8.2%	6.0% - 23.0%	8.0%
Default rates	Discounted cash flow	0.1% - 1.1%	0.2%	0.1% - 1.2%	0.2%
Discount rate	Discounted cash flow	10.0% - 18.0%	10.3%	10.0% - 18.0%	10.3%

The following is a summary of changes in the fair value of IRLCs:

	Three Months Ended March 31,	
	2025	2024
Balance, net—beginning of period	\$ 2,863	\$ 4,453
Issuances of IRLCs	13,836	16,062
Settlements of IRLCs	(11,651)	(14,739)
Fair value changes recognized in earnings	922	1,201
Balance, net—end of period	\$ 5,970	\$ 6,977

The following is a summary of changes in the fair value of MSRs:

	Three Months Ended March 31,	
	2025	2024
Balance—beginning of period	\$ 2,736	\$ 32,171
MSRs originated	44	61
MSRs sales	(50)	(269)
Fair value changes recognized in earnings	(116)	365
Balance, net—end of period	\$ 2,614	\$ 32,328

The following table presents the estimated fair values of our convertible senior notes that are not recorded at fair value on our consolidated balance sheets:

	March 31, 2025	December 31, 2024
2025 notes	\$ 71,780	\$ 69,933
2027 notes	444,937	388,594

The estimated fair value of our convertible senior notes is based on the closing trading price of the notes on the last day of trading for the period and is classified as Level 2 within the fair value hierarchy due to the limited trading activity of the notes. See Note 12 for additional details on our convertible senior notes.

Assets and liabilities recognized or disclosed at fair value on a nonrecurring basis include items such as property and equipment, goodwill and other intangible assets, and other assets. These assets are remeasured at fair value if determined to be impaired.

The cost or amortized cost, gross unrealized gains and losses, and estimated fair market value of our cash, money market funds, and restricted cash were as follows:

March 31, 2025						
	Fair Value Hierarchy	Cost or Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value	Cash, Cash Equivalents, and Restricted Cash
Cash	N/A	\$ 46,245	\$ —	\$ —	\$ 46,245	\$ 46,245
Money markets funds	Level 1	137,293	—	—	137,293	137,293
Restricted cash	N/A	128	—	—	128	128
Total		<u>\$ 183,666</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 183,666</u>	<u>\$ 183,666</u>

December 31, 2024						
	Fair Value Hierarchy	Cost or Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value	Cash, Cash Equivalents, and Restricted Cash
Cash	N/A	\$ 59,144	\$ —	\$ —	\$ 59,144	\$ 59,144
Money markets funds	Level 1	65,599	—	—	65,599	65,599
Restricted cash	N/A	229	—	—	229	229
Total		<u>\$ 124,972</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 124,972</u>	<u>\$ 124,972</u>

As of March 31, 2025 and December 31, 2024, we do not have any investments.

Note 4: Property and Equipment

The components of property and equipment were as follows:

	Useful Lives (Years)	March 31, 2025	December 31, 2024
Leasehold improvements	Shorter of lease term or economic life	\$ 25,536	\$ 25,195
Website and software development costs	3 - 5	88,689	88,948
Computer and office equipment	3 - 5	13,875	14,032
Software	3	1,607	1,607
Furniture	7	6,529	6,688
Property and equipment, gross		136,236	136,470
Accumulated depreciation and amortization		(102,109)	(99,679)
Construction in progress		4,093	4,511
Property and equipment, net		<u>\$ 38,220</u>	<u>\$ 41,302</u>

The following table summarizes depreciation and amortization and capitalized software development costs:

	Three Months Ended March 31,	
	2025	2024
Depreciation and amortization for property and equipment	\$ 4,804	\$ 4,651
Capitalized software development costs, including stock-based compensation	3,017	4,550

Note 5: Leases

We lease office space under noncancelable operating leases with original terms ranging from one to 11 years, and prior to September 30, 2024, vehicles under noncancelable finance leases with terms of four years. Generally, the operating leases require a fixed minimum rent with contractual minimum rent increases over the lease term. The components of lease expense were as follows:

Lease Cost	Three Months Ended March 31,	
	2025	2024
Operating lease cost:		
Operating lease cost (cost of revenue)	\$ 1,754	\$ 2,377
Operating lease cost (operating expenses)	1,205	1,216
Short-term lease cost	577	686
Sublease income	(292)	(501)
Total operating lease cost	\$ 3,244	\$ 3,778
Finance lease cost:		
Amortization of right-of-use assets	\$ —	\$ 25
Interest on lease liabilities	—	3
Total finance lease cost	\$ —	\$ 28

Maturity of Lease Liabilities	Operating		Total Lease Obligations
	Lease Liabilities ⁽²⁾	Other Leases	
2025, excluding the three months ended March 31, 2025	\$ 10,703	\$ 1,076	\$ 11,779
2026	11,899	292	12,191
2027	6,841	178	7,019
2028	2,240	160	2,400
2029	1,022	165	1,187
Thereafter	466	31	497
Total lease payments	\$ 33,171	\$ 1,902	\$ 35,073
Less: Interest ⁽¹⁾	1,935		
Present value of lease liabilities	\$ 31,236		

(1) Includes interest on operating leases of \$ 1,068 due within the next twelve months.

(2) Excludes sublease income. As of March 31, 2025, we expect sublease income of approximately \$ 561 to be received for the remainder of fiscal year 2025.

Lease Term and Discount Rate	March 31, 2025	December 31, 2024
Weighted-average remaining operating lease term (years)	2.7	2.8
Weighted-average discount rate for operating leases	4.5 %	4.5 %

Supplemental Cash Flow Information	Three Months Ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 3,774	\$ 4,637
Operating cash flows from finance leases	—	2
Financing cash flows from finance leases	—	20
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ 1,620	\$ 896
Finance leases	—	68

Note 6: Commitments and Contingencies

Legal Proceedings

Below is a discussion of our material, pending legal proceedings. Except as otherwise indicated, given the preliminary stage of these proceedings and the claims and issues presented, we cannot estimate a range of reasonably possible losses.

In addition, we are regularly subject to claims, litigation, and other proceedings, including potential regulatory proceedings, involving employment, intellectual property, privacy and data protection, consumer protection, competition and antitrust laws, and commercial or contractual disputes, and other matters. The outcomes of our legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties, and could be material to our operating results and cash flows for a particular period. We evaluate, on a regular basis, developments in our legal proceedings and other contingencies that could affect the amount of liability, including amounts in excess of any previous accruals and reasonably possible losses disclosed, and make adjustments and changes to our accruals and disclosures as appropriate. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies. Until the final resolution of such matters, if any of our estimates and assumptions change or prove to have been incorrect, we may experience losses in excess of the amounts recorded, which could have a material effect on our business, consolidated financial position, results of operations, or cash flows. Except for the matters discussed below, we do not believe that any of our pending litigation, claims, and other proceedings are material to our business.

Lawsuit by David Eraker—On May 11, 2020, David Eraker, our co-founder and former chief executive officer who departed Redfin in 2006, filed a complaint through Appliance Computing III, Inc. (d/b/a Surefield) ("Surefield"), which is a company that Mr. Eraker founded and that we believe he controls, in the U.S. District Court for the Western District of Texas, Waco Division. The complaint alleged that we were infringing four patents claimed to be owned by Surefield without its authorization or license. Surefield sought an unspecified amount of damages and an injunction against us offering products and services that allegedly infringe the patents at issue. On May 17, 2022, the jury returned a verdict in our favor, finding that we did not infringe any of the asserted claims of the patents claimed to be owned by Surefield, and accordingly, we do not owe any damages to Surefield. The jury also found that all asserted claims of Surefield's claimed patents were invalid. The court entered final judgment on August 15, 2022. On September 12, 2022, Surefield filed a motion for judgment as a matter of law and a motion for a new trial. In the motions, Surefield asserts that no jury could have found non-infringement based on the trial record, among other things. We filed oppositions to the motions on October 3, 2022 and Surefield filed replies on October 21, 2022. On October 7, 2024, the court appointed a technical advisor to assist the court with the pending post-trial motions. On February 20, 2025, the court issued an order denying Surefield's motion for judgment as a matter of law and motion for a new trial. Surefield filed a notice of appeal on March 24, 2025.

Lawsuits Alleging Antitrust Violations—Since October 2023, a number of class action lawsuits have been filed on behalf of putative classes of home buyers and home sellers against the National Association of Realtors, local real estate associations, multiple listing services, and various residential real estate brokerages in various federal districts in the United States. Some of these lawsuits name Redfin as a defendant, including:

- *Don Gibson, et al. v. National Association of Realtors, et al.*, Case no. 4:23-cv-00788-SRB, filed on October 31, 2023 in United States District Court for the Western District of Missouri (the "Gibson Action").
- *Mya Batton et al. v. Compass, Inc., et al.*, Case no. 1:23-cv-15618, filed on November 2, 2023 in United States District Court for the Northern District of Illinois.
- *1925 Hooper LLC, et al. v. The National Association of Realtors, et al.*, Case no. 1:23-cv-05392-SEG, filed on December 6, 2023 in the United States District Court for the Northern District of Georgia. This matter was dismissed with prejudice following a consent motion on November 21, 2024.
- *Daniel Umpa v. The National Association of Realtors, et al.*, Case no. 4:23-cv-00945-FJG, filed on December 27, 2023 in the United States District Court for the Western District of Missouri (the "Umpa Action").
- *Nathaniel Whaley v. National Association of Realtors, et al.*, Case no. 2:24-cv-00105-GMN-MDC, filed on January 25, 2024 in the United States District Court for the District of Nevada.

- *Angela Boykin v. National Association of Realtors, et al.*, Case No. 2:24-cv-00340, filed on February 16, 2024 in the United States District Court for the District of Nevada.
- *Freedlund v. Redfin Corporation, et al.*, Case No. 2:24-cv-01561, filed on February 26, 2024 in the United States District Court for the Central District of California. This matter was voluntarily dismissed without prejudice on May 30, 2024.
- *Rajninder (Raven) Jutla, et al. v. Redfin Corporation, et al.*, Case No. 2:24-cv-00464, filed on April 1, 2024 in the United States District Court for the Eastern District of California and transferred to the United States District Court for the Western District of Washington on April 5, 2024.

These lawsuits variously allege a conspiracy to fix prices stemming from a National Association of Realtors rule, which allegedly requires brokers to make a blanket, non-negotiable offer of buyer broker compensation when listing a property on a multiple listing service. The plaintiffs generally seek injunctive relief, unspecified damages under federal antitrust law, and unspecified damages under various state laws. The Judicial Panel on Multidistrict Litigation denied a motion to consolidate some of these cases as *In re Real Estate Commission Antitrust Litigation*, MDL No. 3100 on April 12, 2024. At this time, except as set forth below, we are unable to predict the potential outcome of these lawsuits.

On May 3, 2024, we entered into a settlement term sheet (the “Proposed Settlement”) and on June 26, 2024, we executed a settlement agreement (the “Settlement Agreement”) to resolve, on a nationwide basis, all claims asserted in the Gibson Action and the Umpa Action, each pending in the United States District Court for the Western District of Missouri. These two cases are collectively referred to as “The Lawsuits.” The Settlement Agreement resolves all claims in the Lawsuits and similar claims on behalf of home sellers on a nationwide basis against Redfin (the “Claims”) and releases Redfin, its subsidiaries and its employees and contractors from the Claims. Neither the Proposed Settlement nor the Settlement Agreement include any admissions of liability.

Under the Settlement Agreement, Redfin paid \$9,250 (the “Settlement Amount”) into a qualified settlement fund on August 26, 2024. The Settlement Amount is included in other current assets and accrued and other liabilities in our consolidated balance sheets. In the first quarter of 2024, we recorded the Settlement Amount to general and administrative in our consolidated statements of comprehensive loss. Redfin also agreed to implement or continue certain practices outlined in the Settlement Agreement.

On July 15, 2024, the United States District Court for the Western District of Missouri issued an Order Granting Preliminary Approval of the Settlement Agreement and the court entered an Order granting final approval of the Settlement Agreement on November 4, 2024. On December 3, 2024, a member of the proposed settlement class filed a notice of appeal, appealing the court’s order granting final approval of the Settlement Agreement. On December 16, 2024, additional members of the settlement class separately appealed. The appeals are currently pending before the United States Court of Appeals for the Eighth Circuit.

Lawsuit Alleging Privacy Violations—We use evolving tools and technology, such as pixels, in the operation of our websites. We are from time to time involved in, and may in the future be subject to third-party claims alleging consumer data privacy violations. On June 25, 2024, Redfin was named in a putative class action lawsuit, *Mata v. Redfin*, Case No. 24-cv-1094L, filed in the United States District Court for the Southern District of California. The complaint alleges that Redfin has used tracking technologies on its website that shares information about visitors’ activity on the site and guided tour videos they watch with third parties, in violation of the federal Video Privacy Protection Act (VPPA) and the California Invasion of Privacy Act (CIPA). The complaint demands a jury trial and seeks: (i) an order certifying the class and subclass outlined in the complaint; (ii) an order declaring that our alleged conduct violates the VPAA and the CIPA; (iii) an award of statutory damages under the VPAA to the class and under CPAA to the subclass; (iv) for punitive damages; (v) for prejudgment interest; and (vi) for injunctive relief. On October 30, 2024, the court entered an order granting a joint motion to stay the case pending completion of Plaintiff’s individual arbitration. Redfin reached a settlement with the plaintiff on January 15, 2025.

Lawsuit Alleging Violations of Pay Transparency Law—On July 24, 2024, Redfin was named in a putative class action lawsuit, *Hancock v. Redfin*, Case No. 24-2-16685-8 SEA in the Superior Court of the State of Washington, County of King. The complaint alleges Redfin failed to comply with Washington’s pay transparency law by failing to disclose the wage scale or salary range in each job posting. Plaintiff, individually and on behalf of the class seeks, (i) statutory damages of \$5 to Plaintiff and each class member, (ii) costs and attorneys’ fees, (iii) preliminary and injunctive relief, (iv) declaratory relief, and (v) pre-and post-judgment interest. On September 6, 2024, the Court granted Plaintiff and Redfin’s stipulation for a stay. The action has been stayed pending a ruling by the Washington Supreme Court on whether to accept a certified question impacting the merits of this action. At this time we are unable to predict the potential outcome of this lawsuit.

Other Commitments

Our title and settlement business and our mortgage business each hold cash in escrow at third-party financial institutions on behalf of homebuyers and home sellers. As of March 31, 2025, we held \$52,681 in escrow and did not record this amount on our consolidated balance sheets. We may be held contingently liable for the disposition of the cash we hold in escrow.

Note 7: Acquired Intangible Assets and Goodwill

Acquired Intangible Assets—The following table presents the gross carrying amount and accumulated amortization of intangible assets:

	Weighted-Average Useful Lives (Years)	March 31, 2025			December 31, 2024		
		Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Trade names	9.3	\$ 82,690	\$ (36,030)	\$ 46,660	\$ 82,690	\$ (33,698)	\$ 48,992
Developed technology	3.3	66,340	(66,340)	—	66,340	(66,102)	238
Customer relationships ⁽¹⁾	10	860	(860)	—	81,360	(31,047)	50,313
Total		\$ 149,890	\$ (103,230)	\$ 46,660	\$ 230,390	\$ (130,847)	\$ 99,543

(1) A portion of our customer relationships have been recharacterized to a contract asset due to the Partnership Agreement with Zillow. See Note 1 of our consolidated financial statements for further details.

The following table presents amortization expense:

	Three Months Ended March 31,	
	2025	2024
Amortization expense	\$ 3,505	\$ 9,747

The following table presents our estimate of remaining amortization expense for intangible assets that existed as of March 31, 2025:

2025, excluding the three months ended March 31, 2025	\$	7,713
2026		9,197
2027		7,000
2028		7,000
2029		7,000
Thereafter		8,750
Estimated remaining amortization expense	\$	46,660

Goodwill—The following table presents the carrying amount of goodwill by reportable segment:

	Real Estate Services	Rentals	Mortgage	Total
Balance as of March 31, 2025 and December 31, 2024	\$ 250,231	\$ 159,151	\$ 51,967	\$ 461,349

Note 8: Accrued and Other Liabilities

The components of accrued and other liabilities were as follows:

	March 31, 2025	December 31, 2024
Accrued compensation and benefits	\$ 55,294	\$ 51,842
Miscellaneous accrued liabilities	28,629	15,577
Legal contingencies	9,250	9,250
Deferred revenue from Zillow Partnership	20,000	—
Customer contract liabilities	5,553	6,040
Total accrued and other liabilities	<u>\$ 118,726</u>	<u>\$ 82,709</u>

Note 9: Equity and Equity Compensation Plans

Common Stock—As of March 31, 2025 and December 31, 2024, our amended and restated certificate of incorporation authorized us to issue 500,000,000 shares of common stock with a par value of \$ 0.001 per share.

Amended and Restated 2004 Equity Incentive Plan—We granted options under our 2004 Equity Incentive Plan, as amended (our "2004 Plan"), until July 26, 2017, when we terminated it in connection with our initial public offering. Accordingly, no shares are available for future issuance under our 2004 Plan. Our 2004 Plan continues to govern outstanding equity awards granted thereunder. The term of each stock option under the plan is no more than 10 years, and each stock option generally vests over a four-year period.

2017 Equity Incentive Plan—Our 2017 Equity Incentive Plan (our "2017 EIP") became effective on July 26, 2017, and provides for the issuance of incentive and nonqualified common stock options and restricted stock units to employees, directors, and consultants. The number of shares of common stock initially reserved for issuance under our 2017 EIP was 7,898,159. The number of shares reserved for issuance under our 2017 EIP will increase automatically on January 1 of each calendar year beginning on January 1, 2018, and continuing through January 1, 2028, by the number of shares equal to the lesser of 5% of the total outstanding shares of our common stock as of the immediately preceding December 31 or an amount determined by our board of directors. The term of each stock option and restricted stock unit under the plan will not exceed 10 years, and each award generally vests between two and four years.

We have reserved shares of common stock for future issuance under our 2017 EIP as follows:

	March 31, 2025	December 31, 2024
Stock options issued and outstanding	1,782,470	2,023,675
Restricted stock units outstanding	11,491,592	13,794,056
Shares available for future equity grants	15,450,831	8,252,747
Total shares reserved for future issuance	<u>28,724,893</u>	<u>24,070,478</u>

2017 Employee Stock Purchase Plan—Our 2017 Employee Stock Purchase Plan (our "ESPP") was approved by our board of directors on July 27, 2017 and enables eligible employees to purchase shares of our common stock at a discount. Purchases will be accomplished through participation in discrete offering periods. We initially reserved 1,600,000 shares of common stock for issuance under our ESPP. The number of shares reserved for issuance under our ESPP will increase automatically on January 1 of each calendar year beginning after the first offering date and continuing through January 1, 2028, by the number of shares equal to the lesser of 1% of the total outstanding shares of our common stock as of the immediately preceding December 31 or an amount determined by our board of directors. On each purchase date, eligible employees will purchase our common stock at a price per share equal to 85% of the lesser of (i) the fair market value of our common stock on the first trading day of the offering period and (ii) the fair market value of our common stock on the purchase date.

We have reserved shares of common stock for future issuance under our ESPP as follows:

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Shares available for issuance at beginning of period ⁽¹⁾	4,907,528	4,378,042
Shares issued during the period	—	(734,406)
Total shares available for future issuance at end of period	<u>4,907,528</u>	<u>3,643,636</u>

(1) Includes automatic increase of shares available for issuance, which occurs annually on January 1.

Stock Options—Option activity for the three months ended March 31, 2025 was as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2025	2,023,675	\$ 11.60	1.73	\$ 94
Options exercised	(240,865)	7.62		
Options expired	(340)	8.10		
Outstanding as of March 31, 2025	<u>1,782,470</u>	12.14	1.66	676
Options exercisable as of March 31, 2025	<u>1,782,470</u>	12.14	1.66	676

The grant date fair value of our stock options was recorded as stock-based compensation over the stock options' vesting period. All outstanding options were fully vested as of March 31, 2025. We did not recognize any option-related expense during the three months ended March 31, 2025.

Restricted Stock Units—Restricted stock unit activity for the three months ended March 31, 2025 was as follows:

	Restricted Stock Units	Weighted-Average Grant-Date Fair Value
Outstanding as of January 1, 2025	13,794,056	\$ 8.68
Granted	434,732	6.09
Vested	(1,476,640)	8.88
Forfeited or canceled	(1,260,556)	8.74
Outstanding or deferred as of March 31, 2025 ⁽¹⁾	<u>11,491,592</u>	<u>8.54</u>

(1) Starting with the restricted stock units granted to them in June 2019, our non-employee directors have the option to defer the issuance of common stock receivable upon vesting of such restricted stock units until 60 days following the day they are no longer providing services to us or, if earlier, upon a change in control transaction. The amount reported as vested excludes restricted stock units that have vested but whose settlement into shares has been deferred. The amount reported as outstanding or deferred as of March 31, 2025 includes these restricted stock units. As no further conditions exist to prevent the issuance of the shares of common stock underlying these restricted stock units, the shares are included in basic and diluted weighted shares outstanding used to calculate net loss per share attributable to common stock. The amount of shares whose issuance have been deferred is not considered material and is not reported separately from stock-based compensation in our consolidated statements of changes in mezzanine equity and stockholders' (deficit) equity.

The grant date fair value of restricted stock units is recorded as stock-based compensation over the vesting period. As of March 31, 2025, there was \$72,251 of total unrecognized compensation cost related to restricted stock units, which is expected to be recognized over a weighted-average period of 2.01 years.

As of March 31, 2025, there were 2,058,053 restricted stock units subject to performance and market conditions ("PSUs") at 100% of the target level. Depending on our achievement of the performance and market conditions, the actual number of shares of common stock issuable upon vesting of PSUs will range from 0% to 200% of the target amount. For each PSU recipient, the awards will vest only if the recipient is continuing to provide service to us upon our board of directors, or its compensation committee, certifying that we have achieved the PSU's related performance or market conditions. Stock-based compensation expense for PSUs with performance conditions is recognized when it is probable that the performance conditions will be achieved. For PSUs with market conditions, the market condition is reflected in the grant-date fair value of the award and the expense is recognized over the life of the award.

Stock-based compensation expense associated with the PSUs was as follows:

	Three Months Ended March 31,	
	2025	2024
PSU expense	\$ 1,075	\$ 773
Reassessment of achievement of performance conditions	—	(401)
Total expense	\$ 1,075	\$ 372

Compensation Cost—Stock-based compensation, net of forfeitures and the amount capitalized in website and software development costs were as follows:

	Three Months Ended March 31,	
	2025	2024
Cost of revenue	\$ 2,607	\$ 2,739
Technology and development ⁽¹⁾	7,342	8,239
Marketing	904	1,431
General and administrative	4,509	5,000
Total stock-based compensation	15,362	17,409

(1) Net of \$ 747 and \$ 1,265 of stock-based compensation that was capitalized in the three months ended March 31, 2025 and 2024, respectively.

Note 10: Net Loss per Share Attributable to Common Stock

Net loss per share attributable to common stock is computed by dividing the net loss attributable to common stock by the weighted-average number of common shares outstanding. We have outstanding stock options, restricted stock units, options to purchase shares under our ESPP, convertible preferred stock, and convertible senior notes, which are considered in the calculation of diluted net loss per share whenever doing so would be dilutive.

We calculate basic and diluted net loss per share attributable to common stock in conformity with the two-class method required for companies with participating securities. The calculation of basic and diluted net loss per share attributable to common stock was as follows:

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	\$ (92,519)	\$ (66,774)
Dividends on convertible preferred stock	—	(233)
Net loss attributable to common stock—basic and diluted	\$ (92,519)	\$ (67,007)
Denominator:		
Weighted-average shares—basic and diluted ⁽¹⁾	127,168,402	118,364,267
Net loss per share attributable to common stock—basic and diluted	\$ (0.73)	\$ (0.57)

(1) Basic and diluted weighted-average shares outstanding include (i) common stock earned but not yet issued related to share-based dividends on our convertible preferred stock, and (ii) restricted stock units that have vested but whose settlement into common stock were deferred at the option of certain non-employee directors.

The following outstanding shares of common stock equivalents were excluded from the computation of the diluted net loss per share for the periods presented because their effect would have been anti-dilutive:

	Three Months Ended March 31,	
	2025	2024
2025 notes as if converted ⁽¹⁾	1,017,284	1,998,654
2027 notes as if converted ⁽¹⁾	5,379,209	5,379,209
Convertible preferred stock as if converted	—	2,040,000
Stock options outstanding	1,782,470	2,372,110
Restricted stock units outstanding ⁽²⁾⁽³⁾	11,400,149	13,417,675
Employee stock purchase plan	385,525	348,986
Total	19,964,637	25,556,634

(1) Based on the closing price of our common stock of \$ 9.21 on March 31, 2025, the if-converted values of both convertible notes were less than the principal amounts.

(2) Excludes 2,058,053 incremental PSUs that could vest, assuming applicable performance criteria and market conditions are achieved at 200% of target, which is the maximum achievement level. See Note 9 for additional information regarding PSUs.

(3) Excludes 91,443 restricted stock units that have vested but whose settlement into common stock were deferred at the option of certain non-employee directors as of March 31, 2025.

Note 11: Income Taxes

During the three months ended March 31, 2025, we recorded an income tax expense of \$ 255 resulting in an effective tax rate of (0.28)%, which is primarily a result of current state income taxes. Our current income tax expense was supplemented by deferred tax expenses associated with increases to indefinite-lived deferred tax liabilities created through the Company's April 2, 2021 acquisition of Rent., and April 1, 2022 acquisition of Bay Equity. Our March 31, 2024 effective tax rate of 0.26% is primarily a result of current state taxes which are supplemented by deferred tax expenses associated with increases to indefinite-lived deferred tax liabilities created through the Company's April 2, 2021 acquisition of Rent., and April 1, 2022 acquisition of Bay Equity.

In determining the realizability of the net U.S. federal and state deferred tax assets, we consider numerous factors including historical profitability, estimated future taxable income, prudent and feasible tax planning strategies, and the industry in which we operate. Management reassesses the realization of the deferred tax assets each reporting period, which resulted in a valuation allowance against the full amount of our U.S. deferred tax assets for the three months ended March 31, 2025 and 2024. To the extent that the financial results of our U.S. operations improve in the future and the deferred tax assets become realizable, we will reduce the valuation allowance through earnings.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, substantial changes in our ownership may limit the amount of net operating loss ("NOL") and income tax credit carryforwards that could be utilized annually in the future to offset taxable income and income tax liabilities. Any such annual limitation may significantly reduce the utilization of the NOLs and income tax credits before they expire. A Section 382 limitation study performed as of March 31, 2017 determined that we experienced an ownership change in 2006 with \$1,506 of the 2006 NOL and \$ 32 of the 2006 research and development tax credit unavailable for future use. Furthermore, in connection with our acquisition of Rent., Rent. experienced an ownership change that triggered Section 382. As of September 30, 2021, Rent. completed a Section 382 limitation study and, based on this analysis, we do not expect a reduction in the availability of Rent.'s pre-change NOLs.

As of December 31, 2024, we had accumulated approximately \$ 630,060 of federal net operating losses, approximately \$ 34,939 (tax effected) of state net operating losses, and approximately \$4,515 of foreign net operating losses. Federal net operating losses are available to offset federal taxable income and begin to expire in 2024, with net operating loss carryforwards of \$506,157 generated after 2017 available to offset future U.S. federal taxable income over an indefinite period.

Net research and development credit carryforwards of \$ 27,136 and \$23,968 are available as of December 31, 2024 and 2023, respectively, to reduce future liabilities. The research and development credit carryforwards begin to expire in 2026.

Deductible but limited federal business interest expense carryforwards of \$ 167,417 and \$ 149,464 are available as of December 31, 2024 and 2023, respectively, to offset future U.S. federal taxable income over an indefinite period.

Our material income tax jurisdiction is the United States (federal) and Canada (foreign). As a result of NOL carryforwards, we are subject to audit for all tax years for federal and foreign purposes. All tax years remain subject to examination in various other jurisdictions that are not material to our consolidated financial statements.

Note 12: Debt

As of March 31, 2025, outstanding borrowings of our debt are as follows:

Lender	Maturity of Debt					
	2025	2026	2027	2028	2029	Thereafter
Warehouse Credit Facilities						
City National Bank	\$ 37,007	\$ —	\$ —	\$ —	\$ —	\$ —
Origin Bank	36,516	—	—	—	—	—
M&T Bank	30,807	—	—	—	—	—
Prosperity Bank	65,882	—	—	—	—	—
Term Loan	—	—	—	243,003	—	—
Convertible Senior Notes						
2025 notes	73,593	—	—	—	—	—
2027 notes	—	—	499,181	—	—	—
Total borrowings	\$ 243,805	\$ —	\$ 499,181	\$ 243,003	\$ —	\$ —

Warehouse Credit Facilities—To provide capital for the mortgage loans that it originates, our mortgage segment utilizes warehouse credit facilities that are classified as current liabilities on our consolidated balance sheets. Borrowings under each warehouse credit facility are secured by the related mortgage loan, and rights and income related to the loans.

Each warehouse credit facility contains various restrictive and financial covenants and provides that a breach or failure to satisfy these covenants constitutes an event of default.

The following table summarizes borrowings under these facilities as of the periods presented:

Lender	March 31, 2025			December 31, 2024		
	Borrowing Capacity	Outstanding Borrowings	Weighted-Average Interest Rate on Outstanding Borrowings	Borrowing Capacity	Outstanding Borrowings	Weighted-Average Interest Rate on Outstanding Borrowings
City National Bank	\$ 75,000	\$ 37,007	6.25 %	\$ 75,000	\$ 36,734	6.26 %
Origin Bank	100,000	36,516	6.20 %	100,000	28,920	6.45 %
M&T Bank	75,000	30,807	6.36 %	75,000	21,969	6.46 %
Prosperity Bank	100,000	65,882	5.95 %	100,000	59,006	5.98 %
Total	\$ 350,000	\$ 170,212		\$ 350,000	\$ 146,629	

Term Loan—On October 20, 2023, we entered into a definitive agreement with Apollo Capital Management, L.P. and its affiliates (“Apollo”) whereby Apollo agreed to commit up to \$250,000 of financing for us in the form of a first lien term loan facility (the “facility”). We borrowed the first half of the facility on October 20, 2023, and the remaining \$125,000 was available as a delayed draw term loan. On May 31, 2024, we drew down the remaining \$ 125,000 of the facility.

The facility is pre-payable at par, after 12 months of call protection (during which prepayment would be at 101% of par), or with respect to prepayments made with respect to a change of control, at 101% of par, and carries a five-year term, maturing October 20, 2028. Interest will be charged at the Secured Overnight Financing Rate ("SOFR") +575 basis points for the first five full fiscal quarters after closing, with step-downs to SOFR +550 basis points and SOFR +525 basis points thereafter upon achieving agreed performance metrics. The facility requires that we maintain cash and cash equivalents of \$ 75,000 which is tested on a quarterly basis. The negative covenants include restrictions on the incurrence of liens and indebtedness, investments, certain merger transactions, and other matters, all subject to certain exceptions. The effective interest rate for our term loan is 11.15%.

The facility includes customary events of default that, include among other things, non-payment of principal, interest or fees, inaccuracy of representations and warranties, violation of certain covenants, cross default to certain other indebtedness, bankruptcy and insolvency events, material judgments, change of control, and certain material ERISA events. The occurrence of an event of default could result in the acceleration of the obligations under the facility. In addition, the facility prohibits us from making any cash payments on the conversion or repurchase of our notes if an event of default exists under our term loan facility, or if, after giving effect to such conversion or repurchase, we would not be in compliance with the financial covenants under our term loan facility.

As security for our obligations under the facility, we granted Apollo a first priority security interest on substantially all of our assets and the assets of our material subsidiaries, subject to certain exceptions. Therefore, in a bankruptcy, Apollo first, and the holders of our convertible senior notes second, would have a claim to our assets senior to the claims of holders of our common stock.

The components of the term loan were as follows:

March 31, 2025			
Aggregate Principal Amount	Unamortized Debt Discount	Unamortized Debt Issuance Costs	Net Carrying Amount
\$ 246,875	\$ 2,402	\$ 1,470	\$ 243,003
December 31, 2024			
Aggregate Principal Amount	Unamortized Debt Discount	Unamortized Debt Issuance Costs	Net Carrying Amount
\$ 247,500	\$ 2,571	\$ 1,585	\$ 243,344

Convertible Senior Notes—We have issued convertible senior notes with the following characteristics:

Issuance	Maturity Date	Stated Cash Interest Rate	Effective Interest Rate	First Interest Payment Date	Semi-Annual Interest Payment Dates	Conversion Rate
2025 notes	October 15, 2025	— %	0.42 %	—	—	13.7920
2027 notes	April 1, 2027	0.50 %	0.87 %	October 1, 2021	April 1; October 1	10.6920

We issued our 2025 notes on October 20, 2020, with an aggregate principal amount of \$ 661,250. In the three months ended March 31, 2025, we did not repurchase any of our 2025 notes.

We issued our 2027 notes on March 25, 2021 and April 5, 2021, with an aggregate principal amount of \$ 575,000.

The components of our convertible senior notes were as follows:

Issuance	March 31, 2025		
	Aggregate Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount
2025 notes	\$ 73,759	\$ 166	\$ 73,593
2027 notes	503,106	3,925	499,181

Issuance	December 31, 2024		
	Aggregate Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount
2025 notes	\$ 73,759	\$ 243	\$ 73,516
2027 notes	503,106	4,415	498,691

	Three Months Ended March 31,	
	2025	2024
2025 notes		
Contractual interest expense	—	—
Amortization of debt issuance costs	77	513
Total interest expense	\$ 77	\$ 513
2027 notes		
Contractual interest expense	629	629
Amortization of debt issuance costs	490	490
Total interest expense	\$ 1,119	\$ 1,119
Total		
Contractual interest expense	629	629
Amortization of debt issuance costs	567	1,003
Total interest expense	\$ 1,196	\$ 1,632

Conversion of Our Convertible Senior Notes

Prior to the free conversion date, a holder of each tranche of our convertible senior notes may convert its notes in multiples of \$1,000 principal amount only if one or more of the conditions described below is satisfied. On or after the free conversion date, a holder may convert its notes in such multiples without any conditions. The free conversion date is July 15, 2025 for our 2025 notes and January 1, 2027 for our 2027 notes.

The conditions are:

- during any calendar quarter (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of the applicable notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such trading day;
- if we call any or all of the applicable notes for redemption, at any time prior to the close of business on the scheduled trading day prior to the redemption date; or
- upon the occurrence of specified corporate events.

We intend to settle any future conversions of our convertible senior notes by paying or delivering, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock, at our election. We apply the if-converted method to calculate diluted earnings per share when applicable. Under the if-converted method, the denominator of the diluted earnings per share calculation is adjusted to reflect the full number of common shares issuable upon conversion, while the numerator is adjusted to add back interest expense for the period. None of the above conditions were satisfied during the three months ended March 31, 2025.

Classification of Our Convertible Senior Notes

The difference between the principal amount of the notes and the net carrying amount represents the unamortized debt discount, which we record as a deduction from the debt liability in our consolidated balance sheets. This discount is amortized to interest expense using the effective interest method over the term of the notes.

See Note 3 for fair value information related to our convertible senior notes.

Cross-acceleration and Cross-default Provisions of our Convertible Senior Notes, Term Loan, and Warehouse Credit Facilities —The indentures governing our 2025 and 2027 convertible senior notes contain cross-acceleration and cross-default provisions. These provisions could have the effect of creating an event of default under the indenture for either our 2025 or 2027 convertible senior notes, despite our compliance with that agreement, due solely to an event of default or failure to pay amounts owed under the indenture for the other tranche of convertible senior notes. Accordingly, all or a significant portion of our outstanding convertible senior notes could become immediately payable due solely to our failure to comply with the terms of a single agreement governing either our 2025 or 2027 convertible senior notes. In addition, each of our warehouse credit facilities and term loan facility contain cross-acceleration and cross-default provisions. These provisions could have the effect of creating an event of default under the agreement for any such facility, despite our compliance with that agreement, due solely to an event of default or failure to pay amounts owed under the agreement for another facility. Accordingly, all or a significant portion of our outstanding warehouse indebtedness or outstanding term loan indebtedness could become immediately payable due solely to our failure to comply with the terms of a single agreement governing one of our facilities. While the cross-default provisions in our existing warehouse credit facilities do not pick up defaults under our convertible senior notes and our existing warehouse credit facilities are carved out of the cross-payment default provisions in our 2025 and 2027 senior notes given that they constitute non-recourse debt, any default under our convertible senior notes would trigger an event of default under our term loan facility and, similarly, any default under our term loan facility would trigger the cross-payment default provisions in our 2025 and 2027 senior notes.

2027 Capped Calls—In 2021, and in connection with the pricing of our 2027 notes, we entered into capped call transactions with certain counterparties (the “2027 capped calls”). The 2027 capped calls have initial strike prices of \$93.53 per share and initial cap prices of \$ 138.56 per share, in each case subject to certain adjustments. Conditions that cause adjustments to the initial strike price and initial cap price of the 2027 capped calls are similar to the conditions that result in corresponding adjustments to the conversion rate for our 2027 notes. The 2027 capped calls cover, subject to anti-dilution adjustments, 6,147,900 shares of our common stock and are generally intended to reduce or offset the potential dilution to our common stock upon any conversion of the 2027 notes, with such reduction or offset, as the case may be, subject to a cap based on the cap price. The 2027 capped calls are separate transactions, and not part of the terms of our 2027 notes. As these instruments meet certain accounting criteria, the 2027 capped calls are recorded in stockholders’ (deficit) equity and are not accounted for as derivatives. The cost of \$62,647 incurred in connection with the 2027 capped calls was recorded as a reduction to additional paid-in capital.

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

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements, the accompanying notes, and other information included in this quarterly report and our annual report for the year ended December 31, 2024. In particular, the disclosure contained in Item 1A in our annual report, as updated by Part II, Item 1A in this quarterly report, may reflect trends, demands, commitments, events, or uncertainties that could materially impact our results of operations and liquidity and capital resources.

The following discussion contains forward-looking statements, such as statements regarding our future operating results and financial position, our business strategy and plans, our market growth and trends, and our objectives for future operations. Please see "Note Regarding Forward-Looking Statements" for more information about relying on these forward-looking statements. The following discussion also contains information using industry publications. Please see "Note Regarding Industry and Market Data" for more information about relying on these industry publications.

When we use the term "basis points" in the following discussion, we refer to units of one-hundredth of one percent.

Overview

We help people buy and sell homes. Representing customers in approximately 100 markets in the United States and Canada, we are a residential real estate brokerage. We pair our own agents with our own technology to create a service that is faster, better, and costs less. We meet customers through our listings-search website and mobile application.

We use the same combination of technology and local service to originate and service mortgage loans and offer title and settlement services. We use digital platforms to connect consumers with available apartments and houses for rent.

Our mission is to redefine real estate in the consumer's favor.

Proposed Transaction with Rocket Companies

On March 9, 2025 we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Rocket Companies, Inc. ("Rocket"), and Neptune Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Rocket ("Merger Sub"). The Merger Agreement provides for the merger of Merger Sub with and into us, with us continuing as the surviving corporation and as a direct wholly owned subsidiary of Rocket (the "Merger"). See Note 1 to our consolidated statements for additional details on the Merger Agreement. The full text of the Merger Agreement is included as an exhibit to this Quarterly Report on Form 10-Q, and described in more detail in Item 1.01 of our Current Report on Form 8-K filed with the SEC on March 10, 2025.

Zillow Partnership

On February 6, 2025, we entered into a Content License Agreement and Partnership Agreement with Zillow, Inc. ("Zillow"). Under the Content License Agreement, we will allow Zillow to display their properties on our websites. Zillow will send us their property content through a data feed. When visitors to our websites show interest in Zillow provided property content, we will send these potential customer leads to Zillow through an application programming interface. We have agreed to meet certain minimum thresholds for delivering these leads. Zillow will pay us for each valid potential customer we send them. The payment rates will vary depending on the type of property. Zillow has guaranteed us a minimum payment of \$75,000 for our lead generation services for the first twelve months after the official transition date, which is July 31, 2025.

Under the Partnership Agreement, in February 2025, we also received an upfront payment of \$100,000 from Zillow, which is separate from the lead-generated revenue we will receive for leads delivered under the Content License Agreement.

In connection with this agreement, we are restructuring our rentals segment, primarily through the elimination of certain employee roles within or supporting the rentals segment, which is expected to impact approximately 450 employees. We recorded \$18.9 million in restructuring and reorganization expense in our consolidated statement of comprehensive loss primarily related to employee costs, impairment of property and equipment, and write-offs of customer accounts receivable in the three months ended March 31, 2025. We expect additional restructuring costs in the second quarter of 2025. We expect between \$3.0 million and \$4.0 million of additional restructuring costs to be recognized and paid in the second quarter of 2025. See Note 1 to our consolidated financial statements for additional details on these agreements.

As of the end of April, all properties subject to the Content License Agreement were visible to consumers on our websites. We expect the partnership to be fully implemented, with no legacy customers, and all multifamily rentals revenue to come from Zillow by the end of July 2025.

Adverse Macroeconomic Conditions and Our Associated Actions

Beginning in the second quarter of 2022, a number of economic factors adversely impacted the residential real estate market, including higher mortgage interest rates, lower consumer sentiment, and increased inflation. This shift in the macroeconomic backdrop adversely impacted consumer demand for our services, as consumers weighed the financial implications of selling or purchasing a home and taking out a mortgage. Adverse mortgage interest rates, lower consumer sentiment, financial market volatility, and the potential for increased inflation have all continued into 2025.

In response to these macroeconomic and consumer demand developments, we took action to adjust our operations and manage our business towards longer-term profitability despite these adverse macroeconomic factors.

From April 2022, after completing the acquisition of Bay Equity, through December 2024, through involuntary reductions and attrition, we reduced our total number of employees by 39%. These workforce reductions were intended to align the size of our operations with the level of consumer demand for our services at that time.

Key Business Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key metrics to evaluate our business, develop financial forecasts, and make strategic decisions.

	Three Months Ended							
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
Monthly average visitors (in thousands)	45,659	42,680	49,413	51,619	48,803	43,861	51,309	52,308
Real estate services transactions								
Brokerage	9,866	11,441	13,324	14,178	10,039	10,152	13,075	13,716
Partner	2,389	2,922	3,440	3,395	2,691	3,186	4,351	3,952
Total	12,255	14,363	16,764	17,573	12,730	13,338	17,426	17,668
Real estate services revenue per transaction								
Brokerage	\$ 12,084	\$ 12,249	\$ 12,363	\$ 12,545	\$ 12,433	\$ 12,248	\$ 12,704	\$ 12,376
Partner	2,955	3,027	3,025	2,859	2,367	2,684	2,677	2,756
Aggregate	10,304	10,373	10,447	10,674	10,305	9,963	10,200	10,224
U.S. market share by units	0.75 %	0.72 %	0.76 %	0.77 %	0.77 %	0.72 %	0.78 %	0.75 %
Revenue from top-10 Redfin markets as a percentage of real estate services revenue	55 %	56 %	56 %	56 %	55 %	55 %	56 %	55 %
Average number of lead agents	2,190	1,927	1,757	1,719	1,658	1,692	1,744	1,792
Mortgage originations by dollars (in millions)	\$ 887	\$ 1,035	\$ 1,214	\$ 1,338	\$ 969	\$ 885	\$ 1,110	\$ 1,282
Mortgage originations by units	2,111	2,434	2,900	3,192	2,365	2,293	2,786	3,131

Monthly Average Visitors

The number of, and growth in, visitors to our website and mobile application are important leading indicators of our business activity because these channels are the primary ways we meet customers. The number of visitors is influenced by, among other things, market conditions that affect interest in buying or selling homes, the level and success of our marketing programs, seasonality, and how our website appears in search results. We believe we can continue to increase visitors, which helps our growth.

Given the lengthy process to buy or sell a home, a visitor during one month may not convert to a revenue-generating customer until many months later, if at all.

When we refer to "monthly average visitors" for a particular period, we are referring to the average number of unique visitors to our website and our mobile applications for each of the months in that period, as measured by Google Analytics, a product that provides digital marketing intelligence. Google Analytics tracks visitors using cookies, with a unique cookie being assigned to each browser or mobile application on a device. For any given month, Google Analytics counts all of the unique cookies that visited our website and mobile applications during that month. Google Analytics considers each unique cookie as a unique visitor. Due to third-party technological limitations, user software settings, or user behavior, it is possible that Google Analytics may assign a unique cookie to different visits by the same person to our website or mobile application. In such instances, Google Analytics would count different visits by the same person as separate visits by unique visitors. Accordingly, reliance on the number of unique cookies counted by Google Analytics may overstate the actual number of unique persons who visit our website or our mobile applications for a given month.

Our monthly average visitors exclude visitors to Rent.'s websites and mobile applications.

Real Estate Services Transactions

We record a brokerage real estate services transaction when one of our lead agents represented the homebuyer or home seller in the purchase or sale, respectively, of a home. We record a partner real estate services transaction (i) when one of our partner agents represented the homebuyer or home seller in the purchase or sale, respectively, of a home or (ii) when a Redfin customer sold his or her home to a third-party institutional buyer following our introduction of that customer to the buyer. We include a single transaction twice when our lead agents or our partner agents serve both the homebuyer and the home seller of the transaction. Additionally, when one of our lead agents represents RedfinNow in its sale of a home, we include that transaction as a brokerage real estate services transaction. We completed the wind-down of our RedfinNow business in the second quarter of 2023.

Increasing the number of real estate services transactions is critical to increasing our revenue and, in turn, to achieving profitability. Real estate services transaction volume is influenced by, among other things, the pricing and quality of our services as well as market conditions that affect home sales, such as local inventory levels and mortgage interest rates. Real estate services transaction volume is also affected by seasonality and macroeconomic factors.

Real Estate Services Revenue per Transaction

Real estate services revenue per transaction, together with the number of real estate services transactions, is a factor in evaluating revenue growth. We also use this metric to evaluate pricing changes. Changes in real estate services revenue per transaction can be affected by, among other things, our pricing, the mix of transactions from homebuyers and home sellers, changes in the value of homes in the markets we serve, the geographic mix of our transactions, and the transactions we refer to partner agents and any third-party institutional buyer. We calculate real estate services revenue per transaction by dividing brokerage, partner, or aggregate revenue, as applicable, by the corresponding number of real estate services transactions in any period.

We generally generate more real estate services revenue per transaction from representing homebuyers than home sellers. However, we believe that representing home sellers has unique strategic value, including the marketing power of yard signs and other campaigns, and the market effect of controlling listing inventory.

U.S. Market Share by Units

Increasing our U.S. market share by units is critical to our ability to grow our business and achieve profitability over the long term. We believe there is a significant opportunity to increase our share in the markets we currently serve.

We calculate our market share by aggregating the number of brokerage and partner real estate services transactions. We then divide that number by two times the aggregate number of U.S. home sales, in order to account for both the sell- and buy-side components of each home sale. We obtain the aggregate number of U.S. home sales from the National Association of REALTORS® ("NAR"). NAR data for the most recent period is preliminary and may subsequently be updated.

Revenue from Top-10 Markets as a Percentage of Real Estate Services Revenue

Our top-10 markets by real estate services revenue are the metropolitan areas of Dallas, Chicago, Denver, Los Angeles (including Santa Barbara), Maryland, Northern Virginia, Portland (including Bend), San Diego, San Francisco, and Seattle. This metric is an indicator of the geographic concentration of our real estate services segment. We expect our revenue from top-10 markets to decline as a percentage of our total real estate services revenue over time.

Average Number of Lead Agents

The average number of lead agents, in combination with our other key metrics such as the number of brokerage transactions, is a basis for calculating agent productivity and is one indicator of the potential future growth of our business. We systematically evaluate traffic to our website and mobile application and customer activity to anticipate changes in customer demand, helping determine when and where to hire lead agents.

We calculate the average number of lead agents by taking the average of the number of lead agents at the end of each month included in the period.

Mortgage Originations

Mortgage originations is the volume of mortgage loans originated by our mortgage business, measured by both dollar value of loans and number of loans. This volume is an indicator for the growth of our mortgage business. Mortgage originations, including refinancings, are affected by mortgage interest rates, the ability of our mortgage loan officers to close loans, and the number of our homebuyer customers who use our mortgage business for a mortgage loan, among other factors.

Components of Our Results of Operations

Revenue

We generate revenue primarily from commissions and fees charged on each real estate services transaction closed by our lead agents or partner agents, from subscription-based product offerings for our rentals business, and from the origination, sales, and servicing of mortgages.

Real Estate Services Revenue

Brokerage Revenue—Brokerage revenue includes our offer and listing services, where our lead agents represent homebuyers and home sellers. We recognize commission-based brokerage revenue upon closing of a brokerage transaction, less the amount of any commission refunds, closing-cost reductions, or promotional offers that may result in a material right. Brokerage revenue is affected by the number of brokerage transactions we close, the mix of brokerage transactions, home-sale prices, commission rates, and the amount we give to customers.

Partner Revenue—Partner revenue consists of fees paid to us from partner agents or under other referral agreements, less the amount of any payments we make to homebuyers and home sellers. We recognize these fees as revenue on the closing of a transaction. Partner revenue is affected by the number of partner transactions closed, home-sale prices, commission rates, and the amount we refund to customers. If the portion of customers we introduce to our own lead agents increases, we expect the portion of revenue closed by partner agents to decrease.

Rentals Revenue

Rentals Revenue—Rentals revenue is primarily composed of subscription-based product offerings for internet listing services, as well as lead management and digital marketing solutions. Rentals revenue is affected by the number of product offerings sold, pricing for each product, customer retention, and the mix of product offerings sold to our customers. Beginning in the second quarter of 2025, rentals revenue will be largely composed of leads generated from our websites. See Note 1 to our consolidated financial statements for additional details on this change.

Mortgage Revenue

Mortgage Revenue—Mortgage revenue includes fees from the origination and subsequent sale of loans, loan servicing income, interest income on loans held for sale, origination of IRLCs, and the changes in fair value of our IRLCs, forward sales commitments, loans held for sale, and MSR. Mortgage revenue is affected by loan volume, loan pricing, and market factors that impact the fair value of our MSR and loans held for sale.

Title Revenue

Title Revenue—Title revenue includes fees earned from title settlement services. Substantially all fees and revenue from title services are recognized when the service is provided.

Monetization Revenue

Monetization Revenue—Monetization revenue includes advertising and Walk Score data services. Substantially all fees and revenue from monetization services are recognized when the service is provided.

Cost of Revenue and Gross Margin

Cost of revenue consists primarily of personnel costs (including base pay, benefits, and stock-based compensation), transaction bonuses, home-touring and field expenses, listing expenses, customer and contract fulfillment costs related to our rentals segment, office and occupancy expenses, interest expense on our mortgage related warehouse facilities, and depreciation and amortization related to fixed assets, contract assets, and acquired intangible assets.

Gross profit is revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. Our gross margin has and will continue to be affected by a number of factors, but the most important are the mix of revenue from our segments, real estate services revenue per transaction, agent and support-staff productivity, and personnel costs and transaction bonuses.

Operating Expenses

Technology and Development

Our primary technology and development expenses are building software for our customers, lead agents, and support staff to work together on a transaction, and building a website and mobile application to meet customers looking to move. These expenses primarily include personnel costs (including base pay, bonuses, benefits, and stock-based compensation), data licenses, software and equipment, and infrastructure such as for data centers and hosted services. The expenses also include amortization of capitalized internal-use software and website and mobile application development costs as well as amortization of acquired intangible assets. We expense research and development costs as incurred and record them in technology and development expenses.

Marketing

Marketing expenses consist primarily of media costs for online and offline advertising, as well as personnel costs (including base pay, benefits, and stock-based compensation).

General and Administrative

General and administrative expenses consist primarily of personnel costs (including base pay, benefits, and stock-based compensation), facilities costs and related expenses for our executive, finance, human resources, and legal organizations, depreciation related to our fixed assets, and fees for outside services. Outside services are principally composed of external legal, audit, and tax services. For our rentals business, personnel costs include employees in the sales department. These employees are responsible for attracting potential rental properties and agreeing to contract terms, but they are not responsible for delivering a service to the rental property.

Restructuring and Reorganization

Restructuring and reorganization expenses consist primarily of personnel-related costs associated with employee terminations, or retention payments associated with wind-down activities, impairments of property and equipment and prepaid expenses, and write-offs of customer accounts receivable.

Interest Income, Interest Expense, Income Tax (Expense) Benefit, Gain on Extinguishment of Convertible Senior Notes, and Other Expense, Net

Interest Income

Interest income consists primarily of interest earned on our cash, cash equivalents, and investments, and interest income related to originated mortgage loans.

Interest Expense

Interest expense consists primarily of interest payable and the amortization of debt discounts and issuance costs related to our convertible senior notes and term loan. See Note 12 to our consolidated financial statements for information regarding interest on our convertible senior notes.

Interest expense also includes interest on borrowings and the amortization of debt issuance costs related to our warehouse credit facilities. See Note 12 to our consolidated financial statements for information regarding interest for the facility.

Income Tax (Expense) Benefit

Income tax (expense) benefit primarily relates to federal, state, and local taxes recorded.

Gain on Extinguishment of Convertible Senior Notes

Gain on extinguishment of convertible senior notes relates to gains recognized on the repurchase of our convertible senior notes. See Note 12 to our consolidated financial statements for information regarding our convertible senior notes.

Other Expense, Net

Other expense, net consists primarily of losses related to fixed asset disposals or write-offs and other assets.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our revenue for those periods.

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Revenue	\$ 221,027	\$ 225,479
Cost of revenue ⁽¹⁾	150,393	154,667
Gross profit	70,634	70,812
Operating expenses		
Technology and development ⁽¹⁾	39,486	46,429
Marketing ⁽¹⁾	39,265	24,878
General and administrative ⁽¹⁾	56,467	67,873
Restructuring and reorganization	20,930	889
Total operating expenses	156,148	140,069
Loss from operations	(85,514)	(69,257)
Interest income	1,119	1,832
Interest expense	(7,784)	(4,874)
Income tax (expense) benefit	(255)	172
Gain on extinguishment of convertible senior notes	—	5,686
Other expense, net	(85)	(333)
Net loss	\$ (92,519)	\$ (66,774)

(1) Includes stock-based compensation as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cost of revenue	\$ 2,607	\$ 2,739
Technology and development	7,342	8,239
Marketing	904	1,431
General and administrative	4,509	5,000
Total stock-based compensation	\$ 15,362	\$ 17,409

	Three Months Ended March 31,	
	2025	2024
	(as a percentage of revenue)	
Revenue	100.0 %	100.0 %
Cost of revenue ⁽¹⁾	68.0	68.6
Gross profit	32.0	31.4
Operating expenses		
Technology and development ⁽¹⁾	17.9	20.6
Marketing ⁽¹⁾	17.8	11.0
General and administrative ⁽¹⁾	25.5	30.1
Restructuring	9.5	0.4
Total operating expenses	70.7	62.1
Loss from operations	(38.7)	(30.7)
Interest income	0.5	0.8
Interest expense	(3.5)	(2.2)
Income tax (expense) benefit	(0.1)	0.1
Gain on extinguishment of convertible senior notes	—	2.5
Other expense, net	—	(0.1)
Net loss	(41.8)%	(29.6)%

(1) Includes stock-based compensation as follows:

	Three Months Ended March 31,	
	2025	2024
	(as a percentage of revenue)	
Cost of revenue	1.2 %	1.2 %
Technology and development	3.3	3.7
Marketing	0.4	0.6
General and administrative	2.0	2.2
Total	6.9 %	7.7 %

Comparison of the Three Months Ended March 31, 2025 and 2024

Revenue

	Three Months Ended March 31,		Change	
	2025	2024	Dollars	Percentage
	(in thousands, except percentages)			
Real estate services				
Brokerage	\$ 119,219	\$ 124,810	\$ (5,591)	(4) %
Partner	7,059	6,370	689	11
Total real estate services	126,278	131,180	(4,902)	(4)
Rentals	52,288	49,518	2,770	6
Mortgage	29,318	33,819	(4,501)	(13)
Title	8,637	6,513	2,124	33
Monetization	4,506	4,449	57	1
Total revenue	\$ 221,027	\$ 225,479	\$ (4,452)	(2)
Percentage of revenue				
Real estate services				
Brokerage	53.9 %	55.4 %		
Partner	3.2	2.8		
Total real estate services	57.1	58.2		
Rentals	23.7	22.0		
Mortgage	13.3	15.0		
Title	3.9	2.8		
Monetization	2.0	2.0		
Total revenue	100.0 %	100.0 %		

In the three months ended March 31, 2025, revenue decreased by \$4.5 million, or 2%, as compared with the same period in 2024. This decrease in revenue was primarily attributable to a \$4.9 million decrease in real estate services revenue and a \$4.5 million decrease in mortgage revenue. This was partially offset by a \$2.8 million increase in rentals revenue, and a \$2.1 million increase in title revenue. Brokerage revenue decreased by \$5.6 million, and partner revenue increased by \$0.7 million. Brokerage revenue decreased 4% during the period, driven by a 2% decrease in brokerage transactions and a 3% decrease in brokerage revenue per transaction.

Cost of Revenue and Gross Margin

	Three Months Ended March 31,		Change	
	2025	2024	Dollars	Percentage
(in thousands, except percentages)				
Cost of revenue				
Real estate services	\$ 106,423	\$ 110,914	\$ (4,491)	(4) %
Rentals	12,964	11,457	1,507	13
Mortgage	23,912	25,904	(1,992)	(8)
Title	6,994	6,166	828	13
Monetization	100	226	(126)	(56)
Total cost of revenue	\$ 150,393	\$ 154,667	\$ (4,274)	(3)
Gross profit				
Real estate services	\$ 19,855	\$ 20,266	\$ (411)	(2) %
Rentals	39,324	38,061	1,263	3
Mortgage	5,406	7,915	(2,509)	(32)
Title	1,643	347	1,296	373
Monetization	4,406	4,223	183	4
Total gross profit	\$ 70,634	\$ 70,812	\$ (178)	0
Gross margin (percentage of revenue)				
Real estate services	15.7 %	15.4 %		
Rentals	75.2	76.9		
Mortgage	18.4	23.4		
Title	19.0	5.3		
Monetization	97.8	94.9		
Total gross margin	32.0	31.4		

In the three months ended March 31, 2025, total cost of revenue decreased by \$4.3 million, or 3%, as compared with the same period in 2024. This decrease in cost of revenue was primarily attributable to a \$5.2 million decrease in home-touring and field expenses, partially offset by a \$1.5 million increase in personnel costs and transaction bonuses.

In the three months ended March 31, 2025, total gross margin was increased 60 basis points as compared with the same period in 2024, driven primarily by increases in real estate services, title and monetization gross margins, and the relative growth of our rentals, title and monetization businesses.

In the three months ended March 31, 2025, real estate services gross margin increased 30 basis points as compared with the same period in 2024. This was primarily attributable to a 210 basis point decrease in home improvement costs incurred on behalf of home sellers, as a percentage of revenue. This decrease was partially offset by a 470 basis point increase in personnel costs and transaction bonuses and a 340 basis point decrease in home-touring and field expenses, each as a percentage of revenue, as we have eliminated compensation for home-touring and field expenses and replaced it with transaction bonuses for employee agents.

In the three months ended March 31, 2025, rentals gross margin decreased 170 basis points as compared with the same period in 2024. This was primarily attributable to a 250 basis point increase in contract fulfillment costs associated with our agreements with Zillow (see Note 1 to our consolidated financial statements), and a 110 basis point increase in marketing expenses, each as a percentage of revenue. This was partially offset by a 180 basis point decrease in personnel costs as a percentage of revenue.

In the three months ended March 31, 2025, mortgage gross margin decreased 500 basis points as compared with the same period in 2024. This was primarily attributable to a 480 basis point increase in personnel costs and transaction bonuses as a percentage of revenue.

In the three months ended March 31, 2025, title gross margin increased 1,370 basis points as compared with the same period in 2024. This was primarily attributable to a 1,010 basis point decrease in personnel costs and transaction bonuses as a percentage of revenue.

In the three months ended March 31, 2025, monetization gross margin increased 290 basis points as compared with the same period in 2024.

Operating Expenses

	Three Months Ended March 31,		Change	
	2025	2024	Dollars	Percentage
(in thousands, except percentages)				
Technology and development	\$ 39,486	\$ 46,429	\$ (6,943)	(15) %
Marketing	39,265	24,878	14,387	58
General and administrative	56,467	67,873	(11,406)	(17)
Restructuring	20,930	889	20,041	2,254
Total operating expenses	\$ 156,148	\$ 140,069	\$ 16,079	11
<i>Percentage of revenue</i>				
Technology and development	17.9 %	20.6 %		
Marketing	17.8	11.0		
General and administrative	25.5	30.1		
Restructuring and reorganization	9.5	0.4		
Total operating expenses	70.7 %	62.1 %		

In the three months ended March 31, 2025, technology and development expenses decreased by \$6.9 million, or 15%, as compared with the same period in 2024. The decrease was primarily attributable to a \$4.3 million decrease in amortization expenses, as the intangible technology assets acquired with Rent. completed their amortization. In addition, we decreased personnel expenses by \$1.5 million.

In the three months ended March 31, 2025, marketing expenses increased by \$14.4 million, or 58%, as compared with the same period in 2024. The increase was primarily attributable to a \$16.1 million increase in marketing media costs, partially offset by a \$1.6 million decrease in personnel costs.

In the three months ended March 31, 2025, general and administrative expenses decreased by \$11.4 million, or 17%, as compared with the same period in 2024. This was primarily attributable to a \$9.4 million decrease in legal settlement expenses and a \$7.1 million decrease in personnel costs. This was partially offset by an \$8.1 million increase in acquisition and merger expenses.

In the three months ended March 31, 2025, restructuring and reorganization expenses increased by \$20.0 million as compared with the same period in 2024. This was primarily attributable to the restructuring of our rentals segment due to the Partnership Agreement with Zillow. See Note 1 to our consolidated financial statements for more information.

Interest Income, Interest Expense, Income Tax (Expense) Benefit, Gain on Extinguishment of Convertible Senior Notes, and Other Expense, Net

	Three Months Ended March 31,		Change	
	2025	2024	Dollars	Percentage
	(in thousands, except percentages)			
Interest income	\$ 1,119	\$ 1,832	\$ (713)	(39) %
Interest expense	(7,784)	(4,874)	(2,910)	60
Income tax (expense) benefit	(255)	172	(427)	(248)
Gain on extinguishment of convertible senior notes	—	5,686	(5,686)	(100)
Other expense, net	(85)	(333)	248	(74)
Interest income, interest expense, income tax (expense) benefit, gain on extinguishment of convertible notes, and other expense, net	\$ (7,005)	\$ 2,483	\$ (9,488)	(382)
<i>Percentage of revenue</i>				
Interest income	0.5 %	0.8 %		
Interest expense	(3.5)	(2.2)		
Income tax (expense) benefit	(0.1)	0.1		
Gain on extinguishment of convertible senior notes	0.0	2.5		
Other expense, net	0.0	(0.1)		
Interest income, interest expense, income tax (expense) benefit, gain on extinguishment of convertible notes, and other expense, net	(3.1)%	1.1 %		

In the three months ended March 31, 2025, interest income, interest expense, income tax (expense) benefit, gain on extinguishment of convertible senior notes, and other expense, net decreased by \$9.5 million as compared to the same period in 2024.

Interest expense increased by \$2.9 million due primarily to interest on our term loan from the delayed draw of \$125.0 million, which we did not have in the same period in 2024. See Note 12 to our consolidated financial statements for further information.

Gain on extinguishment of convertible senior notes decreased by \$5.7 million, as we did not pay down any portion of our 2025 or 2027 notes at a discount in the current period, where we had such activity in the same period in 2024.

Segment Financial Information

The following tables present, for each of our reportable and other segments, financial information on a GAAP basis and adjusted EBITDA, which is a non-GAAP financial measure, for the three and three months ended March 31, 2025 and 2024.

See Note 2 to our consolidated financial statements for more information regarding our GAAP segment reporting.

To supplement our consolidated financial statements that are prepared and presented in accordance with GAAP, we also compute and present adjusted EBITDA, which is a non-GAAP financial measure. We believe adjusted EBITDA is useful for investors because it enhances period-to-period comparability of our financial statements on a consistent basis and provides investors with useful insight into the underlying trends of the business. The presentation of this financial measure is not intended to be considered in isolation or as a substitute of, or superior to, our financial information prepared and presented in accordance with GAAP. Our calculation of adjusted EBITDA may be different from adjusted EBITDA or similar non-GAAP financial measures used by other companies, limiting its usefulness for comparison purposes. Our adjusted EBITDA for the three months ended March 31, 2025 and 2024 is presented below, along with a reconciliation of adjusted EBITDA to net (loss) income.

Three Months Ended March 31, 2025							
	Real estate services	Rentals	Mortgage	Title	Monetization	Corporate overhead	Total
Revenue	\$ 126,278	\$ 52,288	\$ 29,318	\$ 8,637	\$ 4,506	\$ —	\$ 221,027
Cost of revenue	106,423	12,964	23,912	6,994	100	—	150,393
Gross profit	19,855	39,324	5,406	1,643	4,406	—	70,634
Operating expenses							
Technology and development	25,489	10,992	689	108	784	1,424	39,486
Marketing	28,358	10,243	644	18	2	—	39,265
General and administrative	17,731	14,603	6,364	703	947	16,119	56,467
Restructuring and reorganization	—	—	—	—	—	20,930	20,930
Total operating expenses	71,578	35,838	7,697	829	1,733	38,473	156,148
(Loss) income from operations	(51,723)	3,486	(2,291)	814	2,673	(38,473)	(85,514)
Interest income, interest expense, income tax expense, gain on extinguishment of convertible senior notes, and other expense, net	50	102	5	160	59	(7,381)	(7,005)
Net (loss) income	\$ (51,673)	\$ 3,588	\$ (2,286)	\$ 974	\$ 2,732	\$ (45,854)	\$ (92,519)

Three Months Ended March 31, 2025							
	Real estate services	Rentals	Mortgage	Title	Monetization	Corporate overhead	Total
(in thousands)							
Net (loss) income	\$ (51,673)	\$ 3,588	\$ (2,286)	\$ 974	\$ 2,732	\$ (45,854)	\$ (92,519)
Interest income ⁽¹⁾	(50)	(102)	(2,353)	(160)	(59)	(747)	(3,471)
Interest expense ⁽²⁾	—	—	1,972	—	—	7,782	9,754
Income tax expense	—	—	—	—	—	255	255
Depreciation and amortization	3,079	5,377	864	19	91	201	9,631
Stock-based compensation ⁽³⁾	9,041	2,738	387	277	319	2,600	15,362
Transaction-related costs ⁽⁴⁾	—	—	—	—	—	8,100	8,100
Restructuring and reorganization ⁽⁵⁾	—	—	—	—	—	20,930	20,930
Adjusted EBITDA	\$ (39,603)	\$ 11,601	\$ (1,416)	\$ 1,110	\$ 3,083	\$ (6,733)	\$ (31,958)

(1) Interest income includes \$2.4 million of interest income related to originated mortgage loans for the three months ended March 31, 2025.

(2) Interest expense includes \$2.0 million of interest expense related to our warehouse credit facilities for the three months ended March 31, 2025.

(3) Stock-based compensation consists of expenses related to restricted stock units and our employee stock purchase program. See Note 9 to our consolidated financial statements for more information.

(4) Transaction-related costs consist of fees for external advisory, legal, and other professional services incurred in connection with any mergers, acquisitions, or other significant financing transactions.

(5) Restructuring and reorganization expenses primarily consist of personnel-related costs associated with employee terminations, furloughs, or retention due to the restructuring and reorganization activities, impairment of property and equipment and prepaid expenses, and write-off of customer accounts receivable.

Three Months Ended March 31, 2024							
	Real estate services	Rentals	Mortgage	Title	Monetization	Corporate overhead	Total
Revenue	\$ 131,180	\$ 49,518	\$ 33,819	\$ 6,513	\$ 4,449	\$ —	\$ 225,479
Cost of revenue	110,914	11,457	25,904	6,166	226	—	154,667
Gross profit	20,266	38,061	7,915	347	4,223	—	70,812
Operating expenses							
Technology and development	28,507	15,512	656	95	737	922	46,429
Marketing	11,177	12,788	906	7	—	—	24,878
General and administrative	19,775	22,478	6,683	827	327	17,783	67,873
Restructuring and reorganization	—	—	—	—	—	889	889
Total operating expenses	59,459	50,778	8,245	929	1,064	19,594	140,069
(Loss) income from operations	(39,193)	(12,717)	(330)	(582)	3,159	(19,594)	(69,257)
Interest income, interest expense, income tax expense, gain on extinguishment of convertible senior notes, and other expense, net	(46)	7	3	139	105	2,275	2,483
Net (loss) income	\$ (39,239)	\$ (12,710)	\$ (327)	\$ (443)	\$ 3,264	\$ (17,319)	\$ (66,774)

Three Months Ended March 31, 2024							
	Real estate services	Rentals	Mortgage	Title	Monetization	Corporate overhead	Total
(in thousands)							
Net (loss) income	\$ (39,239)	\$ (12,710)	\$ (327)	\$ (443)	\$ 3,264	\$ (17,319)	\$ (66,774)
Interest income ⁽¹⁾	(16)	(71)	(2,034)	(139)	(105)	(1,501)	(3,866)
Interest expense ⁽²⁾	—	—	2,085	—	—	4,873	6,958
Income tax expense	—	60	—	—	—	(232)	(172)
Depreciation and amortization	3,184	9,839	964	33	165	213	14,398
Stock-based compensation ⁽³⁾	11,388	3,338	276	259	241	1,907	17,409
Gain on extinguishment of convertible senior notes	—	—	—	—	—	(5,686)	(5,686)
Legal contingencies ⁽⁴⁾	—	—	—	—	—	9,250	9,250
Adjusted EBITDA	\$ (24,683)	\$ 456	\$ 964	\$ (290)	\$ 3,565	\$ (7,606)	\$ (27,594)

(1) Interest income includes \$2.0 million of interest income related to originated mortgage loans for the three months ended March 31, 2024.

(2) Interest expense includes \$2.1 million of interest expense related to our warehouse credit facilities for the three months ended March 31, 2024.

(3) Stock-based compensation consists of expenses related to restricted stock units and our employee stock purchase program. See Note 9 to our consolidated financial statements for more information.

(4) Legal contingencies includes expenses related to significant contingent liabilities resulting from litigation or other legal proceedings.

Liquidity and Capital Resources

As of March 31, 2025, we had cash and cash equivalents of \$183.5 million.

As of March 31, 2025, we had \$576.9 million of convertible senior notes outstanding across two issuances, maturing between October 15, 2025 and April 1, 2027. See Note 12 to our consolidated financial statements for our obligations to pay semi-annual interest and to repay any outstanding amounts at the notes' maturity. During the three months ended March 31, 2025, we did not repurchase any of our 2025 convertible senior notes. As of March 31, 2025, we have repurchased a total of \$582.5 million of our 2025 convertible senior notes, using \$432.4 million in cash. As of March 31, 2025, we have \$17.6 million remaining under the repurchase program for future repurchases.

In addition, as of March 31, 2025 we had \$246.9 million principal amount of our term loan, maturing on October 20, 2028.

Our mortgage business has significant cash requirements due to the period of time between its origination of a mortgage loan and the sale of that loan. We have relied on warehouse credit facilities with different lenders to fund substantially the entire portion of the mortgage loans that our mortgage business originates. Once our mortgage business sells a loan in the secondary mortgage market, we use the proceeds to reduce the outstanding balance under the related facility. See Note 12 to our consolidated financial statements for more information regarding our warehouse credit facilities.

We believe that our existing cash and cash equivalents, together with cash we expect to generate from future operations, and borrowings from our mortgage warehouse credit facilities, will provide sufficient liquidity to meet our operational needs and our growth for at least the next twelve months, and fulfill our payment obligations with respect to our convertible senior notes and term loan. However, our liquidity assumptions may change or prove to be incorrect, and our future capital requirements may vary materially from those currently planned and depend on many factors. We could exhaust our available financial resources sooner than we currently expect. As a result, we may seek new sources of credit financing or elect to raise additional funds through equity, equity-linked, or debt financing arrangements. We cannot assure you that any additional financing will be available to us on acceptable terms or at all.

Our title and settlement business holds cash in escrow that we do not record on our consolidated balance sheets. See Note 6 to our consolidated financial statements for more information regarding these amounts.

Cash Flows

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

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash provided by (used in) operating activities	\$ 37,878	\$ (45,980)
Net cash (used in) provided by investing activities	(3,234)	42,062
Net cash provided by (used in) financing activities	24,073	(38,676)

Net Cash Provided By (Used In) Operating Activities

Our operating cash flows result primarily from cash generated by commissions paid to us from our real estate services business, sales of homes from our properties business, and subscription-based product offerings from our rentals business. Our primary uses of cash from operating activities include payments for personnel-related costs, including employee benefits and bonus programs, marketing and advertising activities, purchases of homes for our properties business, office and occupancy costs, and outside services costs. Additionally, our mortgage business generates a significant amount operating cash flow activity from the origination and sale of loans held for sale.

Net cash provided by operating activities was \$37.9 million for the three months ended March 31, 2025, primarily attributable to changes in assets and liabilities, which increased cash provided by operating activities by \$100.3 million, as well as a \$28.8 million increase from non-cash items related to stock-based compensation, depreciation and amortization, amortization of debt discounts and issuances costs, lease expense related to right-of-use assets, changes in the fair value of and sale of mortgage servicing rights, gain on extinguishment of our convertible senior notes, and other non-cash items. This was partially offset by our net loss of \$92.5 million. The primary source of cash related to changes in our assets and liabilities was a \$97.3 million increase in deferred revenue. The primary use of cash related to changes in our assets and liabilities was \$18.9 million in net originations of loans held for sale.

Net cash used in operating activities was \$46.0 million for the three months ended March 31, 2024, primarily attributable to our net loss of \$66.8 million. The decrease was partially offset by a net increase of \$25.8 million from non-cash items related to stock-based compensation, depreciation and amortization, amortization of debt discounts and issuances costs, lease expense related to right-of-use assets, changes in the fair value of and sale of mortgage servicing rights, gain on extinguishment of our convertible senior notes, and other non-cash items. The primary use of cash related to changes in assets and liabilities was \$6.7 million in net originations of loans held for sale.

Net Cash (Used In) Provided by Investing Activities

Our primary investing activities include the purchase, sale, and maturity of investments and purchases of property and equipment, primarily related to capitalized software development expenses and computer equipment and software.

Net cash used in investing activities was \$3.2 million for the three months ended March 31, 2025, attributable to \$3.2 million in purchases of property and equipment.

Net cash provided by investing activities was \$42.1 million for the three months ended March 31, 2024, primarily attributable to \$45.6 million in net maturities in U.S. government securities, partially offset by \$3.6 million in purchases of property and equipment.

Net Cash Provided By (Used In) Financing Activities

Our primary financing activities have come from (i) our initial public offering in August 2017, (ii) sales of our common stock and 2023 notes in July 2018, our common stock and convertible preferred stock in April 2020, our 2025 notes in October 2020, and our 2027 notes in March 2021, (iii) our term loan entered into in October 2023, and (iv) the sale of our common stock pursuant to stock option exercises and our ESPP. Additionally, we generate a significant amount of financing cash flow activity due to borrowings from and repayments to our warehouse credit facilities and, historically, our secured revolving credit facility, which we terminated on December 29, 2022.

Net cash provided by financing activities was \$24.1 million for the three months ended March 31, 2025, primarily attributable to a \$23.6 million increase in net borrowings under our warehouse credit facilities.

Net cash used in financing activities was \$38.7 million for the three months ended March 31, 2024, attributable to \$42.5 million used in connection with repurchases of our 2025 notes. This was partially offset by a \$4.6 million decrease in net borrowings under our warehouse credit facilities.

Critical Accounting Policies and Estimates

Discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue, and expenses at the date of the financial statements. Generally, we base our estimates on historical experience and on various other assumptions in accordance with GAAP that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Based on this definition, we have identified the critical accounting policies and estimates addressed below. In addition, we have other key accounting policies and estimates that are described in Note 1 to our consolidated financial statements.

Revenue Recognition

Our key revenue components are brokerage revenue, partner revenue, rentals revenue, mortgage revenue, and other revenue. Of these, we consider the most critical of our revenue recognition policies to be those related to commissions and fees charged on brokerage transactions closed by our lead agents, and from the sale of homes. We recognize commission-based brokerage revenue upon closing of a brokerage transaction, less the amount of any commission refunds, closing-cost reductions, or promotional offers that may result in a material right. We determined that brokerage revenue primarily contains a single performance obligation that is satisfied upon the closing of a transaction, at which point the entire transaction price is earned. We evaluate our brokerage contracts and promotional pricing to determine if there are any additional material rights and allocate the transaction price based on standalone selling prices.

Rentals revenue is primarily recognized on a straight-line basis over the term of the contract, which is generally less than one year. Revenue is presented net of sales allowances, which are not material.

Mortgage revenue is recognized (1) when an interest rate lock commitment is made to a customer, adjusted for a pull-through percentage, (2) for origination fees, when the purchase or refinance of a loan is complete, and (3) when the fair value of our interest rate lock commitments, forward sale commitments, and loans held for sale are recorded at current market quotes.

Title revenue includes fees earned from title settlement services. Substantially all fees and revenue from title services are recognized when the service is provided.

Monetization revenue includes advertising and Walk Score data services. Substantially all fees and revenue from monetization services are recognized when the service is provided.

We have utilized the practical expedient in *ASC 606, Revenue from Contracts with Customers*, and elected not to capitalize contract costs for contracts with customers with durations less than one year. We do not have significant remaining performance obligations or contract balances.

Zillow Partnership Agreement

In February 2025, we entered into a Content License Agreement and Partnership Agreement with Zillow, which collectively represent a significant transaction requiring management judgment in determining appropriate accounting treatment.

Revenue Recognition

We determined that the Content License Agreement and Partnership Agreement should be combined and accounted for as a single contract under ASC 606, Revenue from Contracts with Customers. The combined contract contains a single performance obligation composed of interdependent obligations to provide content license and lead generation services to Zillow.

The transaction price includes an upfront payment received under the Partnership Agreement and variable consideration related to per-lead fees, including a minimum payment guarantee for the first twelve months. The upfront payment is recognized as deferred revenue initially and subsequently recognized on a straight-line basis over the five-year initial contract term, which approximates the pattern of satisfaction of our performance obligation. The variable consideration related to the per-lead fees is recognized over time based on the actual number of leads generated. We determined the minimum payment guarantee acts primarily as a protective measure and does not represent a substantive minimum that would impact revenue recognition patterns.

Contract Fulfillment Costs

Customer relationships acquired as part of our 2021 acquisition, previously recorded as intangible assets, have been recharacterized as costs to fulfill a contract under ASC 340-40, Other Assets and Deferred Costs. This recharacterization was based on our determination that these costs relate directly to the contract, generate resources for satisfying performance obligations, and are expected to be fully recovered through the contract.

These costs are being amortized on a straight-line basis over the five-year contract term, which represents our best estimate of the period over which the asset will provide economic benefits. We assess these assets for impairment whenever events or circumstances indicate their carrying amount may not be recoverable.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible assets and identifiable intangible assets acquired in a business combination. Goodwill is not amortized, but is subject to impairment testing. We assess the impairment of goodwill on an annual basis, during the fourth quarter, or whenever events or changes in circumstances indicate that goodwill may be impaired. We assess goodwill for possible impairment by performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. When utilizing a quantitative assessment, we determine fair value at the reporting unit level based on a combination of an income approach and market approach. The income approach is based on estimated future cash flows, discounted at a rate that approximates the cost of capital of a market participant, while the market approach is based on guideline public company multiples and adjusted for the specific size and risk profile of the reporting units. To determine the fair value of a reporting unit, we consider discounted cash flow models and market data of comparable guideline companies. The assumptions used in these models are consistent with those we believe a market participant would use and adjusted for the specific size and risk profile of the reporting units. For Rent., we incorporated our expectations regarding the Partnership Agreement with Zillow and estimated economic impacts on the business into our valuation model.

Based on our annual goodwill impairment test performed for all five reporting units in the fourth quarter of 2024, the estimated fair values of four reporting units substantially exceeded their carrying values, and for the Rent. reporting unit, the fair value exceeded its carrying value by approximately 20%. No goodwill impairment charges were recorded in the three months ended March 31, 2025 or 2024.

Recent Accounting Standards

For information on recent accounting standards, see Note 1 to our consolidated financial statements.

Item 3. Qualitative and Quantitative Disclosures About Market Risk.

Our primary operations are within the United States. We are exposed to market risks in the ordinary course of our business. These risks primarily consist of fluctuations in interest rates.

Interest Rate Risk

Our investment policy allows us to maintain a portfolio of cash equivalents and investments in a variety of securities, including U.S. treasury and agency issues, bank certificates of deposit that are 100% insured by the Federal Deposit Insurance Corporation, and SEC-registered money market funds that consist of a minimum of \$1 billion in assets and meet the above requirements. The goals of our investment policy are liquidity and capital preservation. We do not enter into investments for trading or speculative purposes.

As of March 31, 2025, we had cash and cash equivalents of \$183.5 million. Declines in interest rates would reduce future investment income. Assuming no change in our outstanding cash and cash equivalents during the second quarter of 2025, a hypothetical 10% change in interest rates, occurring during and sustained throughout that quarter, would not have a material impact on our financial results for that quarter.

We are exposed to interest rate risk on our term loan. Interest is charged at the Secured Overnight Financing Rate ("SOFR") +575 basis points for the first five full fiscal quarters after closing, with step-downs to SOFR +550 basis points and SOFR +525 basis points thereafter upon achieving agreed performance metrics.

We are exposed to interest rate risk on our mortgage loans held for sale and IRLCs associated with our mortgage loan origination services. We manage this interest rate risk through the use of forward sales commitments on both a best effort whole loans basis and on a mandatory basis. Forward sales commitments entered into on a mandatory basis are done through the use of commitments to sell mortgage-backed securities. We do not enter into or hold derivatives for trading or speculative purposes. The fair value of our IRLCs and forward sales commitments are reflected in other current assets and accrued liabilities, as applicable, with changes in the fair value of these commitments recognized as revenue. The net fair value change for the periods presented were not material. See Note 3 to our consolidated financial statements for a summary of the fair value of our forward sales commitments and our IRLCs as of March 31, 2025.

Foreign Currency Exchange Risk

As our operations in Canada have been limited, and we do not maintain a significant balance of foreign currency, we do not currently face significant foreign currency exchange rate risk.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive and principal financial officers, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934), as of the end of the period covered by this quarterly report. Based on such evaluation, our principal executive and principal financial officers have concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level described below.

Changes in Internal Control

In connection with the evaluation required by Rule 13a-15(d) under the Securities Exchange Act of 1934, there were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

See "Legal Proceedings" under Note 6 to our consolidated financial statements for a discussion of our material, pending legal proceedings.

Item 1A. Risk Factors.

Except as discussed below, there have not been any material changes from the risk factors included in Item 1A of our annual report for the year ended December 31, 2024. You should carefully consider the risks described below and in our annual report for the year ended December 31, 2024, together with all other information in this quarterly report, before investing in any of our securities. The occurrence of any single risk or any combination of risks could materially and adversely affect our business, operating results, financial condition, liquidity, or competitive position, and consequently, the value of our securities. The material adverse effects include, but are not limited to, not growing our revenue or market share at the pace that they have grown historically or at all, our revenue and market share fluctuating on a quarterly and annual basis, an extension of our history of losses and a failure to become profitable, not achieving the revenue and net income (loss) guidance that we provide, and harm to our reputation and brand.

Risks Related to the Pending Merger

The Merger is subject to conditions, some or all of which may not be satisfied, and the Merger may not be completed on a timely basis, if at all. Failure to complete the Merger in a timely manner or at all could have adverse effects on our business.

The completion of the Merger is subject to certain closing conditions, including, among others, (i) the adoption of the Merger Agreement by the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote thereon at our virtual special meeting of stockholders; (ii) the absence of any law or order issued by any governmental authority preventing the consummation of the Merger or that results in a Detriment (as defined in the Merger Agreement) and the absence of any statute, rule, regulation, order, injunction or decree by any governmental authority of competent jurisdiction enacted (and continuing to be in effect) that makes illegal or otherwise prohibits the consummation of the Merger; (iii) the expiration or termination of all applicable waiting periods (and any extensions thereof) under the HSR Act, and the rules and regulations promulgated thereunder, relating to the consummation of the Merger; (iv) the effectiveness of the registration statement filed by Rocket with the SEC to register the Rocket Class A common stock (the "Rocket Shares") to be issued to the holders of the shares of our common stock in connection with the Merger; (v) authorization of the Rocket Shares issuable (a) in the Merger, (b) upon the exercise of all Assumed Options, and (c) in settlement of all assumed units for listing on the NYSE, subject to official notice of issuance; (vi) compliance and performance with, in all material respects, all obligations and covenants required to be performed by the parties under the Merger Agreement at or prior to the Effective Time; (vii) the absence of any material adverse effect on us or Rocket on or after the date of the Merger Agreement that is continuing; (viii) receipt by each party of a certificate, dated as of the closing date, from the Chief Executive Officer, Chief Financial Officer or other officer of the other party confirming that the closing conditions related to the accuracy of representations and warranties, lack of material adverse effect and performance in all material respects of all obligations and covenants required to be performed by the other party under the Merger Agreement have been satisfied; (ix) the accuracy of the parties' respective representations and warranties in the Merger Agreement, subject to specified materiality qualifications; (x) unless we waive the condition regarding the Up-C Collapse, our receipt of a written opinion of Fenwick & West LLP, or if Fenwick & West LLP is unable to provide such opinion, a written opinion of another counsel mutually acceptable to us and Rocket (it being understood that Paul, Weiss, Rifkind, Wharton & Garrison LLP is mutually agreed to be acceptable other counsel) in customary form and substance reasonably satisfactory to us, dated as of the closing date and to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion that are consistent with the state of facts existing at the Effective Time (as defined in the Merger Agreement), the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code and (xi) in the case of our obligation to effect the Merger, the consummation of the Up-C Collapse by Rocket in accordance with the terms of the Transaction Agreement.

Further, either we or Rocket may terminate the Merger Agreement if the Merger has not been consummated by 11:59 p.m. Pacific Time on December 9, 2025. However, this right to terminate the Merger Agreement will not be available to any party whose failure to perform any of its obligations under the Merger Agreement has been a principal cause of, or resulted in, the failure of the Merger to have been consummated on or by such date. The Merger Agreement may also be terminated in certain other circumstances.

If the Merger is not completed, our ongoing business, financial condition, financial results and stock price may be materially adversely affected. Without realizing any of the benefits of having completed the Merger, we will be subject to a number of risks, including the following:

- the market price of the Rocket Shares and/or our common stock could decline to the extent that the current market price reflects a market assumption that the Merger will be completed;
- we could owe a termination fee of \$65.5 million to Rocket under certain circumstances;
- if the Merger Agreement is terminated and our board of directors seeks another business combination, our stockholders cannot be certain that we will be able to find a party willing to enter into a transaction on terms equivalent to or more attractive than the terms that Rocket has agreed to in the Merger Agreement;
- time and resources committed by our management to matters relating to the Merger could otherwise have been devoted to pursuing other beneficial opportunities for our company;
- we may experience negative reactions from the financial markets or from our customers, business partners or employees; and
- litigation related to any failure to complete the Merger or related to any enforcement proceeding commenced against us to perform our obligations pursuant to the Merger Agreement.

The materialization of any of these risks could adversely impact our ongoing business, financial condition, financial results and stock price. Similarly, delays in the completion of the Merger could, among other things, result in additional transaction costs, loss of revenue or other negative effects associated with uncertainty about completion of the Merger.

The Merger Agreement contains provisions that limit our ability to pursue alternatives to the Merger, could discourage a potential competing acquiror from making a favorable alternative transaction proposal to us and, in specified circumstances, could require us to pay a termination fee to Rocket.

The Merger Agreement contains certain provisions that restrict our ability to, directly or indirectly, initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or the making of any proposal or offer that constitutes an acquisition proposal or that would reasonably be expected to lead to an acquisition. Further, even if our board of directors withdraws or qualifies its recommendation with respect to the adoption of the Merger Agreement, unless the Merger Agreement has been terminated in accordance with its terms, we will still be required to submit each of its Merger-related proposals to a vote at our virtual special meeting of stockholders. In addition, we have an opportunity to offer to modify the terms of the Merger Agreement in response to any third-party acquisition proposal before our board of directors may withdraw or qualify its recommendation with respect to the Merger-related proposals or otherwise terminate the Merger Agreement.

In some circumstances, upon termination of the Merger Agreement, we will be required to pay a termination fee of \$65.5 million to Rocket.

These provisions could discourage a potential third-party acquiror or merger partner that might have an interest in acquiring all or a significant portion of our outstanding capital stock or pursuing an alternative transaction from considering or proposing such a transaction, even if such third-party acquiror or merger partner were prepared to pay consideration with a higher per share cash or market value than the per share value proposed to be received or realized in the Merger. In particular, the termination fee, if applicable, could result in a potential third-party acquiror or merger partner proposing to pay consideration with a lower per share cash or market value to our stockholders than it might otherwise have proposed to pay absent such termination fee.

If the Merger Agreement is terminated and we determine to seek another business combination, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Merger Agreement.

We are subject to business uncertainties and contractual restrictions while the proposed Merger is pending, which could adversely affect our business and operations.

Under the terms of the Merger Agreement, we are subject to certain restrictions on the conduct of our business prior to completing the Merger, which may restrict our ability to execute certain of our business strategies, without Rocket's prior written consent (which consent may not be unreasonably withheld, conditioned or delayed), except as specifically required by the Merger Agreement, specified in the disclosure letter delivered by us in connection with the Merger Agreement or required by applicable law, including restrictions on our ability to incur additional indebtedness, issue or repurchase equity, pay certain dividends, acquire or dispose of certain assets or securities, enter into, modify or terminate material contracts or make certain capital expenditures. We may find that these and other contractual restrictions in the Merger Agreement may delay or prevent us from responding, or limit our ability to respond, effectively to competitive pressures, industry developments and future business opportunities that may arise during such period, even if our management believes they may be advisable, in each case subject to certain exceptions, limitations and qualifications. Such limitations could adversely affect our business and operations prior to the completion of the Merger.

We may be unable to attract or retain key employees during the pendency of the Merger.

In connection with the pending Merger, our current and prospective employees may experience uncertainty about their future roles with Rocket following the Merger, which may materially adversely affect our ability to attract and retain key personnel during the pendency of the Merger. Key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with us following the Merger. Accordingly, no assurance can be given that we will be able to retain key employees to the same extent that we have been able to in the past.

Litigation has arisen in connection with the Merger, which could be costly, prevent consummation of the Merger, divert management's attention, and otherwise harm our business.

Regardless of the outcome of any existing and future litigation related to the Merger, such litigation may be time-consuming and expensive and may distract our management from running the day-to-day operations of our business. The litigation costs and diversion of management's attention and resources to address the claims and counterclaims in any litigation related to the Merger may adversely affect our business, results of operations, prospects, and financial condition. If the Merger is not consummated for any reason, litigation could be filed in connection with the failure to consummate the Merger. Any litigation related to the Merger may result in negative publicity or an unfavorable impression of us, which could adversely affect the price of our common stock, impair our ability to recruit or retain employees, damage our relationships with our customers and other business partners, or otherwise harm our operations and financial performance.

Because the market price of the Rocket Shares may fluctuate, our stockholders cannot be certain of the precise value of the merger consideration they may receive in our pending Merger with Rocket.

At the time our pending Merger with Rocket is completed, each issued and outstanding share of our common stock (other than shares held by (i) Redfin, including in treasury, (ii) Rocket or (iii) Rocket's subsidiaries, including Merger Sub) ("Redfin stockholders") will have the right to receive for each share of Redfin common stock held by such Redfin stockholder, 0.7926 shares of Rocket Class A common stock (the "Rocket Shares") and cash in lieu of fractional shares, without interest. There will be a time lapse between each of the date of the proxy statement/prospectus for the stockholders' meeting to approve the Merger, the date on which our stockholders vote to approve the Merger, and the date on which Redfin stockholders entitled to receive the Rocket Shares actually receive such shares. The market value of the Rocket Shares may fluctuate during these periods as a result of a variety of factors, including general market and economic conditions, changes in our and Rocket's businesses, operations and prospects, and other considerations. Many of these factors are outside of our and Rocket's control. The actual value of the Rocket Shares received by our stockholders will depend on the market value of the Rocket Shares at the time the merger is completed. This market value may be less or more than the value used to determine the exchange ratio stated in the Merger Agreement and the proxy statement/prospectus.

Risks Related to Our Business and Industry

We may be unable to obtain and provide comprehensive and accurate real estate listings quickly, or at all.

We believe that users of our website and mobile application come to us primarily because of the real estate listing data that we provide. Accordingly, if we were unable to obtain and provide comprehensive and accurate real estate listings data, our primary channels for meeting customers will be diminished. We get listings data primarily from MLSs in the markets we serve. We also source listings data from public records, other third-party listing providers, and individual homeowners and brokers. Many of our competitors and other real estate websites also have access to MLSs and other listings data, including proprietary data, and may be able to source listings data or other real estate information faster or more efficiently than we can. Since MLS participation is voluntary, brokers and homeowners may decline to post their listings data to their local MLS or may seek to change or limit the way that data is distributed. There are industry participants actively working to change local MLS rules to allow brokers and homeowners to exclude more listings from the MLSs. A competitor or another industry participant could also create an alternative listings data service, or their own exclusive listings database, which may reduce the relevancy and comprehensive nature of the MLSs. If MLSs cease to be the predominant source of listings data in the markets that we serve, we may be unable to get access to comprehensive listings data on commercially reasonable terms, or at all, which may result in fewer people using our website and mobile application. In addition, strategic decisions in navigating these changes may limit our ability to display a comprehensive listings database.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits required to be filed or furnished as part of this Quarterly Report are listed below. Notwithstanding any language to the contrary, exhibits 32.1, 32.2, 101, and 104 shall not be deemed to be filed as part of this Quarterly Report for purposes of Section 18 of the Securities Exchange Act of 1934.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Exhibit	Filing Date	
2.1	Agreement and Plan of Merger, dated as of March 9, 2025, by and among Rocket Companies, Inc., Redfin Corporation and Neptune Merger Sub, Inc.	8-K	2.1	3/10/2025	
10.1†^	Content License Agreement, dated as of February 6, 2025, by and between Zillow, Inc. and Redfin Corporation				X
10.2†^	Partnership Agreement, dated as of February 6, 2025, by and among Redfin Corporation and Zillow, Inc.				X
31.1	Certification of principal executive officer, pursuant to Rule 13a-14(a)				X
31.2	Certification of principal financial officer, pursuant to Rule 13a-14(a)				X
32.1	Certification of chief executive officer, pursuant to 18 U.S.C. Section 1350				X
32.2	Certification of chief financial officer, pursuant to 18 U.S.C. Section 1350				X
101	Interactive data files				X
104	Cover page interactive data file, submitted using inline XBRL (contained in Exhibit 101)				X

† Portions of the exhibit have been omitted as permitted under Item 601(b)(10) of Regulation S-K.

^ Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. We agree to furnish supplementally a copy of the omitted schedules and exhibits to the SEC upon request.

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.

Redfin Corporation
(Registrant)

May 6, 2025
(Date)

/s/ Glenn Kelman
Glenn Kelman
President and Chief Executive Officer
(Duly Authorized Officer)

May 6, 2025
(Date)

/s/ Chris Nielsen
Chris Nielsen
Chief Financial Officer
(Principal Financial Officer)

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND OF THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE AND CONFIDENTIAL.

CONTENT LICENSE AGREEMENT

Zillow, Inc. (“**Zillow**”), a Washington corporation, and Redfin Corporation (“**Redfin**”), a Delaware corporation, hereby enter into this Content License Agreement (this “**Agreement**”) as of February 6, 2025 (the “**Execution Date**”). Zillow and Redfin may be referred to herein, collectively, as the “**Parties**” and, each individually, as a “**Party**.”

WHEREAS, Zillow desires to grant to Redfin a license to, and Redfin desires to license from Zillow, certain content pertaining to multi-family rental properties; and

WHEREAS, the Parties desire to establish certain other agreements and understandings.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties, intending to be legally bound, agree as follows:

Term; Termination; Survival.

1. Term; Termination; Survival.

1.1 Term. The initial term (the “Initial Term”) of this Agreement will start on the date on which the Licensed Content (as defined in Section 2.1) can first be accessed, viewed, and used pursuant to the terms of this Agreement by end-users of the Redfin Sites (the “Start Date”), which the Parties will make best efforts to cause to occur as soon as reasonably possible but no later than April 30, 2025, and will continue until June 30, 2030, unless earlier terminated in accordance herewith. Except for the first contract year, which will run from the Start Date to June 30, 2026, each contract year will run from July 1 to June 30th of the applicable year(s). Upon the conclusion of the Initial Term, this Agreement will automatically renew on the same terms for up to two (2) successive renewal terms of two (2) years each unless either Party provides written notice of nonrenewal no less than twelve (12) months in advance of the expiration of the then-current term (each, a “Renewal Term”). The Initial Term, all Renewal Terms, if any, and the Wind-Down Period are referred to herein, collectively, as the “Term.”

1.2 Termination. This Agreement may be terminated prior to the expiration of the Term as follows:

1.2.1 *Material Breach*. Either Party may immediately terminate this Agreement if the other Party commits a breach of this Agreement that results in a material adverse effect on the value of the Agreement to the other party and such material breach is either not capable of cure or is not cured within thirty (30) days of receipt of written notice thereof from the non-breaching Party, provided that, with respect to Redfin’s failure to meet the Minimum Lead Threshold for [*] as described in Section 4.1.1, Redfin will have ninety (90) days to cure after receipt of written notice thereof from Zillow.

1.2.2 *Insolvency*. Either Party may terminate this Agreement upon written notice to the other Party if the other Party makes an assignment for the benefit of creditors (other than in connection with granting a security interest), files a petition for bankruptcy, or otherwise becomes insolvent.

1.2.3 *Change in Control or Acquisition of Certain Identified Persons by Either Party*.

1.2.3.1 *Definitions*. As used herein:

“**Affiliate**” means any person, corporation, association, partnership or other entity that directly or indirectly controls or is controlled by, or is under the common control of a Party.

“**Group**” means any group of related Persons.

“**Person**” means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, or unincorporated organization.

“**Redfin Change in Control**” means (a) the closing of the transactions contemplated by any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) directly or indirectly to any Person, or to any Group as determined under Section 13(d) of the Exchange Act of all or substantially all of (i) the assets of Redfin and its Affiliates, or (ii) the assets owned by Redfin and used in the operation of the Redfin rental business; (b) any Person or Group becoming the beneficial owner (as determined under Section 13(d) under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the aggregate voting power represented by the issued and outstanding capital stock of Redfin (or its successor) entitled to vote generally or in the election of directors (or Persons performing similar functions).

“**Redfin Identified Person**” means an entity or Person, included on Exhibit A-1, attached hereto and incorporated herein by reference, as may be modified as provided therein.

“**Redfin Identified Person Acquisition**” means (a) Redfin or its Affiliates becoming the beneficial owner (as determined under Section 13(d) under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the aggregate voting power represented by the issued and outstanding capital stock of a Zillow Identified Person entitled to vote generally or in the election of directors (or Persons performing similar functions); or (b) the closing of the transactions contemplated by any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) directly or indirectly to Redfin or its Affiliates, or to any Group as determined under Section 13(d) of the Exchange Act that is controlled by Redfin or its Affiliates, of all or substantially all of the assets of a Zillow Identified Person or used in the operation of a Zillow Identified Person.

“**Zillow Change in Control**” means (a) the closing of the transactions contemplated by any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) directly or indirectly to any Person or to any group of related Persons (a “**Group**”) as determined under Section 13(d) of the Exchange Act of all or substantially all of (i) the assets of Zillow and its Affiliates, or (ii) the assets owned by Zillow and used in the operation of the Zillow rental business; (b) any Person or Group becoming the beneficial owner (as determined under Section 13(d) under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the aggregate voting power represented by the issued and outstanding capital stock of Zillow Group, Inc. (or its successor) entitled to vote generally or in the election of directors (or Persons performing similar functions).

“**Zillow Identified Person**” means an entity or Person included on Exhibit A-2, attached hereto and incorporated herein by reference, as may be modified as provided therein.

“**Zillow Identified Person Acquisition**” means (a) Zillow or its Affiliates becoming the beneficial owner (as determined under Section 13(d) under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the aggregate voting power represented by the issued and outstanding capital stock of a Redfin Identified Person entitled to vote generally or in the election of directors (or Persons performing similar functions); or (b) the closing of the transactions contemplated by any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) directly or indirectly to Zillow or its Affiliates, or to any Group as determined under Section 13(d) of the Exchange Act that is controlled by Zillow or its Affiliates, of all or substantially all of the assets of a Redfin Identified Person or used in the operation of a Redfin Identified Person.

1.2.3.2 *Termination by Redfin.* Redfin shall have the right to terminate this Agreement by giving written notice to Zillow within thirty (30) days after (1) the date on which Zillow provides written notice of a Zillow Identified Person Acquisition; (2) Zillow provides written notice of a Zillow Change in Control involving a Redfin Identified Person; or (3) a court or regulatory entity of competent authority requires termination of this Agreement as a condition of any Redfin Change in Control. Zillow must notify Redfin in writing within 30 days of the occurrence of a Zillow Identified Person Acquisition or a Zillow Change in Control involving a Redfin Identified Person.

1.2.3.3 *Termination by Zillow.* Zillow shall have the right to terminate this Agreement by giving written notice to Redfin within thirty (30) days after the date on which (1) Redfin provides written notice of a Redfin Identified Person Acquisition; (2) Redfin provides written notice of a Redfin Change in Control involving a Zillow Identified Person; or (3) a court or regulatory entity of competent authority requires termination of this Agreement as a condition of any Zillow Change in Control. In the event of a Redfin Change in Control other than to a financial sponsor acquirer occurs during the first three (3) years of the Initial Term (a “**Strategic Acquisition**”), Zillow may elect to shorten the Initial Term to three (3) years, provided that Zillow provides notice of such election within sixty (60) days after close of the Strategic Acquisition Redfin must notify Zillow in writing within 30 days of the occurrence of a Redfin Identified Person Acquisition, a Redfin Change in Control involving a Zillow Identified Person, or a Strategic Acquisition.

1.3 Effect of Termination.

1.3.1 *Wind-Down Period.* Except as otherwise provided, beginning on the effective date of any non-renewal or termination for any reason and ending one (1) year thereafter (the “Wind-Down Period”): (a) the Parties will use commercially reasonable efforts to cooperate in good faith to wind down all obligations under this Agreement in a timely fashion while minimizing any burdens or confusion for consumers and protecting the names and reputations of the Parties; and (b) all provisions of this Agreement will remain in full force and effect, except as expressly set forth on Exhibit B hereto. Notwithstanding the foregoing, (i) the Wind-Down Period will not apply in the event of a termination pursuant to Section 1.2.1, excluding termination by Zillow relating to Redfin’s breach of Section 4.1.1, or 1.2.2; and (ii) if either Party terminates this

Agreement pursuant to Section 1.2.3, this Agreement will terminate effective immediately upon the date of such notice, and, unless otherwise required by court order or regulatory authority of competent jurisdiction, a six (6)-month Wind-Down Period will apply thereafter, except in the event of a Redfin Identified Person Acquisition or a Redfin Change in Control involving a Zillow Identified Person, in which case the Wind-Down Period will be three (3) months. Upon the expiration of the Wind-Down Period, all licenses granted under this Agreement will cease unless expressly stated otherwise.

1.3.2. *Survival.* The provisions of this Section 1.3, Sections 4.3, 4.6, 5 (with respect to Leads delivered during the Term only), 8, 9 (for the period set forth therein), 10-13, 14.3, and any other provisions, which by their nature or context are intended to survive any termination or expiration of the Agreement, will survive any termination or expiration of this Agreement. In no event will any termination relieve a Party of the obligation to pay any fees payable to the other Party with respect to the period prior to the effective date of termination.

2. Data Feed and Licensed Content.

2.1 Definitions.

“**Base Property**” means [*].

“**Data Feed**” means the electronic mechanism as mutually agreed upon by the parties for delivery of the Licensed Content.

“**Enriched Content**” means content displayed on the Zillow Sites that is (i) licensed to Zillow by a third-party other than the advertiser for display on the Zillow Sites only, or (ii) proprietary to Zillow.

“**Licensed Content**” means all content then displayed on the Zillow Sites for each Zillow Property included in the Data Feed, excluding Enriched Content.

“**Non-Base Property**” means those [*] or their successors should they be modified or discontinued.

“**Per Lease Property**” means those Zillow Properties advertising with Pay-Per-Lease attribution advertising or its successor should it be modified or discontinued.

“**Redfin Sites**” means the Redfin.com, Rent.com, Rentals.com, and Apartmentguide.com websites and their related mobile applications, and such additional websites and mobile applications as may be added during the term upon written consent from Zillow (email to suffice), which will not be unreasonably withheld.

“**Zillow Property**” means a managed multi-family rental property of twenty-five (25) units or greater that is displayed on the Zillow Sites subject to an active paid advertising agreement. Each Zillow Property is either a Base Property, Non-Base Property or Per Lease Property (collectively, “**Zillow Properties**”). Zillow Properties do not include any managed multi-family rental property of twenty-five (25) units or greater displayed on the Zillow Sites which is not subject to an active paid advertising agreement.

“**Zillow Sites**” means Zillow.com, Hotpads.com, and Trulia.com and their related mobile applications.

2.2 Data Feed. Beginning as soon as possible following the Execution Date but in no event later than April 30, 2025, Zillow will provide the Licensed Content for all Zillow Properties to Redfin via the Data Feed. Redfin will perform such development work as is necessary to enable delivery of the Licensed Content via real-time API as more fully set forth in Exhibit E. [*].

2.3 Licensed Content. Licensed Content will be: (i) of equivalent quality to the corresponding content displayed on the Zillow Sites; (ii) [*] and (ii) updated as soon as reasonably practicable upon Zillow's receipt of updates for the Zillow Properties, but in no event less than once per day.

2.4 Quarterly Business Reviews. Zillow and Redfin will meet (in-person or electronically) no less often than quarterly to share in good faith timely updates on product changes and other developments that could reasonably impact the Data Feed, Licensed Content, Leads (as defined in Section 4), or other aspects of this Agreement.

2.5 License. Subject to the other provisions hereof, Zillow hereby grants to Redfin a worldwide, non-sublicensable, non-transferable (except as set forth in Section 14.2), non-exclusive, royalty-free, fully paid-up license to use the Licensed Content solely to display the Licensed Content on and in the Redfin Sites in accordance with the provisions of this Agreement. In connection with displaying the Licensed Content on the Redfin Sites, Redfin and its Affiliates are allowed to use the Licensed Content to [*].

2.6 Removal from Data Feed; Updates to Licensed Content. Within twenty-four (24) hours of any Zillow Property being removed from the Data Feed, Redfin shall cease display of such Zillow Property and any related Licensed Content on the Redfin Sites. Within twenty-four (24) hours of Zillow updating any Licensed Content in the Data Feed, Redfin shall update the display of such Licensed Content on the Redfin Sites.

3. Exclusivity. Beginning on the Execution Date and continuing for the remainder of the Term (expressly excluding the Wind-Down Period), Redfin shall not, directly or through any third party other than Zillow, sell, market, or make available to any property management company or other participants in the real estate industry, any product or service that provides for the display on the Redfin Sites of data and content pertaining to managed multi-family rental properties of twenty-five (25) units or greater or that provides for enhancement or increased prominence on the Redfin Sites of data and content pertaining to managed multi-family rental properties of twenty-five (25) units or greater. If Redfin is engaged in discussions with any other third parties regarding the provision of multi-family rental properties of twenty-five (25) units or greater for display on the Redfin Sites, Redfin will cease all such discussions as of the Execution Date.

Notwithstanding the foregoing, with respect to any managed multi-family rental properties of twenty-five (25) units or greater that Redfin is already under contract to display on the Redfin Sites as of the Execution Date:

- i. If the property is included in the Data Feed on the Start Date, Redfin will exercise its voluntary termination rights (to the extent available), to be effective as soon as is reasonably practicable at or after Start Date. If a property is included in the Data Feed after the Start Date, Redfin will exercise its voluntary termination rights (to the extent available), to be effective as soon as is reasonably practicable. For avoidance of doubt, no content related to any property included in the Data Feed may be displayed on the Redfin Sites after the Start Date other than via the Data Feed, with the exception of properties for which Redfin does not have voluntary termination rights, and Redfin will cease billing for such services accordingly.
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- ii. If the property is a Unique Property (as defined in Exhibit D) or could not be voluntarily terminated as provided above, Redfin is permitted to continue to display on the Redfin Sites data and content pertaining to such properties until the earlier of: (a) the natural expiration of such contracts (including any month-to-month renewals thereof); (b) the signing of a new or amended agreement with Zillow for display on the Zillow Sites of the properties subject to such contracts; or (c) [*] or such earlier date as the Parties may mutually agree (the “**Hard Transition Date**”); so long as, unless contractually prohibited from doing so, any duplicate property provided in the Data Feed shall receive priority over the same property received from an alternate source. Within ten (10) business days of the Execution Date, Zillow and Redfin will use best efforts to plan a Limited Syndication as outlined in Exhibit D.

4. Leads.

4.1 General. Redfin will cause all Leads (as defined below) from the Zillow Properties displayed on the Redfin Sites beginning on the Start Date to be delivered to Zillow via API (the “**Lead API**”) within twenty-four (24) hours after such Lead is submitted to Redfin. As used herein, “**Lead**” means each instance of a user: [*]. Electronic Leads must be directed only to the Zillow Property from which the Lead originated.

4.1.1 Minimum Lead Threshold. Redfin will deliver no less than [*] Payable Leads per month (“**Minimum Lead Threshold**”), expressly *including* any Payable Leads delivered to Zillow in excess of the Lead Cap, as set forth in Exhibit C, provided that the Minimum Lead Threshold will not apply for any calendar month in which the Data Feed did not include an average of [*] Zillow Properties per day. Redfin’s failure to meet the Minimum Lead Threshold for [*] consecutive months will constitute material breach of this Agreement, with the understanding that the Minimum Lead Threshold will be reduced pro rata for any technical outage of the Lead API lasting 6 hours or longer.

4.2 Communication. As between Redfin and Zillow, Redfin shall have the sole right to send to each user of the Redfin Sites who submits a Lead an email confirming the Lead was received or delivered. Zillow shall not send any email or other communication to any user of the Redfin Sites who submits a Lead (provided that the foregoing is not intended to prohibit or otherwise restrict Zillow from sending emails or other communications to any individuals for whom Zillow has independently derived contact information). As between Redfin and Zillow, Zillow shall have the sole right to deliver all Leads to the Zillow Property contact. Redfin shall not send any email or other communication to any Zillow Property contact to attempt to attribute a Lead to Redfin or for any other purpose.

4.3 Ownership and Use of Lead Data. As between Redfin and Zillow, Redfin shall have and retain all ownership rights and other rights to the Leads and all information, content, and data included in or with such Leads (collectively, “**Lead Data**”). Redfin’s provision of Leads to Zillow pursuant to this Agreement is for the sole purpose of permitting Zillow to provide each Lead to the applicable Zillow Property. Within a commercially reasonable period of time after receiving each Lead, Zillow shall provide each Lead to the applicable Zillow Property. At all times, Zillow shall ensure that it processes the Leads it receives under this Agreement at least as favorably as it processes leads generated from the Zillow Sites and that it does not grant priority to leads generated from the Zillow Sites. Except as expressly permitted in this Agreement, Zillow will not use the Leads or any Lead Data for any other purpose, including, without limitation, for the purposes of marketing other products or services or gathering competitive information. Notwithstanding the foregoing, Zillow may use Lead Data as provided in Section 4.5 below and for the limited internal purposes of (a) matching Leads to existing Zillow users in order to fulfill any obligations of Zillow to avoid overcharging advertisers for the same or similar Leads, and (b) establishing and complying with its obligations under this Agreement.

4.4 Up-Funnel Data. Redfin shall provide Zillow with impressions and page views, and other data as mutually agreed by the Parties, for each Zillow Property displayed on the Redfin Sites (collectively, “**Up-Funnel Data**”), as more fully set forth in Exhibit F. Redfin will implement commercially reasonable procedures to ensure the completeness and accuracy of the Up-Funnel Data and timely delivery. Zillow may use Up-Funnel Data solely to: (i) provide property-level data to the property management company associated with the applicable Zillow Property; (ii) calculate aggregate statistics with respect to Zillow Properties for internal and partnership business and performance management; and (iii) make general marketing claims for business-to-business sales purposes.

4.5 Communications Recording and Lead Follow-Up. Zillow will record the content of: 1) calls generated by Phone Leads; and 2) communications submitted by Electronic Leads (collectively, “**Lead Communication Data**”), which Zillow will use for internal business purposes and, with respect to Phone Leads, make available to the applicable Zillow Property. Zillow will also, as directed by Redfin, implement Zillow’s lead connect feature in order to [*]. The caller ID name associated with the text will indicate a name to be reasonably specified by Redfin. Redfin is solely responsible for capturing all consents necessary under applicable law for communications recording and lead follow-up as described herein, provided that Zillow is responsible for providing Redfin notice and consent language sufficient for the communications recording and lead follow-up Zillow intends to conduct and will be responsible for the adequacy of the consent language under applicable law and regulations. Zillow will ensure that the format of such consent does not negatively impact user engagement (e.g., due to its length or complexity). In the event of any adverse effects on user engagement, Zillow and Redfin shall discuss in good faith modifications to the format of the consent, which shall constitute Redfin’s sole remedy for such adverse effects on user engagement.

4.6 Deletion of Lead Data. Zillow shall permanently delete all Lead Data received from Redfin pursuant to this Agreement no later than the later of: (a) [*] after Redfin provides the Lead to which such Lead Data pertains to Zillow or such other retention period as Zillow may reasonably adopt from time-to-time to permit Zillow to achieve the business purpose for which the Lead Data is retained, provided that such business purpose is in compliance with all applicable provisions of this Agreement; and (b) the expiration or earlier termination of this Agreement. Any Lead Data retained in accordance with this Section may be used only in accordance with the limited purpose for which it was retained and in compliance with all applicable provisions of this Agreement.

5. Compensation; Reporting.

5.1 General. Zillow shall pay Redfin fees as set forth in Exhibit C attached hereto and incorporated by reference herein.

5.2 Payable Leads. “**Payable Lead**” means (a) each Electronic Lead delivered to Zillow hereunder, provided such Electronic Lead includes the following completed fields: first and last name, email address, and move-in date; and (b) each Phone Lead lasting at least [*], including Phone Leads connected to an answering machine, interactive voice response system, or similar automated system, provided in each case that a Lead that meets such requirements will not be considered a Payable Lead if [*]. If an Electronic Lead submitter completes any optional fields within the lead form, Redfin will provide such completed fields to Zillow, but, subject to (t) above, such fields shall not be required to be completed in order for an Electronic Lead to qualify as a Payable Lead.

5.3 Reporting and Payment Schedule. Within twenty-one (21) days after the end of each calendar month, Zillow will provide Redfin a billing report (the “**Monthly Report**”), showing: (a) the number of Payable Leads provided to Zillow in such calendar month, which includes the number of Leads, any otherwise Payable Leads excluded pursuant to Section 5.2, and , the reason each such Lead is excluded; (b) a calculation of the total Per-Lead Amounts payable for all Payable Leads delivered in such month

(the “**Monthly Lead Payment**”); and (c) such other data and metrics as Redfin may reasonably request from time to time to permit Redfin to verify payments. Redfin will provide to Zillow, via a mutually agreed mechanism, an invoice (the “**Monthly Invoice**”) for the Monthly Lead Payment set forth in the Monthly Report no more than seven (7) days after receiving the Monthly Report. Zillow will pay the Monthly Lead Payment set forth on the Monthly Invoice within forty-five (45) days after the date on which Redfin provides the Monthly Invoice. No additional terms in any invoice shall override or control over the terms of this Agreement.

5.4 **Taxes.** Each Party will be responsible, as required under applicable law, for identifying and paying all taxes and other governmental fees and charges (and any penalties, interest, and other additions thereto) that are imposed on that Party upon or with respect to the transactions and payments under this agreement. Redfin may charge and Zillow will pay applicable state or local sales or use taxes or other similar transaction taxes that Redfin is legally obligated to charge (“**Taxes**”), provided that such Taxes are stated on the original invoice that Redfin provides to Zillow and Redfin’s invoices state such Taxes separately and meet the requirements for a valid tax invoice. Zillow may provide Redfin with an exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case, Redfin will not charge and or collect the Taxes covered by such certificate. Throughout the Term, Redfin will provide Zillow with any forms, documents, or certifications as may be reasonably requested by Zillow to satisfy any information reporting or withholding tax obligations with respect to any payments under this Agreement.

5.5 **Disputes.** If Redfin disputes the number of Payable Leads or any other amount or payment contained in any Monthly Report, Redfin must notify Zillow in writing (email to suffice) within thirty (30) days of receipt of the Monthly Report, and Zillow and Redfin will meet within ten (10) business days thereafter to attempt in good faith to resolve the dispute.

Display of Zillow Properties on Redfin Sites.

6.1 Redfin will display on the Redfin Sites all Licensed Content for every Zillow Property included in the Data Feed. Redfin may not require submission of a Lead to view any Licensed Content. Redfin may supplement display of the Zillow Properties on the Redfin Sites with content and information created by Redfin or provided by third parties, including information on schools, neighborhood profiles, available public transportation and the like, so long as such supplemental content and information is not duplicative of, or substantially similar to, any data field included within the Licensed Content for the applicable Zillow Property. For each Zillow Property displayed on the Redfin Sites, Redfin will provide a statement that such Zillow Property was “Provided by Zillow.”

7. Marketing; Traffic Credit; SEO Efforts.

7.1 **Marketing.** Neither Party will promote or market the existence or terms of this Agreement, or the relationship contemplated herein, to consumers without the other Party’s prior express written consent in each instance. As of the Execution Date, Zillow will be permitted to promote and market, at Zillow’s sole expense, the relationship contemplated herein to property management companies and other participants in the real estate industry, provided that: (i) Zillow must comply with the guidelines set forth in Exhibit E and any mutually agreed upon revisions thereof (the “Guidelines”); and (ii) Redfin will enable Zillow to promote and market as contemplated herein as set forth in Exhibit E. Redfin and Zillow will meet (in-person or telephonically) no less often than one (1) time per contract year to review marketing and promotional messaging and collateral. For any promotion or marketing which does not comply with, or is outside the scope of, the Guidelines, Zillow must obtain Redfin’s prior written approval (email to suffice).

7.2 Traffic Credit. During the Term: (a) Redfin shall remain entitled to receive credit from comScore and any other independent source of traffic measures or metrics for all rentals traffic to the Redfin Sites; and (b) at Zillow's request and sole expense, Redfin and Zillow shall use commercially reasonable efforts, as more fully set forth in Exhibit E, to create a comScore "Custom Entity" (or similar solution) for the purpose of enabling comScore to include the traffic credited to Redfin pursuant to the foregoing sentence that pertains specifically to any section of the Redfin Sites that is dedicated to the Zillow Properties in Zillow's aggregate traffic numbers, provided that such efforts shall not prevent Redfin from receiving credit for traffic to the Redfin Sites in accordance with this Section 7.2.

7.3 SEO Efforts. Beginning on the Start Date and continuing for the remainder of the Term, Redfin shall be free to use the Licensed Content for search engine optimization efforts related to the Redfin Sites in its reasonable discretion, provided, however, that: (a) such efforts must accurately represent the Zillow Properties as rental properties; and (b) each Party shall refrain from using the other Party's federally registered trademarks or trademarks for which a Party has filed a trademark application in its search engine optimization efforts without the other Party's prior written consent. Notwithstanding the foregoing, a Party will not violate this Section by using such other Party's marks in an article or other digital collateral for general distribution, such as a blog post that identifies Redfin as the provider of a service. For the purpose of enabling the Parties to comply with this Section 7.3, each Party shall provide the other Party with an up-to-date list of its federally registered trademarks and trademark applications promptly following the Execution Date and on an annual basis thereafter during the Term.

8. Intellectual Property; Ownership.

8.1.1 Ownership by Zillow. Between the Parties, Zillow will own all right, title and interest in and to the Data Feed, Licensed Content, and the Zillow Sites, including all intellectual property and other proprietary rights in and to the Data Feed, Licensed Content, and Zillow Sites in whole or in part. Subject to the limited license granted by Zillow in Section 2.5, Redfin acquires no right, title or interest in or to the Data Feed, Licensed Content, or Zillow Sites.

8.1.2 Ownership by Redfin. Between the Parties, Redfin will own all right, title and interest in and to the Redfin Sites, including all intellectual property and other proprietary rights in and to the Redfin Sites, in whole or in part. Zillow acquires no right, title or interest in or to the Redfin Sites.

9. Audit Rights.

If either Party believes in good faith that the other Party has materially breached its obligations under this Agreement, the auditing Party may engage a nationally recognized independent third party firm ("**Auditor**") to, review, inspect and test the books and records of the other Party solely to the extent reasonably necessary to ascertain such Party's compliance with this Agreement ("**Audit**") only: (i) upon providing 30 days prior written notice to the audited Party, (ii) during regular business hours and (iii) a maximum of one time per year. The Auditor will provide its final conclusions of the audit to both Parties simultaneously and within 30 days after the last day of the Audit. The auditing Party will pay the costs it incurs, and the out-of-pocket costs the audited Party incurs, as part of any Audit; the audited Party shall be liable, however, for all costs of any Audit that discloses that the audited Party has materially breached this Agreement. No Audit may occur more than one year after termination of this Agreement. Any information disclosed to or otherwise learned by the auditing Party or the Auditor in connection with an Audit conducted pursuant to this paragraph constitutes Confidential Information of the audited Party and is subject to the limitations on use set forth herein.

10. Representations and Warranties.

10.1 Redfin Representations and Warranties. Redfin represents and warrants that: (a) it is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation; (b) it has the corporate right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (c) the execution, delivery and performance of this Agreement will not conflict with, result in a breach of, or constitute a default under, any other agreement to which it is a party or by which it is bound; (d) it shall not represent itself as an agent, employee or affiliate of the other Party; (e) to the best of its knowledge, the Lead Data does not contain and will not expose Zillow's systems to any viruses, malware, Trojan horses, or otherwise harmful code; and (f) it will comply with all applicable laws and regulations in the performance of its duties and exercise of its rights under this Agreement, including, to the extent applicable, federal, state and local anti-discrimination laws (including the Fair Housing Act), the Telephone Consumer Protection Act, the CAN-SPAM Act, the CCPA, and laws relating to its collection and handling of Lead Data, data privacy, data security and intellectual property.

10.2 Zillow Representations and Warranties. Zillow represents and warrants that: (a) it is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation; (b) it has the corporate right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (c) the execution, delivery and performance of this Agreement will not conflict with, result in a breach of, or constitute a default under, any other agreement to which it is a party or by which it is bound; (d) it shall not represent itself as an agent, employee or affiliate of the other Party; (e) it has the right to grant the licenses granted by it hereunder; (f) to the best of its knowledge, the Data Feed and the Licensed Content do not contain or expose Redfin's systems to any viruses, malware, Trojan horses, or otherwise harmful code; (g) to the best of its knowledge the Licensed Content does not infringe on the intellectual property or other proprietary rights of any third party nor contain any content that is defamatory, offensive, or illegal; (h) [*]; (i) [*]; and (j) it will, at all applicable times, comply with all applicable laws and regulations in connection with its performance of its duties and exercise of its rights under this Agreement, including as applicable to the Data Feed or Licensed Content Zillow provides to Redfin under this Agreement, including, without limitation, to the extent applicable, federal, state and local anti-discrimination laws (including the Fair Housing Act), the Telephone Consumer Protection Act ("TCPA"), the CAN-SPAM Act, the CCPA, and laws relating to its collection and handling of Lead Data, data privacy, data security and intellectual property.

10.3 DISCLAIMER OF WARRANTIES. (A) OTHER THAN AS EXPLICITLY SET FORTH HEREIN AND IN SECTIONS 10.1 AND 10.2 AND SUBJECT TO THE INDEMNIFICATION OBLIGATIONS IN SECTION 11, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO ITS BUSINESS, PRODUCTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT AND EACH PARTY HEREBY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER ALLEGED TO ARISE BY LAW, BY USAGE IN THE TRADE, BY COURSE OF DEALING OR COURSE OF PERFORMANCE OR OTHERWISE; AND (B) EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, EACH PARTY ACKNOWLEDGES THAT THE OTHER PARTY'S PRODUCTS AND SERVICES, INCLUDING, WITHOUT LIMITATION, THE ZILLOW PROPERTIES AND LICENSED CONTENT, ARE PROVIDED "AS IS" AND THAT THE OTHER PARTY MAKES NO WARRANTY THAT THE FOREGOING ITEMS WILL BE ACCURATE, FREE FROM BUGS, FAULTS, DEFECTS, OR ERRORS. WITHOUT LIMITATION OF THE FOREGOING AND EXCEPT AS PROVIDED IN THIS AGREEMENT: (i) ZILLOW PROVIDES THE LICENSED CONTENT HEREUNDER "AS AVAILABLE"; (ii) ZILLOW DOES NOT WARRANT THAT THE LICENSED CONTENT OR THE USE THEREOF SHALL BE TIMELY, SECURE, ERROR-FREE, BE PROVIDED (OR BE AVAILABLE) WITHOUT INTERRUPTION, OR MEET REDFIN'S BUSINESS OR OPERATIONS PURPOSES; AND (iii) ZILLOW DOES NOT GUARANTEE OR WARRANT ANY LICENSED

CONTENT'S ACCURACY, RELIABILITY, COMPLETENESS, INTEGRITY, VALIDITY, OR CURRENTNESS, OR THAT ANY ERRORS IN ANY LICENSED CONTENT WILL BE CORRECTED. EXCEPT AS SET FORTH IN THIS AGREEMENT, ZILLOW DISCLAIMS ALL LIABILITY AND RESPONSIBILITY ARISING OUT OF OR RESULTING FROM THE CONTENT OF, OR ANY ERRORS CONTAINED IN, ANY LICENSED CONTENT.

11. Indemnification.

11.1 Indemnification by Zillow. Zillow shall defend, indemnify and hold harmless Redfin, its Affiliates and their respective directors, officers, employees, and agents (collectively, the "Redfin Parties") from and against any claims, liabilities, losses, damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees and costs) (collectively, "Losses") incurred by the Redfin Parties as the result of any third-party claim or third-party demand (a "Claim") to the extent arising out of: (a) any false representation or warranty, or material breach by Zillow of its representations and warranties contained in this Agreement, including violation by Zillow [*] and any allegation that the Licensed Content, (i) when used as authorized by this Agreement, infringes such third-party's intellectual property rights, excluding claims to the extent arising from the use of the Licensed Content in a modified, unauthorized, or unintended manner, the combination of the Licensed Content with materials not furnished by Zillow if there would not have been an infringement but for such combination, or the Redfin Sites themselves infringing such third party's intellectual property rights other than by virtue of the use or display of the Licensed Content on the Redfin Sites as permitted under this Agreement or (ii) contains any content that is defamatory, offensive, or illegal; (b) any violation of law by Zillow related to or arising from the performance of this Agreement, including arising from any administrative action, investigation, inquiry or demand from a governmental entity or other regulatory body with oversight or jurisdiction over Zillow's products, services and activities in relation to such violation of Law; (c) any fraud, gross negligence or willful misconduct of Zillow, its Affiliates and their respective directors, officers, employees, and agents; and (d) any services performed or actions taken by Zillow pursuant to Section 4.5 hereof, except to the extent arising out of any failure by Redfin to post any notice on the Redfin Sites or obtain any consent via the Redfin Sites that is required by applicable law with respect to the matters contemplated by Section 4.5. Zillow's indemnification obligations herein are subject to the condition that the Redfin Parties (i) promptly give Zillow written notice of the Claim and request for indemnification once the Redfin Parties become aware of the Claim; (ii) give Zillow sole control of the defense and settlement of the Claim (provided that Zillow may not settle any Claim unless the settlement unconditionally releases Redfin of all liability for such Claim); and (iii) provide reasonable assistance in connection with the defense (at Zillow's reasonable expense). The failure to give notice to and request for indemnification from the Redfin Parties within a reasonable time of the commencement of any Claim under this Section will relieve Zillow of any liability to the Redfin Parties under this Section only to the extent that such failure materially prejudices Zillow's ability to defend such Claim.

11.2 Indemnification by Redfin. Redfin shall defend, indemnify and hold harmless Zillow, its Affiliates and their respective directors, officers, employees, and agents (collectively, the "Zillow Parties") from and against any Losses incurred by the Zillow Parties as the result of any Claim to the extent arising out of: (a) any allegation the Redfin Properties infringe or violate any right of a third party, including, without limitation, rights of publicity, rights of privacy, licenses, or other intellectual property rights other than by virtue of the use or display of the Licensed Content on the Redfin Sites as permitted under this Agreement; (b) any false representation or warranty, or material breach by Redfin of its representations and warranties contained in this Agreement; (c) any alleged violation of law related to or arising from the performance of this Agreement, including arising from any administrative action, investigation, inquiry or demand from a governmental entity or other regulatory body with oversight or jurisdiction over a Redfin's products, services and activities in relation to such violation of Law; (d) any fraud, gross negligence or willful misconduct of Redfin, its Affiliates and their respective directors, officers, employees, and agents; and (d) any failure by Redfin to post any user notice supplied by Zillow

under Section 4.5 hereof. Redfin's indemnification obligations herein are subject to the condition that the Zillow Parties (x) promptly give Redfin written notice of the Claim; (y) give Redfin sole control of the defense and settlement of the Claim (provided that Redfin may not settle any Claim without the prior written consent of Zillow unless (i) the settlement involves only payment of money damages, (ii) the settlement does not impose any injunction or other equitable relief on, and contains no admission of wrongdoing by, the Zillow Parties; and (iii) the settlement contains a legally binding, unconditional and irrevocable release of the Zillow Parties of all liability with respect to such Claim); and (z) provide reasonable assistance in connection with the defense (at Redfin's reasonable expense).

11.3 Control of Defense. The indemnifying Party shall not be entitled to assume control of the defense of any Claim if (a) the Claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (b) such Claim seeks an injunction or equitable relief against the indemnified Party, (c) a conflict of interest exists between the indemnifying Party and the indemnified Party in the Claim, or (d) the Claim relates to any review, investigation, audit, action, or proceeding initiated by any federal government agency or instrumentality, including the Consumer Financial Protection Bureau, the United States Department of Housing and Urban Development, the Federal Trade Commission, the Securities and Exchange Commission, or the Department of Justice, and/or by any government agency or instrumentality of any United States state or territory, including state attorneys general, or other agencies or regulatory bodies with oversight or jurisdiction over a Party's products, services and activities, except the indemnifying Party shall retain the right to participate in the defense of any Claim set forth in this Section at its own expense.

12. Confidentiality.

The Parties agree and acknowledge that, as a result of negotiating, entering into and performing this Agreement, each Party has and will have access to certain of the other Party's Confidential Information (as defined below). Each Party also understands and agrees that misuse and/or disclosure of that information could adversely affect the other Party's business. Accordingly, the parties agree that each Party shall use and reproduce the other Party's Confidential Information only for purposes of exercising its rights and performing its obligations under this Agreement and only to the extent necessary for such purposes and shall restrict disclosure of the other Party's Confidential Information to its employees, consultants, advisors, investors, or independent contractors with a need to know and shall not disclose the other Party's Confidential Information to any third party without the prior written approval of the other Party. The foregoing obligations shall be satisfied by each Party through the exercise of at least the same degree of care used to restrict disclosure and use of its own information of like importance, but not less than reasonable care. Notwithstanding the foregoing, it shall not be a breach of this Agreement for either Party to (a) disclose the terms of this Agreement without notice to or consent of another Party as necessary to enforce any of that Party's rights or to perform their obligations as set forth in this Agreement; (b) if legal counsel for a Party is of the opinion that the terms or conditions of this Agreement or a public statement relating to this Agreement or the transactions contemplated hereby is required by applicable law or by the rules of any applicable stock exchange, then that Party may make a disclosure or public statement limited solely to the information that such legal counsel reasonably considers to be required by such law or rules (and shall seek to obtain confidential treatment, to the extent available, for any information disclosed), provided that, to the extent feasible, such disclosing Party shall provide prior written notice to the other Party; and (c) disclose Confidential Information of the other Party if compelled to do so under law, in a judicial or other governmental investigation or proceeding, provided that, to the extent permitted by law, the other Party has been given prompt notice of such request and provide reasonable assistance, at the disclosing Party's sole cost and expense, in objecting to the judicial or governmental requirement to disclosure or seeking a protective order or other limitations on disclosure. Without limiting the foregoing, if a Party determines that it is required to file this Agreement with the Securities and Exchange Commission, it shall provide prompt written notice to the other Party and shall cooperate with the other Party in the preparation, filing and pursuit of a request for confidential treatment

of those provisions of this Agreement as may be reasonably requested by any Party. As used in this Agreement, “**Confidential Information**” means information about the disclosing Party’s business or activities that is proprietary or confidential, which shall include (x) the terms of this Agreement, (y) all business, financial, technical and other information of a Party marked or designated by such Party as “confidential” or “proprietary”; and (z) any information which, by the nature of the circumstances surrounding the disclosure, ought in good faith to be treated as confidential. “Confidential Information” will not include information that (i) is in or enters the public domain or becomes publicly available other than as a result of, directly or indirectly, a breach of this Agreement by a Party or any of its Affiliates or any of its or their respective representatives, (ii) the receiving Party lawfully receives from a third party on a non-confidential basis without restriction on disclosure and without breach of a non-disclosure obligation, (iii) the receiving Party or its Affiliates or its or their respective representatives knew or was in possession of such information on a non-confidential basis prior to receiving such information from the disclosing Party, or (vi) the receiving Party or its Affiliates or its or their respective representatives acquires or develops independently without reference to or use of, in whole or in part, any of the other Party’s Confidential Information. Each Party acknowledges that the other Party may already possess or have developed products, services or information similar to or competitive with those of the other Party disclosed in or by the Confidential Information. Nothing herein shall restrict either Party's right to develop, use or market any products or services as long as it shall not thereby breach this Agreement.

13. Limitation of Liability.

13.1 WITH THE EXPRESS EXCEPTION OF A PARTY’S INDEMNIFICATION OR CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH LIABILITY SOUNDS IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, WARRANTY, OR OTHERWISE. WITH THE EXPRESS EXCEPTION OF A PARTY’S INDEMNIFICATION OR CONFIDENTIALITY OBLIGATIONS, AND WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL EITHER PARTY’S LIABILITY FOR ANY SINGLE CLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SUCH LIABILITY SOUNDS IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, WARRANTY, OR OTHERWISE, EXCEED THE AGGREGATE AMOUNT PAID, OR REQUIRED TO BE PAID, [*].

14. Miscellaneous.

14.1 Nondisparagement. Commencing on the Execution Date and continuing for the duration of the Term, each Party shall use reasonable and good faith efforts to not, and shall cause its Affiliates to use reasonable and good faith efforts to not, directly or indirectly, (a) engage in any deceptive, misleading, illegal, or unethical practices with respect to the other Party, (b) intentionally make, publish or communicate on any Redfin Site or Zillow Site, as applicable, or in any public forum any comments or statements concerning the other Party’s or any of its Affiliates’ products, services or businesses that are untruthful or reckless, (c) disparage, dilute or diminish the other Party’s or any of its Affiliates’ rentals-related products or services if such disparagement, ridicule or diminishing would have a material detrimental impact on Zillow’s ability to provide Licensed Content to Redfin or Redfin’s ability to provide Leads to Zillow, or (c) use the other Party’s or its Affiliates’ Proprietary Marks in a misleading manner.

14.2 Assignment. Neither Party may assign, delegate or transfer this Agreement or any right, interest, or benefit under this Agreement, or allow this Agreement to be assumed by any third party

without the prior written consent of the other Party. Any such assignment, delegation, transfer or assumption without prior consent shall be wholly void and invalid. Notwithstanding the foregoing, and without in any way limiting the provisions of Section 1.2.3 hereof, either Party may assign this Agreement without consent to an Acquiror (as defined below) of such Party or to an Affiliate, or allow this Agreement to be assumed by such Acquiror or Affiliate so long as (a) such Acquiror or Affiliate agrees to be fully bound by the terms and conditions set forth in this Agreement; and (b) this Section will not change the Acquiror or Affiliates' obligations and restrictions in connection with the Licensed Content or Redfin Sites, including, without limitation, the obligations and restrictions under Section 3 (Exclusivity) hereof. As used herein, "**Acquiror**" shall mean a third party that acquires a majority of the outstanding capital stock of a Party, a third party that acquires a Party in connection with a merger, or a third party that acquires all or substantially all of the assets and on-going business of a Party.

14.3 Law and Venue. This Agreement and all related documents, and all matters arising out of or related to this Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington without regard to the conflict of law provisions thereof, and any claim under this Agreement shall be brought in the State of Washington.

14.4 Publicity; Use of Marks. The Parties shall issue a mutually agreeable joint press release after the mutual execution of this Agreement and at a time mutually agreed upon by the Parties. Except as agreed by the Parties in writing (email to suffice) or as required by, or deemed necessary or appropriate to meet or comply with disclosure requirements of, applicable law or regulatory authority, neither Party shall publicize or disclose the terms of this Agreement or make any public statement or announcement regarding this Agreement or the terms hereof without obtaining the prior written approval of the other Party. In particular, neither Party will use the other Party's name, logos or trademarks in any publicity, advertising or marketing without the other Party's prior written consent. If a Party grants consent pursuant to this section, such Party will have the right to review and approve in advance, in its sole discretion, the use and the specific form and content of such use, and reserves the right to revoke such consent at any time. Any use of such granting Party's name, logos or trademarks must immediately cease upon request by the granting Party.

14.5 Force Majeure. Neither Party shall be deemed in default or otherwise liable under this Agreement to the extent it has a delay, failure, or inability to perform its obligations by reason of any fire, earthquake, flood, substantial storm, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial order (which order is not the result of any act or omission which would constitute a default hereunder), or similar cause beyond that Party's reasonable control. Each party acknowledges that services provided by third parties are beyond the other Party's reasonable control, and neither Party will be liable for a delay or failure caused by the failure of third-party software or hardware, an interruption, slow-down, or failure of telecommunication or digital transmission links, or other such transmission failure. If such event continues for more than twenty (20) days, either Party may terminate the Agreement upon written notice to the other Party.

14.6 Relationship of the Parties. The relationship between Zillow and Redfin under this Agreement, as well as the relationship between either Party's Affiliates, is that of independent contractors. Neither this Agreement nor the cooperation of the parties contemplated herein shall be deemed or construed to create any partnership, joint venture, employment or agency relationship between Redfin and Zillow. Neither Party is, nor shall either Party hold itself out to be, vested with any power or right to bind the other Party contractually or act on behalf of the other Party as a broker, agent or otherwise.

14.7 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. In the event that any provision of this Agreement is determined to be invalid, unenforceable or otherwise illegal, such provision shall be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the parties, and the remainder of the Agreement shall be in full force and effect.

14.8 Complete Agreement. This Agreement, including all attachments, if any, contains the entire agreement and understanding between the parties with regard to the subject matter hereof, and supersedes all prior and contemporaneous oral or written agreements and representations. This Agreement may only be modified, or any rights under it waived, by a written agreement signed by both Parties.

14.9 No Third-Party Beneficiary. This Agreement is made and entered into for the sole protection and benefit of the Parties named in this Agreement and is not intended to convey any rights or benefits to any person or third party except as expressly provided in this Agreement.

14.10 Waiver. No delay or failure by either Party to exercise any right or remedy under this Agreement will constitute a waiver of such right or remedy. All waivers must be in writing and signed by an authorized representative of the Party waiving its rights. A waiver by any Party of any breach or covenant shall not be construed as a waiver of any succeeding breach of any other covenant.

14.11 Headings. The headings of the articles and paragraphs contained in this Agreement are inserted for convenience and for reference purposes only and are not intended to be part of or to affect the interpretation of this Agreement. The word “or” shall not be exclusive. The word “extent” in the phrase “to the extent” shall mean to the degree to which a subject or other thing extends, and such phrase shall not mean simply “if.” References to “written” or “in writing” include electronic form. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole (including any Exhibits hereto) and not to any particular provision of this Agreement, and all Section and Exhibit references are to this Agreement unless otherwise specified. Any capitalized terms used in any Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement. The words “include,” “includes” and “including” will be deemed to be followed by the phrase “without limitation.” The meanings given to terms defined herein will be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. All references to “dollars” or “\$” will be deemed references to the lawful money of the United States of America.

14.12 Equitable Relief. Each Party agrees that a breach of the provisions of this Agreement relating to the use or disclosure of the other Party’s Confidential Information or a breach of Section 14.1 may result in immediate and irreparable harm to the other Party and that money damages alone may be inadequate to compensate the non-breaching Party. Therefore, in the event of such a breach, the other Party will be entitled to seek equitable relief, including but not limited to a temporary restraining order, temporary injunction or permanent injunction, and the Parties waive any requirement for the securing or posting of any bond in connection with such Claim. The rights granted to the Parties under this provision are in addition to any other remedies available to the Parties under this Agreement, or common or statutory law.

14.13 Notices. Any notice required or permitted under this Agreement shall be sent to:
If to Redfin, all notices must include a copy sent via email:

Redfin Corporation
Attention: Chief Legal Officer
1099 Stewart St, Suite 600

Seattle, WA 98101
Email: legal@redfin.com

If to Zillow, all notices must include a copy sent via email:

Zillow, Inc.
Attention: General Counsel
1301 Second Avenue, Floor 36
Seattle, WA 98101
Email: legal@zillowgroup.com

14.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement. The parties may sign facsimile copies of this Agreement, which shall each be deemed originals.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and effective as of the Execution Date.

<p>REDFIN CORPORATION By: Name: Title:</p> <p>ZILLOW, INC. By: Name: Title:</p>	
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Exhibit A-1
Redfin Identified Persons

[*]

Exhibit A-2
Zillow Identified Persons

[*]

Exhibit B
Wind-Down Period

[*]

Exhibit C
Rate Card

[*]

Exhibit D
Limited Syndication

[*]

Exhibit E
Marketing Guidelines

[*]

Exhibit F
Technical Commitments

[*]

**CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED
BECAUSE IT IS NOT MATERIAL AND OF THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE AND
CONFIDENTIAL.
PARTNERSHIP AGREEMENT**

This Partnership Agreement (this “**Agreement**”) is made and entered into as of February 6, 2025 (the “**Effective Date**”) by and between Zillow, Inc. (“**Zillow**”) and Redfin Corporation (“**Redfin**”). Zillow and Redfin may be referred to herein, collectively, as the “**Parties**” and, each individually, as a “**Party**.” This Agreement establishes the terms and conditions upon which Zillow and Redfin shall each perform certain agreed upon activities in connection with each Party’s responsibilities hereunder. In consideration of the mutual covenants and promises contained herein, the Parties, intending to be legally bound, agree as follows:

1. Payment

1.1. **Initial Payment.** As promptly as reasonably practicable on the Effective Date (and in no event later than ten (10) business days following the Effective Date), Zillow shall transfer, by wire transfer of immediately available funds to Redfin an amount in cash equal to the amount set forth on Exhibit A (the “**Cash Consideration Amount**”), pursuant to the wire instructions set forth on Exhibit A.

1.2. **Change of Control.** If at any time prior to the first anniversary of the Effective Date Zillow terminates the Content License Agreement pursuant to Section 1.2.3.3(2) of the Content License Agreement, within thirty (30) business days of the date of such termination, Redfin shall transfer, by wire transfer of immediately available funds, to Zillow an amount in cash equal to the Cash Consideration Amount. If at any time (i) between the first and third anniversary of the Effective Date Zillow terminates the Content License Agreement pursuant to 1.2.3.3(2) of the Content License Agreement, (ii) prior to the third anniversary of the Effective Date, Zillow terminates the Content License Agreement pursuant to 1.2.3.3(1) of the Content License Agreement or (iii) prior to the third anniversary of the Effective Date, Redfin terminates the Content License Agreement pursuant to 1.2.3.2(3), within thirty (30) business days of the date of such termination, Redfin shall transfer, by wire transfer of immediately available funds, to Zillow an amount in cash equal to the Cash Consideration Amount less an amount of twenty-five million dollars (\$25,000,000). For the avoidance of doubt, this Section 1.2 shall survive for the duration of the Content License Agreement and beyond the Outside Date (as defined below).

2. Advertising Contracts

2.1 **Definitions.** As used herein:

“**Affiliate**” means any person, corporation, association, partnership or other entity that directly or indirectly controls or is controlled by, or is under the common control of a Party.

“**Hard Transition Date**” has the meaning set forth in the Content License Agreement (subject to any extensions therein).

“**Property Management Company**” means a property management company or other participant in the real estate industry that manages multi-family rental properties.

“**Redfin Property**” means a managed multi-family rental property of twenty-five (25) units or greater that is displayed on the Redfin Sites subject to an active paid advertising agreement with Redfin or its Affiliate as of the Effective Date.

“**Redfin Property Contract**” means a contract, agreement or other arrangement by and between Redfin or its Affiliates and a Redfin Property Management Company related to a Redfin Property.

“**Redfin Property Management Company**” means a Property Management Company that provides property management services to a Redfin Property as of the Effective Date.

“**Redfin Sites**” means the Redfin.com, Rent.com, Rentals.com, and Apartmentguide.com websites and their related mobile applications.

“**Zillow Property**” means a managed multi-family rental property of twenty-five (25) units or greater that is displayed on the Zillow Sites subject to an active paid advertising agreement with Zillow or its Affiliates as of the Effective Date.

“**Zillow Sites**” means Zillow.com, Hotpads.com, and Trulia.com and their related mobile applications.

2.2 **Advertising Contracts.** Beginning on the Effective Date and continuing through the Hard Transition Date (the “**Term**”), Redfin shall use its reasonable best efforts to assist and enable Zillow to enter into an agreement with each Redfin Property Management Company to provide for the display on the Zillow Sites of data and content pertaining to Redfin Properties or that provides for enhancement and/ or increased prominence on the Zillow Sites of data and content pertaining to Redfin Properties (“**Advertising Contracts**”). Upon the execution of an Advertising Contract between Zillow and a Redfin Property Management Company related to a Redfin Property during the Term, Redfin shall (i) have 30 (thirty) days to issue notice to terminate any Redfin Property Contract with such Redfin Property Management Company related to such Redfin Property with termination to be effective as soon as practicable and (ii) not bill such Property Management Company for any additional services related to the display or advertising of such Property Management Company’s Redfin Properties on the Redfin Sites. For the avoidance of doubt, this Section 2.2 is supplemental to Section 3 of the Content License Agreement.

2.3 **Best Efforts.** In furtherance of its obligations pursuant to Section 2.2 of this Agreement, during the Term, Redfin shall: (a) promptly following the Effective Date (and in no event later than ten (10) business days following the Effective Date), provide Zillow with the information set forth in Exhibit C attached hereto, in an agreed upon format, (b) promptly following the Effective Date, cause Redfin’s sales representatives

to introduce the applicable Zillow sales representative to each Redfin Property Management Company via email, (c) ensure that Redfin's sales representatives work closely with Zillow's sales representatives and provide Zillow's sales representatives with prompt updates on all correspondence with each Redfin Property Management Company, (d) preserve sufficient sales operations, including an adequate number of sales representatives and other support staff, to continue to service each contract with and preserve relationships with each Redfin Property Management Company, (e) financially incentivize its sales representatives to effectuate the transactions contemplated by Section 2.2 of this Agreement in a manner to be agreed upon by the Parties, (f) continue to provide the same level of service (including (but not limited to) technical support, customer success, accounting, billing) to each Redfin Property Management Company as the services provided immediately prior to the Effective Date, (g) partner with Zillow on communications and marketing plans to support the transactions contemplated by Section 2.2, (h) promptly notify Zillow upon receipt of any complaint, notice of termination, or notice of intent to terminate or non-renew made by a Redfin Property Management Company, and (i) not take any actions with the purpose of frustrating the transactions contemplated by Section 2.2.

2.4 Hard Transition Date. To the extent Zillow is unable to enter into an Advertising Contract with a Property Management Company related to a Redfin Property pursuant to Section 2.2, Redfin shall take all actions necessary to cause the Redfin Property Contracts related to such Redfin Properties to terminate on or before the Hard Transition Date.

3. Governmental Inquiries. Each of the parties shall use their reasonable best efforts to prevent the initiation of any lawsuit by any governmental entity and/or the entry of any decree, judgment, injunction preliminary or permanent, or any order that would otherwise make any of the transactions contemplated by this Agreement and the Content License Agreement (the "**Transactions**") unlawful, as further described in Exhibit B attached hereto.

4. Employees

4.1. Offers. Zillow may, in its sole discretion, extend offers of employment or contract work to certain Redfin employees and contractors that (i) act as sales representatives for Property Management Companies or in similar sales support roles supporting Redfin's rentals advertising business or (ii) are terminated by Redfin in connection with the Transactions and identified to Zillow. All such persons who accept Zillow's offer of employment and commence employment with Zillow or one of its Affiliates on or after the Effective Date are referred to as "**Transferring Employees**;" all such persons who accept Zillow's offer of contract work and commence contract placement with Zillow or one of its Affiliates on or after the Effective Date are referred to as the "**Transferring Contractors**;" and the Transferring Employees and Transferring Contractors are collectively referred to as the "**Transferring Workers**." Redfin shall cooperate with and use commercially reasonable efforts to assist Zillow in its efforts to secure satisfactory employment or contract arrangements with those persons to whom Zillow directly or indirectly makes offers of employment or contract work. Redfin hereby consents to the hiring and engagement by Zillow or its Affiliates of the Transferring Workers and any other former Redfin employees or independent contractors and agrees not to assert against Zillow, any Transferring Workers, or any other former Redfin employee or independent contractor any noncompetition, non-solicitation or non-disclosure or other restrictive covenant restrictions (to the extent such non-disclosure or other restrictive covenant relates to Redfin's rentals advertising business) in connection with the hiring and engagement of such persons by Zillow or its Affiliate.

4.2. No Third Party Beneficiary Rights.

4.2.1 Nothing contained in this Agreement shall create any third-party beneficiary rights in any Transferring Worker, any beneficiary or dependents thereof, or any other person, including, without limitation, with respect to the compensation, terms and conditions of employment and benefits that may be provided to any Transferring Worker by Zillow or under any benefit plan that Zillow may maintain.

4.2.2 Nothing contained in this Agreement shall confer upon any Transferring Worker or other person any right with respect to continued employment or contract engagement by Zillow or any Affiliate of Zillow, nor shall anything herein interfere with the right of Zillow or any such Affiliate to terminate the employment or contract of any Transferring Worker or other person at any time, with or without cause, or restrict Zillow or any Affiliate thereof in the exercise of its independent business judgment in modifying any of the terms and conditions of the employment or contract engagement of the Transferring Workers or other persons.

5. Representations and Warranties

5.1. Redfin Representations and Warranties. Redfin represents and warrants that: (a) it is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation; (b) it has the corporate right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (c) the execution, delivery and performance of this Agreement will not conflict with, result in a breach of, or constitute a default under, any other agreement to which it is a party or by which it is bound; (d) it shall not represent itself as an agent, employee or affiliate of the other Party; and (e) it will comply with all applicable laws and regulations in the performance of its duties and exercise of its rights under this Agreement, including, to the extent applicable, federal, state and local anti-discrimination laws (including the Fair Housing Act), the Telephone Consumer Protection Act, the CAN-SPAM Act, the CCPA, and laws relating to its collection and handling of Lead Data (as defined in the Content License Agreement), data privacy, data security and intellectual property.

5.2 Zillow Representations and Warranties. Zillow represents and warrants that: (a) it is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation; (b) it has the corporate right, power and authority to enter into this Agreement and to perform all of its obligations hereunder; (c) the execution, delivery and performance of this Agreement will not conflict with, result in a breach of, or constitute a default under, any other agreement to which it is a party or by which it is bound; (d) it shall not represent itself as an agent, employee or affiliate of the other Party; (e) it will, at all applicable times, comply with all applicable laws and regulations in connection with its performance of its duties and exercise of its rights under this Agreement, including, without limitation, to the extent applicable, federal, state and local anti-discrimination laws (including the Fair Housing Act), the Telephone Consumer Protection Act, the CAN-SPAM Act, the CCPA, and laws relating to its collection and handling of Lead Data, data privacy, data security and intellectual property.

6. Indemnification.

6.1. Indemnification by Zillow. Zillow shall defend, indemnify and hold harmless Redfin, its Affiliates and their respective directors, officers, employees, and agents (collectively, the “**Redfin Parties**”) from and against any claims, liabilities, losses, damages, costs, and expenses (including, but not limited to, reasonable attorneys’ fees and costs) (collectively, “**Losses**”) incurred by the Redfin Parties as the result of any third-party claim or third-party demand (a “**Claim**”) to the extent arising out of: (a) any false representation or warranty, or material breach by Zillow of its representations and warranties contained in this Agreement; (b) any violation of law by Zillow related to or arising from the performance of this Agreement, including arising from any administrative action, investigation, inquiry or demand from a governmental entity or other regulatory body with oversight or jurisdiction over Zillow’s products, services and activities in relation to such violation of law and (c) any fraud, gross negligence or willful misconduct of Zillow, its Affiliates and their respective directors, officers, employees, and agents. Zillow’s indemnification obligations herein are subject to the condition that the Redfin Parties (i) promptly give Zillow written notice of the Claim and request for indemnification once the Redfin Parties become aware of the Claim; (ii) give Zillow sole control of the defense and settlement of the Claim (provided that Zillow may not settle any Claim unless the settlement unconditionally releases Redfin of all liability for such Claim); and (iii) provide reasonable assistance in connection with the defense (at Zillow’s reasonable expense). The failure to give notice to and request for indemnification from the Redfin Parties within a reasonable time of the commencement of any Claim under this Section will relieve Zillow of any liability to the Redfin Parties under this Section only to the extent that such failure materially prejudices Zillow’s ability to defend such Claim.

6.2. Indemnification by Redfin. Redfin shall defend, indemnify and hold harmless Zillow, its Affiliates and their respective directors, officers, employees, and agents (collectively, the “**Zillow Parties**”) from and against any Losses incurred by the Zillow Parties as the result of any Claim to the extent arising out of: (a) any false representation or warranty, or material breach by Redfin of its representations and warranties contained in this Agreement; (b) any alleged violation of law related to or arising from the performance of this Agreement, including arising from any administrative action, investigation, inquiry or demand from a governmental entity or other regulatory body with oversight or jurisdiction over a Redfin’s products, services and activities in relation to such violation of law and (c) any fraud, gross negligence or willful misconduct of Redfin, its Affiliates and their respective directors, officers, employees, and agents. Redfin’s indemnification obligations herein are subject to the condition that the Zillow Parties (x) promptly give Redfin written notice of the Claim; (y) give Redfin sole control of the defense and settlement of the Claim (provided that Redfin may not settle any Claim without the prior written consent of Zillow unless (i) the settlement involves only payment of money damages, (ii) the settlement does not impose any injunction or other equitable relief on, and contains no admission of wrongdoing by, the Zillow Parties; and (iii) the settlement contains a legally binding, unconditional and irrevocable release of the Zillow Parties of all liability with respect to such Claim); and (z) provide reasonable assistance in connection with the defense (at Redfin’s reasonable expense).

6.3. Control of Defense. The indemnifying Party shall not be entitled to assume control of the defense of any Claim if (a) the Claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (b) such Claim seeks an injunction or equitable relief against the indemnified Party, (c) a

conflict of interest exists between the indemnifying Party and the indemnified Party in the Claim, or (d) the Claim relates to any review, investigation, audit, action, or proceeding initiated by any federal government agency or instrumentality, including the Consumer Financial Protection Bureau, the United States Department of Housing and Urban Development, the Federal Trade Commission, the Securities and Exchange Commission, or the Department of Justice, and/or by any government agency or instrumentality of any United States state or territory, including state attorneys general, or other agencies or regulatory bodies with oversight or jurisdiction over a Party's products, services and activities, except the indemnifying Party shall retain the right to participate in the defense of any Claim set forth in this Section at its own expense.

7. Confidentiality.

7.1. The Parties agree and acknowledge that, as a result of negotiating, entering into and performing this Agreement, each Party has and will have access to certain of the other Party's Confidential Information (as defined below). Each Party also understands and agrees that misuse and/or disclosure of that information could adversely affect the other Party's business. Accordingly, the parties agree that each Party shall use and reproduce the other Party's Confidential Information only for purposes of exercising its rights and performing its obligations under this Agreement and only to the extent necessary for such purposes and shall restrict disclosure of the other Party's Confidential Information to its employees, consultants, advisors, investors, or independent contractors with a need to know and shall not disclose the other Party's Confidential Information to any third party without the prior written approval of the other Party. The foregoing obligations shall be satisfied by each Party through the exercise of at least the same degree of care used to restrict disclosure and use of its own information of like importance, but not less than reasonable care. Notwithstanding the foregoing, it shall not be a breach of this Agreement for either Party to (a) disclose the terms of this Agreement without notice to or consent of another Party as necessary to enforce any of that Party's rights or to perform their obligations as set forth in this Agreement; (b) if legal counsel for a Party is of the opinion that the terms or conditions of this Agreement or a public statement relating to this Agreement or the transactions contemplated hereby is required by applicable law or by the rules of any applicable stock exchange, then that Party may make a disclosure or public statement limited solely to the information that such legal counsel reasonably considers to be required by such law or rules (and shall seek to obtain confidential treatment, to the extent available, for any information disclosed), provided that, to the extent feasible, such disclosing Party shall provide prior written notice to the other Party; and (c) disclose Confidential Information of the other Party if compelled to do so under law, in a judicial or other governmental investigation or proceeding, provided that, to the extent permitted by law, the other Party has been given prompt notice of such request and provide reasonable assistance, at the disclosing Party's sole cost and expense, in objecting to the judicial or governmental requirement to disclosure or seeking a protective order or other limitations on disclosure. Without limiting the foregoing, if a Party determines that it is required to file this Agreement with the Securities and Exchange Commission, it shall provide prompt written notice to the other Party and shall cooperate with the other Party in the preparation, filing and pursuit of a request for confidential treatment of those provisions of this Agreement as may be reasonably requested by any Party. As used in this Agreement, "**Confidential Information**" means information about the disclosing Party's business or activities that is proprietary or confidential, which shall include (x) the terms of this Agreement, (y) all business,

financial, technical and other information of a Party marked or designated by such Party as “confidential” or “proprietary”; and (z) any information which, by the nature of the circumstances surrounding the disclosure, ought in good faith to be treated as confidential. “Confidential Information” will not include information that (i) is in or enters the public domain or becomes publicly available other than as a result of, directly or indirectly, a breach of this Agreement by a Party or any of its Affiliates or any of its or their respective representatives, (ii) the receiving Party lawfully receives from a third party on a non-confidential basis without restriction on disclosure and without breach of a non-disclosure obligation, (iii) the receiving Party or its Affiliates or its or their respective representatives knew or was in possession of such information on a non-confidential basis prior to receiving such information from the disclosing Party, or (vi) the receiving Party or its Affiliates or its or their respective representatives acquires or develops independently without reference to or use of, in whole or in part, any of the other Party’s Confidential Information. Each Party acknowledges that the other Party may already possess or have developed products, services or information similar to or competitive with those of the other Party disclosed in or by the Confidential Information. Nothing herein shall restrict either Party’s right to develop, use or market any products or services as long as it shall not thereby breach this Agreement.

8. Limitation of Liability.

8.1. WITH THE EXPRESS EXCEPTION OF A PARTY’S INDEMNIFICATION OR CONFIDENTIALITY OBLIGATIONS HEREUNDER, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH LIABILITY SOUNDS IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, WARRANTY, OR OTHERWISE. IN NO EVENT SHALL EITHER PARTY’S LIABILITY FOR ANY SINGLE CLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SUCH LIABILITY SOUNDS IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, WARRANTY, OR OTHERWISE, EXCEED [*].

9. Miscellaneous.

9.1 Nondisparagement. Commencing on the Effective Date and continuing for the duration of the Term, each Party shall use reasonable and good faith efforts to not, and shall cause its Affiliates to use reasonable and good faith efforts to not, directly or indirectly, (a) engage in any deceptive, misleading, illegal, or unethical practices with respect to the other Party, (b) intentionally make, publish or communicate on any Redfin Site or Zillow Site, as applicable, or in any public forum any comments or statements concerning the other Party’s or any of its Affiliates’ products, services or businesses that are untruthful or reckless, (c) disparage, dilute or diminish the other Party’s or any of its Affiliates’ rentals-related products or services if such disparagement, ridicule or diminishing would have a material detrimental impact on Zillow’s ability to provide Licensed Content (as defined in the Content License Agreement) to Redfin or Redfin’s ability to provide Leads (as defined in the Content License Agreement) to Zillow, or (c)

use the other Party's or its Affiliates' Proprietary Marks (as defined in the Content License Agreement) in a misleading manner.

9.2. Assignment. Neither Party may assign, delegate or transfer this Agreement or any right, interest, or benefit under this Agreement, or allow this Agreement to be assumed by any third party without the prior written consent of the other Party. Any such assignment, delegation, transfer or assumption without prior consent shall be wholly void and invalid. Notwithstanding the foregoing, and without in any way limiting the provisions of Section 1.2 hereof, either Party may assign this Agreement without consent to an Acquiror (as defined below) of such Party or to an Affiliate, or allow this Agreement to be assumed by such Acquiror or Affiliate so long as (a) such Acquiror or Affiliate agrees to be fully bound by the terms and conditions set forth in this Agreement; and (b) this Section will not change the Acquiror or Affiliates' obligations and restrictions hereunder. As used herein, "**Acquiror**" shall mean a third party that acquires a majority of the outstanding capital stock of a Party, a third party that acquires a Party in connection with a merger, or a third party that acquires all or substantially all of the assets and on-going business of a Party.

9.3. Law and Venue. This Agreement and all related documents, and all matters arising out of or related to this Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington without regard to the conflict of law provisions thereof, and any claim under this Agreement shall be brought in the State of Washington.

9.4. Publicity; Use of Marks. Except as agreed by the Parties in writing (email to suffice) or as required by, or deemed necessary or appropriate to meet or comply with disclosure requirements of, applicable law or regulatory authority, neither Party shall publicize or disclose the terms of this Agreement or make any public statement or announcement regarding this Agreement or the terms hereof without obtaining the prior written approval of the other Party. In particular, neither Party will use the other Party's name, logos or trademarks in any publicity, advertising or marketing without the other Party's prior written consent. If a Party grants consent pursuant to this section, such Party will have the right to review and approve in advance, in its sole discretion, the use and the specific form and content of such use, and reserves the right to revoke such consent at any time. Any use of such granting Party's name, logos or trademarks must immediately cease upon request by the granting Party.

9.5. Force Majeure. Neither Party shall be deemed in default or otherwise liable under this Agreement to the extent it has a delay, failure, or inability to perform its obligations by reason of any fire, earthquake, flood, substantial storm, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial order (which order is not the result of any act or omission which would constitute a default hereunder), or similar cause beyond that Party's reasonable control. Each party acknowledges that services provided by third parties are beyond the other Party's reasonable control, and neither Party will be liable for a delay or failure caused by the failure of third-party software or hardware, an interruption, slow-down, or failure of telecommunication or digital transmission links, or other such transmission failure. If such event continues for more than twenty (20) days, either Party may terminate the Agreement upon written notice to the other Party.

9.6. Relationship of the Parties. The relationship between Zillow and Redfin under this Agreement, as well as the relationship between either Party's Affiliates, is that of independent contractors. Neither this Agreement nor the cooperation of the parties contemplated herein shall be deemed or construed to create any partnership, joint venture, employment or agency relationship between Redfin and Zillow. Neither Party is, nor shall either Party hold itself out to be, vested with any power or right to bind the other Party contractually or act on behalf of the other Party as a broker, agent or otherwise.

9.7. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. In the event that any provision of this Agreement is determined to be invalid, unenforceable or otherwise illegal, such provision shall be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the parties, and the remainder of the Agreement shall be in full force and effect.

9.8. Complete Agreement. This Agreement, including all attachments, if any, contains the entire agreement and understanding between the parties with regard to the subject matter hereof, and supersedes all prior and contemporaneous oral or written agreements and representations. This Agreement may only be modified, or any rights under it waived, by a written agreement signed by both Parties.

9.9. No Third-Party Beneficiary. This Agreement is made and entered into for the sole protection and benefit of the Parties named in this Agreement and is not intended to convey any rights or benefits to any person or third party except as expressly provided in this Agreement.

9.10. Waiver. No delay or failure by either Party to exercise any right or remedy under this Agreement will constitute a waiver of such right or remedy. All waivers must be in writing and signed by an authorized representative of the Party waiving its rights. A waiver by any Party of any breach or covenant shall not be construed as a waiver of any succeeding breach of any other covenant.

9.11. Headings. The headings of the articles and paragraphs contained in this Agreement are inserted for convenience and for reference purposes only and are not intended to be part of or to affect the interpretation of this Agreement. The word "or" shall not be exclusive. The word "extent" in the phrase "to the extent" shall mean to the degree to which a subject or other thing extends, and such phrase shall not mean simply "if." References to "written" or "in writing" include electronic form. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole (including any Exhibits hereto) and not to any particular provision of this Agreement, and all Section and Exhibit references are to this Agreement unless otherwise specified. Any capitalized terms used in any Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement. The words "include," "includes" and "including" will be deemed to be followed by the phrase "without limitation." The meanings given to terms defined herein will be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. All references to "dollars" or "\$" will be deemed references to the lawful money of the United States of America.

9.12. Equitable Relief. Each Party agrees that a breach of the provisions of this Agreement relating to the use or disclosure of the other Party's Confidential Information or a breach of Section 9.1 may result in immediate and irreparable harm to the other Party and that money damages alone may be inadequate to compensate the non-breaching Party. Therefore, in the event of such a breach, the other Party will be entitled to seek equitable relief, including but not limited to a temporary restraining order, temporary injunction or permanent injunction, and the Parties waive any requirement for the securing or posting of any bond in connection with such Claim. The rights granted to the Parties under this provision are in addition to any other remedies available to the Parties under this Agreement, or common or statutory law.

9.13. Survival. The provisions of this Section 9.13, Sections 1.2, 3, 5-8, 9.1 and 9.3, and any other provisions, which by their nature or context are intended to survive any termination or expiration of the Agreement, will survive any termination or expiration of this Agreement. In no event will any termination relieve a Party of the obligation to pay any fees payable to the other Party with respect to the period prior to the effective date of termination.

9.14. Notices. Any notice required or permitted under this Agreement shall be sent to:

If to Redfin, all notices must include a copy sent via email:

Redfin Corporation
Attention: Chief Legal Officer
1099 Stewart St, Suite 600
Seattle, WA 98101
Email: legal@redfin.com

If to Zillow, all notices must include a copy sent via email:

Zillow, Inc.
Attention: General Counsel
1301 Second Avenue, Floor 36
Seattle, WA 98101
Email: legal@zillowgroup.com

9.15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement. The parties may sign facsimile copies of this Agreement, which shall each be deemed originals.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and effective as of the Effective Date.

<p>REDFIN CORPORATION By: Name: Title:</p> <p>ZILLOW, INC. By: Name: Title:</p>	
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Exhibit A

Cash Consideration Amount	Wire Instructions
[*]	[*]

Exhibit B
Governmental Inquiries

[*]

Exhibit C
Best Efforts

[*]

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Glenn Kelman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Redfin Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2025

/s/ Glenn Kelman

Glenn Kelman

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Chris Nielsen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Redfin Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2025

/s/ Chris Nielsen

Chris Nielsen

Chief Financial Officer

(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350

I, Glenn Kelman, Chief Executive Officer of Redfin Corporation (the "Company"), certify pursuant to 18 U.S.C. Section 1350 that, to my knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2025

/s/ Glenn Kelman

Glenn Kelman

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350

I, Chris Nielsen, Chief Financial Officer of Redfin Corporation (the "Company"), certify pursuant to 18 U.S.C. Section 1350 that, to my knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2025

/s/ Chris Nielsen

Chris Nielsen

Chief Financial Officer