

**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 June 30, 2023

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: 001-39759

DOORDASH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

46-2852392

(I.R.S. Employer Identification No.)

303 2nd Street, South Tower, 8th Floor
San Francisco, California 94107
(Address of principal executive offices) (Zip code)
(650) 487-3970
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

The registrant had outstanding 365,828,952 shares of Class A common stock, 27,468,845 shares of Class B common stock, and no shares of Class C common stock as of July 31, 2023.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “would,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, financial and operational metrics, our ability to determine reserves, and our ability to achieve, maintain, or increase long-term future profitability;
- our ability to successfully execute our business and growth strategy;
- the sufficiency of our cash, cash equivalents, and marketable securities to meet our liquidity needs;
- the demand for our platform or for local commerce platforms in general;
- our ability to attract and retain merchants, consumers, and Dashers;
- our ability to effectively manage costs related to Dashers;
- our ability to develop new offerings, services, and features, and bring them to market in a timely and cost-effective manner and make enhancements to our platform;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- our expectations regarding outstanding litigation and legal and regulatory matters;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to independent contractor classification, merchant pricing and commissions, taxation, and privacy and data protection;
- our ability to manage and insure auto-related and operations-related risk associated with our business;
- our expectations regarding new and evolving markets;
- our ability to develop and protect our brand;
- our ability to maintain the security and availability of our platform;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to successfully integrate and realize the benefits of acquisitions, strategic partnerships, joint ventures and investments; and
- the increased expenses associated with being a public company.

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

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Unless the context requires otherwise, we are referring to DoorDash, Inc. together with its subsidiaries when we use the terms “DoorDash,” the “Company,” “we,” “our,” or “us.”

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

DOORDASH, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts which are reflected in thousands, and per share data)

(Unaudited)

	December 31, 2022	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,977	\$ 1,904
Short-term marketable securities	1,544	1,552
Funds held at payment processors	441	297
Accounts receivable, net	400	383
Prepaid expenses and other current assets	358	469
Total current assets	4,720	4,605
Long-term restricted cash	211	144
Long-term marketable securities	397	381
Operating lease right-of-use assets	436	417
Property and equipment, net	637	677
Intangible assets, net	765	708
Goodwill	2,370	2,396
Non-marketable equity securities	124	142
Other assets	129	131
Total assets	<u>\$ 9,789</u>	<u>\$ 9,601</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 157	\$ 173
Operating lease liabilities	55	58
Accrued expenses and other current liabilities	2,332	2,495
Total current liabilities	2,544	2,726
Operating lease liabilities	456	440
Other liabilities	21	28
Total liabilities	3,021	3,194
Commitments and contingencies (Note 8)		
Redeemable non-controlling interests	14	11
Stockholders' equity:		
Common stock, \$0.00001 par value, 6,000,000 Class A shares authorized as of December 31, 2022 and June 30, 2023, 363,299 and 365,183 Class A shares issued and outstanding as of December 31, 2022 and June 30, 2023, respectively; 200,000 Class B shares authorized as of December 31, 2022 and June 30, 2023, 28,172 and 27,469 Class B shares issued and outstanding as of December 31, 2022 and June 30, 2023, respectively; 2,000,000 Class C shares authorized as of December 31, 2022 and June 30, 2023, zero Class C shares issued and outstanding as of December 31, 2022 and June 30, 2023	—	—
Additional paid-in capital	10,633	11,257
Accumulated other comprehensive (loss) income	(33)	9
Accumulated deficit	(3,846)	(4,870)
Total stockholders' equity	6,754	6,396
Total liabilities, redeemable non-controlling interests and stockholders' equity	<u>\$ 9,789</u>	<u>\$ 9,601</u>

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

DOORDASH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share amounts which are reflected in thousands, and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Revenue	\$ 1,608	\$ 2,133	\$ 3,064	\$ 4,168
Costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below	880	1,135	1,643	2,204
Sales and marketing	421	471	835	967
Research and development	205	269	353	500
General and administrative	291	341	536	626
Depreciation and amortization	81	128	140	251
Restructuring charges	3	—	3	2
Total costs and expenses	1,881	2,344	3,510	4,550
Loss from operations	(273)	(211)	(446)	(382)
Interest income, net	4	34	5	61
Other income (expense), net	(3)	(4)	2	(5)
Loss before income taxes	(272)	(181)	(439)	(326)
Provision for (benefit from) income taxes	(9)	(9)	(9)	8
Net loss including redeemable non-controlling interests	(263)	(172)	(430)	(334)
Less: net loss attributable to redeemable non-controlling interests	—	(2)	—	(3)
Net loss attributable to DoorDash, Inc. common stockholders	\$ (263)	\$ (170)	\$ (430)	\$ (331)
Net loss per share attributable to DoorDash, Inc. common stockholders, basic and diluted	\$ (0.72)	\$ (0.44)	\$ (1.21)	\$ (0.85)
Weighted-average number of shares outstanding used to compute net loss per share attributable to DoorDash, Inc. common stockholders, basic and diluted	363,961	388,737	356,630	389,563

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

DOORDASH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Net loss including redeemable non-controlling interests	\$ (263)	\$ (172)	\$ (430)	\$ (334)
Other comprehensive (loss) income, net of tax				
Change in foreign currency translation adjustments	(87)	(8)	(87)	34
Change in unrealized loss on marketable securities	(6)	(1)	(16)	8
Total other comprehensive (loss) income, net of tax	(93)	(9)	(103)	42
Comprehensive loss including redeemable non-controlling interests	(356)	(181)	(533)	(292)
Less: Comprehensive loss attributable to redeemable non-controlling interests	—	(2)	—	(3)
Comprehensive loss attributable to DoorDash, Inc. common stockholders	<u>\$ (356)</u>	<u>\$ (179)</u>	<u>\$ (533)</u>	<u>\$ (289)</u>

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

DOORDASH, INC.

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE NON-CONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY

(In millions, except share amounts which are reflected in thousands)

(Unaudited)

	Redeemable Non-Controlling Interests	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
		Shares	Amount				
Balances as of December 31, 2021	\$ —	346,512	\$ —	\$ 6,752	\$ (2,081)	\$ (4)	\$ 4,667
Issuance of common stock upon settlement of restricted stock units	—	1,915	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	2,686	—	5	—	—	5
Stock-based compensation	—	—	—	157	—	—	157
Other comprehensive loss	—	—	—	—	—	(10)	(10)
Net loss	—	—	—	—	(167)	—	(167)
Balances as of March 31, 2022	—	351,113	—	6,914	(2,248)	(14)	4,652
Issuance of common stock upon settlement of restricted stock units	—	2,492	—	—	—	—	—
Shares issued related to the acquisition of Wolt	—	35,780	—	2,842	—	—	2,842
Issuance of common stock upon exercise of stock options	—	1,031	—	3	—	—	3
Stock-based compensation	—	—	—	269	—	—	269
Other comprehensive loss	—	—	—	—	—	(93)	(93)
Net loss	—	—	—	—	(263)	—	(263)
Balances as of June 30, 2022	\$ —	390,416	\$ —	\$ 10,028	\$ (2,511)	\$ (107)	\$ 7,410

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

DOORDASH, INC.

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE NON-CONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY

(In millions, except share amounts which are reflected in thousands)

(Unaudited)

	Redeemable Non-Controlling Interests	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
		Shares	Amount				
Balances as of December 31, 2022	\$ 14	391,471	\$ —	\$ 10,633	\$ (3,846)	\$ (33)	\$ 6,754
Issuance of common stock upon settlement of restricted stock units	—	3,322	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	1,724	—	2	—	—	2
Stock-based compensation	—	—	—	265	—	—	265
Other comprehensive income	—	—	—	—	—	51	51
Repurchase and retirement of common stock	—	(6,761)	—	—	(393)	—	(393)
Net loss	(1)	—	—	—	(161)	—	(161)
Balances as of March 31, 2023	13	389,756	—	10,900	(4,400)	18	6,518
Issuance of common stock upon settlement of restricted stock units	—	5,489	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	1,848	—	1	—	—	1
Stock-based compensation	—	—	—	356	—	—	356
Other comprehensive loss	—	—	—	—	—	(9)	(9)
Repurchase and retirement of common stock	—	(4,441)	—	—	(300)	—	(300)
Net loss	(2)	—	—	—	(170)	—	(170)
Balances as of June 30, 2023	\$ 11	392,652	\$ —	\$ 11,257	\$ (4,870)	\$ 9	\$ 6,396

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

DOORDASH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Six Months Ended June 30,	
	2022	2023
Cash flows from operating activities		
Net loss including redeemable non-controlling interests	\$ (430)	\$ (334)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	140	251
Stock-based compensation	360	541
Reduction of operating lease right-of-use assets and accretion of operating lease liabilities	35	60
Other	14	19
Changes in assets and liabilities, net of assets acquired and liabilities assumed from acquisitions:		
Funds held at payment processors	109	142
Accounts receivable, net	20	12
Prepaid expenses and other current assets	(51)	(27)
Other assets	(44)	(23)
Accounts payable	38	20
Accrued expenses and other current liabilities	(6)	181
Payments for operating lease liabilities	(32)	(59)
Other liabilities	(8)	7
Net cash provided by operating activities	145	790
Cash flows from investing activities		
Purchases of property and equipment	(77)	(66)
Capitalized software and website development costs	(73)	(97)
Purchases of marketable securities	(1,078)	(930)
Maturities of marketable securities	992	962
Sales of marketable securities	245	3
Purchases of non-marketable equity securities	—	(16)
Net cash acquired in acquisitions	71	—
Other investing activities	—	(1)
Net cash provided by (used in) investing activities	80	(145)
Cash flows from financing activities		
Proceeds from exercise of stock options	8	3
Repurchase of common stock	—	(693)
Other financing activities	—	(8)
Net cash provided by (used in) financing activities	8	(698)
Foreign currency effect on cash, cash equivalents, and restricted cash	(8)	(2)
Net increase (decrease) in cash, cash equivalents, and restricted cash	225	(55)
Cash, cash equivalents, and restricted cash		
Cash, cash equivalents, and restricted cash, beginning of period	2,506	2,188
Cash, cash equivalents, and restricted cash, end of period	\$ 2,731	\$ 2,133
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents	\$ 2,727	\$ 1,904
Restricted cash included in prepaid expenses and other current assets	—	85
Long-term restricted cash	4	144
Total cash, cash equivalents, and restricted cash	\$ 2,731	\$ 2,133
Non-cash investing and financing activities		
Purchases of property and equipment not yet settled	\$ 39	\$ 20
Stock-based compensation included in capitalized software and website development costs	\$ 66	\$ 80

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

DOORDASH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Description of Business

DoorDash, Inc. (the "Company") is incorporated in Delaware with headquarters in San Francisco, California. The Company operates a local commerce platform that enables local businesses to address consumers' expectations of ease and immediacy and thrive in today's convenience economy.

The Company operates a local commerce platform that connects merchants, consumers, and Dashers. The Company's primary offerings are the DoorDash Marketplace and the Wolt Marketplace (together, the "Marketplaces"), which together operate in over 25 countries across the globe. The Marketplaces provide a suite of services that enable merchants to establish an online presence, generate demand, seamlessly transact with consumers, and fulfill orders primarily through independent contractors who use the Company's platform to deliver orders ("Dashers"). As part of the Marketplaces, the Company also offers Pickup, which allows consumers to place advance orders, skip lines, and pick up their orders conveniently with no consumer fees, as well as DoorDash for Work, which provides merchants on the Company's platform with large group orders and catering orders for businesses and events. The DoorDash Marketplace also includes DashPass and the Wolt Marketplace includes Wolt+. DashPass and Wolt+ are the Company's membership products, which provide members with unlimited access to eligible merchants with zero delivery fees and reduced service fees on eligible orders.

In addition to the Marketplaces, the Company offers Platform Services, which primarily includes DoorDash Drive and Wolt Drive (together, "Drive"), which are white-label delivery fulfillment services that enable merchants that have generated consumer demand through their own channels to fulfill this demand using the Company's platform. Platform Services also includes DoorDash Storefront ("Storefront"), which enables merchants to create their own branded online ordering experience, providing them with a turnkey solution to offer consumers on-demand access to e-commerce without investing in in-house engineering or fulfillment capabilities, and Bbot, which offers merchants solutions for their in-store and online channels, including in-store digital ordering and payments.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of DoorDash, Inc., its wholly-owned subsidiaries and entities consolidated under the variable interest entity model, and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the requirements of the U.S. Securities and Exchange Commission (the "SEC") for interim reporting. All intercompany balances and transactions have been eliminated in consolidation.

These unaudited condensed consolidated interim financial statements reflect all normal recurring adjustments that are, in the opinion of management, necessary to fairly present the information set forth herein. They should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. Interim results are not necessarily indicative of the results for a full year.

Reclassifications

Certain amounts from prior periods have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Estimates include, but are not limited to, revenue recognition, allowances for credit losses, gift card breakage, estimated useful lives of property and equipment, capitalized software and website development costs, intangible assets, valuation of stock-based compensation, valuation of investments and other financial instruments

including valuation of investments without readily determinable fair values, valuation of acquired intangible assets and goodwill, the incremental borrowing rate applied in lease accounting, insurance reserves, loss contingencies, and income and indirect taxes. Actual results could differ from these estimates.

Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies from its Annual Report on Form 10-K for the year ended December 31, 2022.

3. Revenue

Disaggregated Revenue Information

All revenue recognized during the periods presented was related to the Company's core business, which is primarily comprised of the Company's Marketplaces and Platform Services.

Revenue by geographic area is determined based on the address of the merchant, or in the case of the Company's membership products, the address of the consumer. Revenue by geographic area was as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
United States	\$ 1,561	\$ 1,939	\$ 3,006	\$ 3,785
International	47	194	58	383
Total revenue	\$ 1,608	\$ 2,133	\$ 3,064	\$ 4,168

Contract Liabilities

The timing of revenue recognition may differ from the timing of invoicing to or collections from customers. The Company's contract liabilities balance, which is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets, is primarily comprised of unredeemed gift cards, prepayments received from consumers and merchants, certain consumer credits as well as other transactions for which the revenue is recognized over time. A summary of activities related to contract liabilities for the six months ended June 30, 2023 was as follows (in millions):

	Six Months Ended June 30, 2023
Beginning balance	\$ 251
Addition to contract liabilities	1,070
Reduction of contract liabilities ⁽¹⁾⁽²⁾	(1,081)
Ending balance	\$ 240

(1) Gift cards and certain consumer credits can be redeemed through the Marketplaces. When they are redeemed, revenue is recognized on a net basis as the difference between the amounts collected from consumers less amounts remitted to merchants and Dashers for those transactions. Therefore, the amount recognized as revenue related to the reduction of gift cards and certain consumer credits is less than the amount presented in the table above. Net revenue associated with gift cards and certain consumer credits is not tracked by the Company as it is impracticable to do so.

(2) Included in the beginning balance of contract liabilities was \$129 million associated with unearned prepayments received by the Company, of which \$96 million was recognized as revenue during the six months ended June 30, 2023. The ending balance of unearned prepayments is expected to be recognized as revenue in 12 months or less.

Deferred Contract Costs

Deferred contract costs represent direct and incremental costs incurred to acquire or fulfill the Company's contracts, consisting of sales commissions and costs related to merchant onboarding, which the Company expects to recover. Deferred contract costs are amortized on a straight-line basis over the expected period of benefit, which the Company determined by considering historical attrition rates and other factors. Deferred contract costs are recorded in prepaid expenses and other current assets and other assets on the condensed consolidated balance sheets. Amortization of deferred contract costs related to sales commissions is recognized in sales and marketing expense and amortization of deferred contract costs related to merchant onboarding is recognized in cost of revenue, exclusive of depreciation and

amortization in the condensed consolidated statements of operations. A summary of activities related to deferred contract costs was as follows (in millions):

	Six Months Ended June 30,	
	2022	2023
Beginning balance	\$ 62	\$ 100
Addition to deferred contract costs	27	38
Amortization of deferred contract costs	(14)	(21)
Ending balance	\$ 75	\$ 117
Deferred contract costs, current	\$ 29	\$ 42
Deferred contract costs, non-current	46	75
Total deferred contract costs	\$ 75	\$ 117

Allowance for Credit Losses

The allowance for credit losses related to accounts receivable and changes were as follows (in millions):

	Six Months Ended June 30,	
	2022	2023
Beginning balance	\$ 39	\$ 20
Current-period provision for expected credit losses	(5)	4
Write-offs charged against the allowance	(7)	(5)
Ending balance	\$ 27	\$ 19

4. Acquisitions

Wolt Acquisition

On May 31, 2022, the Company completed the acquisition of 100 percent of the outstanding equity interests of Wolt Enterprise Oy ("Wolt"). The Company's aim is to accelerate its product development, increase its international scale, bring greater focus to its markets outside the United States, and improve the value provided to consumers, merchants, as well as Dashers around the world. The Company's acquisition-related costs were \$48 million and all costs were recorded as general and administrative expenses on the Company's condensed consolidated statements of operations during the period in which they were incurred. The acquisition date fair value of the consideration transferred for Wolt was \$2,838 million, which consisted of the following (in millions):

	Fair Value
DoorDash Class A common stock	\$ 2,705
Stock-based compensation awards (DoorDash options, restricted stock units ("RSUs"), and reverting common stock) attributable to pre-combination services	133
Total consideration	\$ 2,838

The fair value of 36 million shares of Class A common stock issued was determined on the basis of the closing market price of the Company's Class A common stock on the acquisition date. The Company also issued certain stock-based compensation awards and their fair value was determined using a Black-Scholes option pricing model with the applicable assumptions as of the acquisition date for options (1.7 million DoorDash options) and using the closing market price of the Company's Class A common stock on the acquisition date for RSUs (1.4 million DoorDash RSUs).

For certain Wolt employees, a portion of their total consideration transferred was restricted subject to reverting over a service period, including 568 thousand shares of the Company's Class A common stock. This restricted equity consideration is considered compensation for post-combination services and will be recognized as stock-based compensation expense over the next four years, based on the fair value of the shares using the closing market price of the Company's Class A common stock on the acquisition date.

The total purchase consideration of the Wolt acquisition was allocated to the tangible and intangible assets acquired, and liabilities assumed, based upon their respective fair values as of the date of the acquisition. The Company recorded \$1,997 million of goodwill which represents the excess of the purchase price over the net assets acquired. Goodwill is primarily attributed to the assembled workforce of Wolt and anticipated synergies from the future growth and strategic advantages in the global local commerce industry. The goodwill recorded in connection with the acquisition of Wolt is not deductible for tax purposes. The fair value of assets acquired and liabilities assumed are based on management's best estimate and assumptions, with the assistance of an independent third-party valuation firm.

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date (in millions):

	May 31, 2022
Current assets	\$ 272
Intangible assets	772
Goodwill	1,997
Other non-current assets	82
Current liabilities	(204)
Deferred tax liability, net	(34)
Other non-current liabilities	(47)
Total purchase price	<u>\$ 2,838</u>

The following table sets forth the components of intangible assets acquired (in millions) and their estimated useful life as of the date of acquisition (in years):

	Estimated Useful Life	May 31, 2022
Merchant relationships	11	\$ 236
Trademark	10	268
Existing technology	6	150
Customer relationships	3	107
Courier relationships	1	11
Total acquired intangible assets		<u>\$ 772</u>

Existing technology represents the existing online and mobile Wolt platform for restaurant and grocery delivery and pickup orders. The merchant, customer, and courier relationships represent the fair value of the underlying relationships with merchants, such as restaurants and grocery stores, users of Wolt's food and delivery services, and courier partners. The estimated fair values of the existing technology and trademarks were determined using a relief from royalty method. The fair values of the merchant, courier and customer relationships were determined using a replacement cost method. The Company expects to amortize the fair value of these intangible assets on a straight-line basis over their respective estimated useful lives.

The amount of revenue and net loss from Wolt included in the condensed consolidated statements of operations for the month of June 2022 were \$32 million and \$45 million, respectively.

The following unaudited pro forma results presents the combined revenue and net loss as if the Wolt acquisition had been completed on January 1, 2021, the beginning of the Company's fiscal 2021. The unaudited pro forma information is based on estimates and assumptions which the Company believes are reasonable and primarily reflects adjustments for the pro forma impact of additional amortization related to the fair value of acquired intangible assets and transaction costs. The unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operations of the combined company would have been if the acquisition had occurred on January 1, 2021, nor are they indicative of future results of operations. The unaudited pro forma results are as follows (in millions):

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Revenue	\$ 1,672	\$ 3,216
Net loss	(340)	(645)

Bbot Acquisition

On March 1, 2022, the Company acquired Bbot, Inc., a hospitality technology company. The addition of Bbot's products and technology to the Company's platform will offer merchants more solutions for their in-store and online channels, including in-store digital ordering and payments. The acquisition was accounted for under the acquisition method of accounting. The total purchase consideration was approximately \$88 million in cash, including a \$9 million indemnification holdback, which was settled during the three months period ended June 30, 2023.

The total purchase consideration was allocated to the tangible and intangible assets acquired, and liabilities assumed, based upon their respective fair values as of the date of the acquisition. The excess of the purchase price over the net assets acquired was recorded as goodwill. Goodwill is primarily attributable to the anticipated synergies from the future growth opportunities from the adoption of Bbot's technology by the Company's merchants. The fair value of assets acquired and liabilities assumed are based on management's best estimate and assumptions, with the assistance of an independent third-party valuation firm.

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date (in millions):

	March 1, 2022
Current assets	\$ 11
Intangible assets	18
Goodwill	60
Other liabilities	(1)
Total purchase price	<u>\$ 88</u>

The intangible assets acquired consisted of existing technology and customer relationships, which had estimated remaining useful lives of 5 and 3 years as of the date of the acquisition, respectively.

The acquisition was not material to the Company for the periods presented and therefore, pro forma information has not been presented.

5. Goodwill and Intangible Assets, Net

The changes in the carrying amount of goodwill during the six months ended June 30, 2023 were as follows (in millions):

	Total
Balance as of December 31, 2022	\$ 2,370
Goodwill measurement period adjustment	3
Effects of foreign currency translation	23
Balance as of June 30, 2023	<u>\$ 2,396</u>

Intangible assets, net consisted of the following as of December 31, 2022 (in millions):

	Weighted-average Remaining Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Existing technology	5.3	\$ 236	\$ (88)	\$ 148
Merchant relationships	10.0	294	(26)	268
Courier relationships	0.4	12	(7)	5
Customer relationships	2.4	119	(30)	89
Trade name and trademarks	9.4	277	(22)	255
Balance as of December 31, 2022		<u>\$ 938</u>	<u>\$ (173)</u>	<u>\$ 765</u>

Intangible assets, net consisted of the following as of June 30, 2023 (in millions):

	Weighted-average Remaining Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Existing technology	4.8	\$ 237	\$ (102)	\$ 135
Merchant relationships	9.6	298	(41)	257
Courier relationships	—	12	(12)	—
Customer relationships	1.9	121	(49)	72
Trade name and trademarks	8.9	280	(36)	244
Balance as of June 30, 2023		<u>\$ 948</u>	<u>\$ (240)</u>	<u>\$ 708</u>

Amortization expense associated with intangible assets was \$19 million and \$34 million for the three months ended June 30, 2022 and 2023, respectively. Amortization expense associated with intangible assets was \$22 million and \$67 million for the six months ended June 30, 2022 and 2023, respectively.

The estimated future amortization expense of intangible assets as of June 30, 2023 was as follows (in millions):

Year Ending December 31,	Amortization Expense
Remainder of 2023	\$ 61
2024	123
2025	98
2026	82
2027	78
Thereafter	266
Total estimated future amortization expense	<u>\$ 708</u>

6. Fair Value Measurements

Assets Measured at Fair Value on a Recurring Basis

The following tables set forth the Company's cash equivalents and marketable securities that were measured at fair value on a recurring basis by level within the fair value hierarchy (in millions):

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	\$ 886	\$ —	\$ —	\$ 886
Commercial paper	—	3	—	3
Short-term marketable securities				
Commercial paper	—	306	—	306
Corporate bonds	—	205	—	205
U.S. government agency securities	—	76	—	76
U.S. Treasury securities	—	957	—	957
Long-term marketable securities				
Corporate bonds	—	145	—	145
U.S. government agency securities	—	44	—	44
U.S. Treasury securities	—	208	—	208
Total	\$ 886	\$ 1,944	\$ —	\$ 2,830

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	\$ 996	\$ —	\$ —	\$ 996
Short-term marketable securities				
Commercial paper	—	289	—	289
Corporate bonds	—	196	—	196
U.S. government agency securities	—	199	—	199
U.S. Treasury securities	—	868	—	868
Long-term marketable securities				
Corporate bonds	—	260	—	260
U.S. government agency securities	—	26	—	26
U.S. Treasury securities	—	95	—	95
Total	\$ 996	\$ 1,933	\$ —	\$ 2,929

The fair value of the Company's Level 1 financial instruments is based on quoted market prices for identical instruments in active markets. The fair value of the Company's Level 2 fixed income securities is obtained from independent pricing services, which may use quoted market prices for identical or comparable instruments in less active markets or model driven valuations using observable market data or inputs corroborated by observable market data.

Assets Measured at Fair Value on a Non-Recurring Basis

The Company's non-marketable equity securities accounted for using the measurement alternative are recorded at fair value on a non-recurring basis. When indicators of impairment exist or observable price changes in a same or similar security from the same issuer occur, the respective non-marketable equity security would be classified within Level 3 of the fair value hierarchy because the valuation methods include a combination of the observable transaction price at the transaction date and other unobservable inputs.

During the three and six months ended June 30, 2023, the Company made investments in non-marketable equity securities of \$18 million and \$19 million, respectively. The Company's investments in non-marketable equity securities were accounted for using the measurement alternative, where the Company adjusts the value of the investments based on changes in value due to observable price changes for identical or similar securities of the investee or impairment. In

the three and six months ended June 30, 2022 and 2023, the Company did not record any material upward or downward adjustments or impairments on its non-marketable equity securities.

Estimating the fair value of the Company's investments in non-marketable equity securities requires the use of estimates and judgments. Changes in estimates and judgments could result in different estimates of fair value and future adjustments.

The following table summarizes the carrying value of the Company's non-marketable equity securities as of December 31, 2022 and June 30, 2023, including impairments and cumulative upward and downward adjustments made to the initial cost basis of the securities, which were recorded in other income (expenses), net in the condensed consolidated statements of operations during the period in which they were incurred (in millions):

	December 31, 2022	June 30, 2023
Initial cost basis	\$ 427	\$ 446
Upward adjustments	9	9
Downward adjustments (including impairment)	(312)	(313)
Total carrying value at the end of reporting period	<u>\$ 124</u>	<u>\$ 142</u>

7. Balance Sheet Components

Cash Equivalents and Marketable Securities

The following tables summarize the cost or amortized cost, gross unrealized gain, gross unrealized loss, and fair value of the Company's cash equivalents and marketable securities (in millions):

	Cost or Amortized Cost	December 31, 2022		Estimated Fair Value
		Gains	Losses	
Cash equivalents				
Money market funds	\$ 886	\$ —	\$ —	\$ 886
Commercial paper	3	—	—	3
Short-term marketable securities				
Commercial paper	306	—	—	306
Corporate bonds	207	—	(2)	205
U.S. government agency securities	78	—	(2)	76
U.S. Treasury securities	970	—	(13)	957
Long-term marketable securities				
Corporate bonds	146	—	(1)	145
U.S. government agency securities	44	—	—	44
U.S. Treasury securities	210	—	(2)	208
Total	<u>\$ 2,850</u>	<u>\$ —</u>	<u>\$ (20)</u>	<u>\$ 2,830</u>

	Cost or Amortized Cost	June 30, 2023		Estimated Fair Value
		Gains	Losses	
Cash equivalents				
Money market funds	\$ 996	\$ —	\$ —	\$ 996
Short-term marketable securities				
Commercial paper	289	—	—	289
Corporate bonds	198	—	(2)	196
U.S. government agency securities	200	—	(1)	199
U.S. Treasury securities	873	—	(5)	868
Long-term marketable securities				
Corporate bonds	263	—	(3)	260
U.S. government agency securities	26	—	—	26
U.S. Treasury securities	96	—	(1)	95
Total	\$ 2,941	\$ —	\$ (12)	\$ 2,929

For marketable securities with unrealized loss positions, the Company does not intend to sell these securities and it is more likely than not that the Company will hold these securities until maturity or a recovery of the cost basis. No allowance for credit losses was recorded for these securities as of December 31, 2022, and June 30, 2023.

Property and Equipment, net

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

	December 31, 2022	June 30, 2023
Equipment for merchants	\$ 156	\$ 158
Computer equipment and software	68	71
Capitalized software and website development costs	591	767
Leasehold improvements	164	185
Office equipment	52	58
Construction in progress	74	64
Total	1,105	1,303
Less: Accumulated depreciation and amortization	(468)	(626)
Property and equipment, net	\$ 637	\$ 677

Depreciation expenses were \$27 million and \$33 million for the three months ended June 30, 2022 and 2023, respectively. Depreciation expenses were \$54 million and \$66 million for the six months ended June 30, 2022 and 2023, respectively.

The Company capitalized \$78 million and \$93 million in capitalized software and website development costs during the three months ended June 30, 2022 and 2023, respectively. The Company capitalized \$145 million and \$176 million in capitalized software and website development costs during the six months ended June 30, 2022 and 2023, respectively. Capitalized software and website development costs are included in property and equipment, net on the condensed consolidated balance sheets. Amortization of capitalized software and website development costs was \$35 million and \$61 million for the three months ended June 30, 2022 and 2023, respectively. Amortization of capitalized software and website development costs was \$64 million and \$118 million for six months ended June 30, 2022 and 2023, respectively. Construction in progress primarily included leasehold improvements on premises that are not ready for use and equipment for merchants that are not placed in service.

Accrued Expenses and Other Current Liabilities

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

	December 31, 2022	June 30, 2023
Litigation reserves	\$ 37	\$ 77
Sales tax payable and accrued sales and indirect taxes	194	243
Accrued operations related expenses	220	234
Accrued advertising	124	113
Dasher and merchant payable	702	710
Insurance reserves	418	568
Contract liabilities	251	240
Other	386	310
Total	<u>\$ 2,332</u>	<u>\$ 2,495</u>

8. Commitments and Contingencies

Legal Proceedings

From time to time, the Company may be a party to litigation and subject to claims incidental to its business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these matters will not have a material adverse effect on its business. Regardless of the outcome, litigation can have an adverse impact on the Company because of judgment, defense and settlement costs, diversion of management resources, and other factors. At each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable, requiring recognition of a loss accrual, or whether the potential loss is reasonably possible, requiring potential disclosure. Legal fees are expensed as incurred.

The Company has been and continues to be involved in numerous legal proceedings related to Dasher classification, and such proceedings have increased in volume since the California Supreme Court's 2018 ruling in *Dynamex Operations West, Inc. v. Superior Court* ("Dynamex"). The California Legislature passed legislation ("AB 5"), that was signed into law in September 2019 and became effective on January 1, 2020. AB 5 codified the Dynamex standard regarding contractor classification, expanded its application and created numerous carve-outs, which may have an adverse effect on the Company's business, financial condition, and results of operations, and may lead to increased legal proceedings and related expenses and may require the Company to significantly alter its existing business model and operations. Further, some jurisdictions are considering implementing standards similar to the test set forth in *Dynamex* to determine worker classification.

The Company is currently the subject of regulatory and administrative investigations, audits, demands, and inquiries conducted by federal, state, or local governmental agencies concerning the Company's business practices, the classification and compensation of Dashers, the DoorDash Dasher pay model, and other matters. For example, the Company is currently under audit by the Employment Development Department, State of California (the "CA EDD") for payroll tax liabilities. In January 2023, the CA EDD issued an assessment for certain amounts that it found to be owed by the Company on behalf of Dashers due to their being classified as independent contractors. The Company believes that Dashers are, and have been, properly classified as independent contractors. Accordingly, the Company believes that it has meritorious defenses and intends to vigorously appeal such adverse assessment. However, the ultimate resolution of the audit is uncertain and, accordingly, the Company has recorded an accrual for this matter within accrued expenses and other current liabilities on the condensed consolidated balance sheets as of June 30, 2023. Results of audits and related governmental action are inherently unpredictable and, as such, there is always the risk of an audit having a material impact on the Company's business, financial condition, and results of operations.

In June 2020, the San Francisco District Attorney filed an action in the Superior Court of California, County of San Francisco, alleging that the Company misclassified California Dashers as independent contractors as opposed to employees in violation of the California Labor Code and the California Unfair Competition Law, among other allegations. This action is seeking both restitutionary damages and a permanent injunction that would bar the Company from continuing to classify California Dashers as independent contractors. It is a reasonable possibility that a loss may be incurred; however, the possible range of losses is not estimable given the status of the case.

Indemnification

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent, or other intellectual property infringement claim by any third-party with respect to its technology. The terms of these indemnification agreements are generally perpetual any time after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future, but have not yet been made. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

The Company has entered into or will enter into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual.

No liability associated with such indemnifications was recorded as of December 31, 2022 and June 30, 2023.

Non-cancelable Purchase Commitments

In May 2023, the Company amended a third-party platform service agreement under which the Company has a non-cancellable purchase commitment of \$892 million through May 2028.

Revolving Credit Facility and Letters of Credit

In November 2019, the Company entered into a revolving credit and guaranty agreement which provided for a \$300 million unsecured revolving credit facility maturing on November 19, 2024. In August 2020, the Company amended and restated the revolving credit and guaranty agreement to provide for \$100 million of incremental revolving loan commitments, effective upon consummation of the Company's initial public offering (the "IPO"), for total revolving commitments of \$400 million. The amendment and restatement also extended the maturity date for the revolving credit facility from November 19, 2024 to August 7, 2025. As further amended on October 31, 2022, loans under the credit facility bear interest at the Company's option, at (i) a base rate equal to the highest of (A) the prime rate, (B) the higher of the federal funds rate or a composite overnight bank borrowing rate plus 0.50%, or (C) an adjusted SOFR rate for a one-month interest period plus 1.00%, or (ii) an adjusted SOFR rate (based on an interest period of one, three, or six months) plus a margin equal to 1.00%. The Company is also obligated to pay other customary fees for a credit facility of this size and type, including letter of credit fees, an upfront fee, and an unused commitment fee of 0.10%. The credit agreement contains customary affirmative covenants, such as financial statement reporting requirements and restrictions on the use of proceeds, as well as customary negative covenants that restrict its ability and its subsidiaries' ability to, among other things, incur additional indebtedness, incur liens, declare cash dividends or make certain other distributions, merge or consolidate with other companies or sell substantially all of its assets, make investments, loans and acquisitions, and engage in transactions with affiliates.

As of December 31, 2022 and June 30, 2023, the Company was in compliance with the covenants under the credit agreement. As of December 31, 2022 and June 30, 2023, no revolving loans were outstanding under the credit facility.

The Company maintains letters of credit established primarily for real estate leases and insurance policies. As of December 31, 2022 and June 30, 2023, the Company had \$132 million and \$134 million of issued letters of credit outstanding, respectively, of which \$99 million and \$99 million, respectively, were issued from the revolving credit and guaranty agreement.

Surety Bonds

The Company is required to maintain a \$265 million collateral in connection with one of its insurance policies, which can be held in a specified combination of cash, surety bonds, and letters of credit. In order to meet that requirement, the Company has set aside \$133 million in an escrow account which is restricted from general use, and the remainder of the collateral requirement is covered in the form of surety bonds with third parties. As of June 30, 2023, the Company had \$132 million of surety bonds outstanding. As of December 31, 2022, the Company had no surety bonds outstanding.

Sales and Indirect Tax Matters

The Company is under audit by various state, local, and foreign tax authorities with regard to sales and indirect tax matters. The Company records sales and indirect tax reserves as they become probable and the amount can be reasonably estimated. These reserves are included in accrued expenses and other current liabilities on the condensed consolidated balance sheets. The timing of the resolution of indirect tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the tax authorities may differ from the amounts accrued.

9. Common Stock**Stock Repurchase Program**

In February 2023, the Company authorized the repurchase of shares of Class A common stock, in an aggregate amount of up to \$750 million. During the three months ended June 30, 2023, the Company repurchased 4.4 million shares of its Class A common stock at a weighted average price of \$67.66 per share for a total amount of \$301 million. During the six months ended June 30, 2023, the Company repurchased 11.2 million shares of its Class A common stock at a weighted average price of \$61.85 per share for a total amount of \$693 million. The shares were retired immediately upon repurchase.

Restricted Stock

In 2022, the Company granted restricted stock to certain continuing employees in connection with the Wolt acquisition. Vesting of this stock is dependent on the respective employee's continued employment at the Company during the requisite service period, which is generally up to four years from the issuance date. The fair value of the restricted stock issued to employees that is subject to post-acquisition employment is recorded as compensation expense on a straight-line basis over the requisite service period.

The activities for the restricted stock issued to employees was as follows (in thousands, except per share data):

	Number of Shares	Weighted- Average Grant Date Fair Value Per Share
Unvested restricted stock as of December 31, 2022	472	
Granted	—	\$ —
Vested	(93)	\$ 76.91
Forfeited	—	\$ —
Unvested restricted stock as of June 30, 2023	379	

Stock Award Activities

A summary of stock option activity under the 2014 Equity Incentive Plan, 2020 Equity Incentive Plan and 2022 Inducement Equity Incentive Plan was as follows (in millions, except share amounts which are reflected in thousands, and per share data):

	Options Outstanding			
	Shares subject to Options Outstanding	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance as of December 31, 2022	16,021	\$ 2.84	3.48	\$ 737
Granted	—	\$ —		
Exercised	(3,572)	\$ 0.96		\$ 219
Cancelled and forfeited	—	\$ —		
Balance as of June 30, 2023	12,449	\$ 3.38	3.27	\$ 909
Exercisable as of June 30, 2023	12,158	\$ 3.37	3.26	\$ 888
Vested and expected to vest as of June 30, 2023	12,449	\$ 3.38	3.27	\$ 909

The aggregate intrinsic value disclosed in the above table is based on the difference between the exercise price of the stock option and the closing stock price of the Company's Class A common stock on the New York Stock Exchange (the "NYSE") as of the respective period-end dates. The aggregate intrinsic value of stock options exercised during the six months ended June 30, 2022, and 2023 was \$388 million and \$219 million, respectively. The weighted-average grant date fair value of stock assumed via acquisition during the six months ended June 30, 2022 was \$72.99. There were no stock options granted during the six months ended June 30, 2023.

The summary of RSU activity was as follows (in millions, except share amounts which are reflected in thousands, and per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Unvested units as of December 31, 2022	44,805		\$ 2,167
Granted	11,695	\$ 59.94	
Vested	(28)	\$ 75.88	
Vested and settled	(8,507)	\$ 76.67	
Forfeited	(3,727)	\$ 88.96	
Unvested units as of June 30, 2023	44,238		\$ 3,381

The aggregate intrinsic value disclosed in the above table is based on the closing stock price of the Company's Class A common stock on the NYSE as of the respective period-end dates. The weighted-average fair value per share of RSUs granted during the six months ended June 30, 2022 and 2023 was \$86.84 and \$59.94, respectively.

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense in the condensed consolidated statements of operations as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Cost of revenue, exclusive of depreciation and amortization	\$ 30	\$ 43	\$ 42	\$ 67
Sales and marketing	29	36	43	60
Research and development	95	133	150	231
General and administrative	77	99	125	183
Total stock-based compensation expense	<u>\$ 231</u>	<u>\$ 311</u>	<u>\$ 360</u>	<u>\$ 541</u>

As of June 30, 2023, there was \$9 million of unrecognized stock-based compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 2.44 years.

In November 2020, the Company's board of directors approved the grant of 10,379,000 RSUs to the Company's Chief Executive Officer (the "CEO Performance Award"). The CEO Performance Award vests upon the satisfaction of a service condition and achievement of certain stock price goals. As of June 30, 2023, unrecognized stock-based compensation expense related to the CEO Performance Award was \$123 million, which is expected to be recognized over a period of 1.82 years.

As of June 30, 2023, there was \$2.4 billion of unrecognized stock-based compensation expense related to unvested restricted stock and RSUs, excluding the unrecognized stock-based compensation expense associated with the CEO Performance Award. The Company expects to recognize this expense over the remaining weighted-average period of 2.55 years.

10. Income Taxes

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of the annual effective tax rate and, if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment to tax expense or benefit in the period. The primary differences between the effective tax rate and the federal statutory tax rate are due to the valuation allowance on the Company's deferred tax assets in certain jurisdictions.

Specifically, the Company recorded \$9 million and \$9 million of benefit from income taxes for the three months ended June 30, 2022 and 2023, respectively. The Company recorded \$9 million of benefit from and \$8 million of provision for income taxes for the six months ended June 30, 2022 and 2023, respectively. The benefit from income taxes for 2022 is primarily driven by the losses generated in non-U.S. jurisdictions for which a tax benefit can be realized. The provision for income taxes for 2023 is primarily attributable to positive pre-tax book income in the United States resulting in federal and state income taxes.

The Company regularly assesses the realizability of its deferred tax assets and establishes a valuation allowance if it is more-likely-than-not that some, or all, of its deferred tax assets will not be realized in the future. The Company evaluates and weighs all available evidence, both positive and negative, including its historic operating results, future reversals of existing deferred tax liabilities, as well as projected future taxable income. The Company will continue to regularly assess the realizability of its deferred tax assets. Changes in earnings performance and future earnings projections, among other factors, may cause the Company to adjust the valuation allowance on deferred tax assets, which could materially impact the income tax expense in the period the Company determines that these factors have changed. As of June 30, 2023, the Company maintains a full valuation allowance on its deferred tax assets except for certain foreign jurisdictions.

The Company is subject to income tax audits in the United States and foreign jurisdictions. The Company recorded liabilities related to uncertain tax positions and believes that the Company has provided adequate reserves for income tax uncertainties in all open tax years. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the federal, state, or foreign tax authorities to the extent utilized in a future period.

11. Net Loss per Share Attributable to DoorDash, Inc. Common Stockholders

The Company computes net loss per share attributable to DoorDash, Inc. common stockholders using the two-class method required for multiple classes of common stock and participating securities. The rights, including the liquidation and dividend rights, of the Class A common stock and Class B common stock are identical, other than voting rights. Accordingly, the Class A common stock and Class B common stock share equally in the Company's net losses.

The following table sets forth the calculation of basic and diluted net loss per share attributable to DoorDash, Inc. common stockholders during the periods presented. RSUs that vested but have not been settled are included in the denominator in calculating net loss per share for the three and six months ended June 30, 2022 and 2023 (in millions, except share amounts which are reflected in thousands, and per share data):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022		2023		2022		2023	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Net loss including redeemable non-controlling interests	\$ (241)	\$ (22)	\$ (160)	\$ (12)	\$ (393)	\$ (37)	\$ (310)	\$ (24)
Less: Net loss attributable to redeemable non-controlling interests	—	—	(2)	—	—	—	(3)	—
Net loss attributable to DoorDash, Inc. common stockholders	<u>\$ (241)</u>	<u>\$ (22)</u>	<u>\$ (158)</u>	<u>\$ (12)</u>	<u>\$ (393)</u>	<u>\$ (37)</u>	<u>\$ (307)</u>	<u>\$ (24)</u>
Weighted-average number of shares outstanding used to compute net loss per share attributable to DoorDash, Inc. common stockholders, basic and diluted	333,738	30,223	361,141	27,596	325,955	30,675	361,771	27,792
Net loss per share attributable to DoorDash, Inc. common stockholders, basic and diluted	<u>\$ (0.72)</u>	<u>\$ (0.72)</u>	<u>\$ (0.44)</u>	<u>\$ (0.44)</u>	<u>\$ (1.21)</u>	<u>\$ (1.21)</u>	<u>\$ (0.85)</u>	<u>\$ (0.85)</u>

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share because including them would have had an anti-dilutive effect, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied at the end of the respective periods (in thousands):

	As of June 30,	
	2022	2023
Stock options to purchase common stock	17,090	12,449
Unvested restricted stock and restricted stock units	40,570	44,512
Escrow shares	2,361	2,010
Total	<u>60,021</u>	<u>58,971</u>

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 in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022. This discussion contains forward-looking statements that are based on current plans, expectations, and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those identified below and those discussed in the section titled "Risk Factors" and other sections of this Quarterly Report on Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

DoorDash, Inc. is incorporated in Delaware with headquarters in San Francisco, California. We provide a local commerce platform that enables local businesses to address consumers' expectations of ease and immediacy and thrive in today's convenience economy.

We operate a local commerce platform that connects merchants, consumers, and Dashers. Our primary offerings are the DoorDash Marketplace and the Wolt Marketplace (our "Marketplaces"), which together operate in over 25 countries across the globe. Our Marketplaces provide a suite of services that enable merchants to establish an online presence, generate demand, seamlessly transact with consumers, and fulfill orders primarily through independent contractors who use our platform to deliver orders. Dashers that use our DoorDash Marketplace and Wolt Marketplace are referred to as "DoorDash Dashers" and "Wolt courier partners," respectively, in this Quarterly Report on Form 10-Q. As part of our Marketplaces, we also offer Pickup, which allows consumers to place advance orders, skip lines, and pick up their orders conveniently with no consumer fees, as well as DoorDash for Work, which provides merchants on our platform with large group orders and catering orders for businesses and events. The DoorDash Marketplace also includes DashPass and the Wolt Marketplace includes Wolt+. DashPass and Wolt+ are our membership products, which provide members with unlimited access to eligible merchants with zero delivery fees and reduced service fees on eligible orders.

In addition to our Marketplaces, we offer Platform Services, which primarily includes DoorDash Drive and Wolt Drive, which are white-label delivery fulfillment services that enable merchants that have generated consumer demand through their own channels to fulfill this demand using our platform. Platform Services also includes DoorDash Storefront, which enables merchants to create their own branded online ordering experience, providing them with a turnkey solution to offer consumers on-demand access to e-commerce without investing in in-house engineering or fulfillment capabilities, and Bbot, which offers merchants solutions for their in-store and online channels, including in-store digital ordering and payments.

Financial and Operational Highlights

We use the following financial and operational metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions:

(In millions, except percentages)	Three Months Ended June 30,	
	2022	2023
Total Orders	426	532
Total Orders Y/Y growth	23 %	25 %
Marketplace GOV	\$ 13,081	\$ 16,468
Marketplace GOV Y/Y growth	25 %	26 %
Revenue	\$ 1,608	\$ 2,133
Revenue Y/Y growth	30 %	33 %
Net Revenue Margin	12.3 %	13.0 %
GAAP Gross Profit	\$ 686	\$ 951
GAAP Gross Profit as a % of Marketplace GOV	5.2 %	5.8 %
Contribution Profit ⁽¹⁾	\$ 381	\$ 620
Contribution Profit as a % of Marketplace GOV	2.9 %	3.8 %
GAAP Net Loss including redeemable non-controlling interests	\$ (263)	\$ (172)
GAAP Net Loss including redeemable non-controlling interests as a % of Marketplace GOV	(2.0)%	(1.0)%
Adjusted EBITDA ⁽¹⁾	\$ 103	\$ 279
Adjusted EBITDA as a % of Marketplace GOV	0.8 %	1.7 %
Basic shares, options and RSUs outstanding as of period end	448	449

(1) Contribution Profit and Adjusted EBITDA are non-GAAP financial measures. For more information regarding our use of these measures and reconciliations to the most directly comparable financial measures calculated in accordance with GAAP, see the section titled "Non-GAAP Financial Measures."

Total Orders. We define Total Orders as all orders completed through our Marketplaces and Platform Services businesses over the period of measurement.

In the second quarter of 2023, Total Orders increased to 532 million, or 25% growth compared to the same quarter of 2022. The increase in Total Orders was driven primarily by growth in consumers and increased consumer engagement as well as the inclusion of Wolt.

Marketplace GOV. We define Marketplace GOV as the total dollar value of orders completed on our Marketplaces, including taxes, tips, and any applicable consumer fees, including membership fees related to DashPass and Wolt+. Marketplace orders include orders completed through Pickup and DoorDash for Work. Marketplace GOV does not include the dollar value of orders, taxes and tips, or fees charged to merchants, for orders fulfilled through Drive, Storefront, or Bbot.

In the second quarter of 2023, Marketplace GOV increased to \$16.5 billion, or 26% growth compared to the same quarter of 2022, driven primarily by organic growth in Total Orders as well as the inclusion of Wolt.

Net Revenue Margin. We define Net Revenue Margin as revenue expressed as a percentage of Marketplace GOV.

In the second quarter of 2023, Net Revenue Margin increased to 13.0% from 12.3% in the same quarter of 2022, primarily due to improved logistics efficiency.

Contribution Profit. We define Contribution Profit as our gross profit less sales and marketing expense plus (i) depreciation and amortization expense related to cost of revenue, (ii) stock-based compensation expense and certain payroll tax expense included in cost of revenue and sales and marketing expenses, (iii) allocated overhead included in cost of revenue and sales and marketing expenses, and (iv) inventory write-off related to restructuring. Gross profit is defined as revenue less (i) cost of revenue, exclusive of depreciation and amortization and (ii) depreciation and amortization related to cost of revenue.

We use Contribution Profit to evaluate our operating performance and trends. We believe that Contribution Profit is a useful indicator of the economic impact of orders fulfilled through DoorDash as it takes into account the direct expenses associated with generating and fulfilling orders.

In the second quarter of 2023, Contribution Profit increased to \$620 million, compared to \$381 million in the same quarter of 2022, driven primarily by growth in revenue and leverage on sales and marketing expenses, partially offset by an increase in cost of revenue.

Contribution Profit is a non-GAAP financial measure with certain limitations regarding its usefulness. It does not reflect our financial results in accordance with accounting principles generally accepted in the United States ("GAAP") as it does not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations. Accordingly, Contribution Profit is not indicative of our overall results or an indicator of past or future financial performance. Further, it is not a financial measure of total company profitability and it is neither intended to be used as a proxy for total company profitability nor does it imply profitability for our business.

Adjusted EBITDA. We define Adjusted EBITDA as net income (loss) including redeemable non-controlling interests, adjusted to exclude (i) certain legal, tax, and regulatory settlements, reserves, and expenses, (ii) loss on disposal of property and equipment, (iii) transaction-related costs (primarily consists of acquisition, integration, and investment related costs), (iv) impairment expenses, (v) restructuring charges, (vi) inventory write-off related to restructuring, (vii) provision for (benefit from) income taxes, (viii) interest income, net, (ix) other (income) expense, net, (x) stock-based compensation expense and certain payroll tax expense, and (xi) depreciation and amortization expense.

Adjusted EBITDA is a performance measure that we use to assess our operating performance and the operating leverage in our business.

In the second quarter of 2023, Adjusted EBITDA increased to \$279 million from \$103 million in the same quarter of 2022, driven by growth in Contribution Profit.

Free Cash Flow. We define Free Cash Flow as cash flows from operating activities less purchases of property and equipment and capitalized software and website development costs.

In the second quarter of 2023, Free Cash Flow increased to \$311 million, compared to Free Cash Flow of \$86 million in the same quarter of 2022, driven primarily by an increase in net cash provided by operating activities.

Results of Operations

The following table summarizes our historical condensed consolidated statements of operations data:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Revenue	\$ 1,608	\$ 2,133	\$ 3,064	\$ 4,168
Costs and expenses: ⁽¹⁾				
Cost of revenue, exclusive of depreciation and amortization shown separately below	880	1,135	1,643	2,204
Sales and marketing	421	471	835	967
Research and development	205	269	353	500
General and administrative	291	341	536	626
Depreciation and amortization ⁽²⁾	81	128	140	251
Restructuring charges	3	—	3	2
Total costs and expenses	1,881	2,344	3,510	4,550
Loss from operations	(273)	(211)	(446)	(382)
Interest income, net	4	34	5	61
Other income (expense), net	(3)	(4)	2	(5)
Loss before income taxes	(272)	(181)	(439)	(326)
Provision for (benefit from) income taxes	(9)	(9)	(9)	8
Net loss including redeemable non-controlling interests	(263)	(172)	(430)	(334)
Less: net loss attributable to redeemable non-controlling interests	—	(2)	—	(3)
Net loss attributable to DoorDash, Inc. common stockholders	\$ (263)	\$ (170)	\$ (430)	\$ (331)

(1) Costs and expenses included stock-based compensation expense as follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Cost of revenue, exclusive of depreciation and amortization	\$ 30	\$ 43	\$ 42	\$ 67
Sales and marketing	29	36	43	60
Research and development	95	133	150	231
General and administrative	77	99	125	183
Total stock-based compensation expense	\$ 231	\$ 311	\$ 360	\$ 541

(2) Depreciation and amortization related to the following:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Cost of revenue	\$ 42	\$ 47	\$ 73	\$ 92
Sales and marketing	14	33	20	66
Research and development	22	44	40	86
General and administrative	3	4	7	7
Total depreciation and amortization	\$ 81	\$ 128	\$ 140	\$ 251

The following table sets forth the components of our condensed consolidated statements of operations data as a percentage of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Revenue	100 %	100 %	100 %	100 %
Costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below	55 %	53 %	54 %	53 %
Sales and marketing	26 %	22 %	27 %	23 %
Research and development	13 %	13 %	11 %	12 %
General and administrative	18 %	16 %	18 %	15 %
Depreciation and amortization	5 %	6 %	5 %	6 %
Restructuring charges	— %	— %	— %	— %
Total costs and expenses	117 %	110 %	115 %	109 %
Loss from operations	(17)%	(10)%	(15)%	(9)%
Interest income, net	— %	2 %	— %	1 %
Other income (expense), net	— %	— %	— %	— %
Loss before income taxes	(17)%	(8)%	(15)%	(8)%
Provision for (benefit from) income taxes	(1)%	— %	— %	— %
Net loss including redeemable non-controlling interests	(16)%	(8)%	(15)%	(8)%
Less: net loss attributable to redeemable non-controlling interests	— %	— %	— %	— %
Net loss attributable to DoorDash, Inc. common stockholders	(16)%	(8)%	(15)%	(8)%

Comparison of the Three and Six Months Ended June 30, 2022 and 2023

Revenue

We generate a substantial majority of our revenue from orders completed through our Marketplaces and the related commissions charged to partner merchants and fees charged to consumers. Commissions from partner merchants are based on an agreed-upon rate applied to the total dollar value of goods ordered in exchange for using our Marketplaces to sell the partner merchants' products. Fees from consumers are for use of our Marketplaces to arrange for delivery services. We recognize revenue from Marketplace orders on a net basis as we are an agent for both partner merchants and consumers. Our revenue therefore reflects commissions charged to partner merchants and fees charged to consumers less (i) Dasher payout and (ii) refunds, credits, and promotions, which includes certain discounts and incentives provided to consumers, including those for referring a new customer. Revenue from our Marketplaces is recognized at the point in time when the consumer obtains control of the merchant's products.

We also generate revenue from membership fees paid by consumers for DashPass and Wolt+, which is recognized as part of our Marketplaces revenue. Revenue generated from our DashPass and Wolt+ memberships is recognized on a ratable basis over the contractual period, which is generally one month to one year depending on the type of membership purchased by the consumer.

In addition, we generate revenue from other sources, including from our Platform Services, which primarily consists of our Drive and Storefront offerings. We generate revenue from Drive by collecting per-order fees from merchants to arrange for delivery services that fulfill demand generated through their own channels. Revenue from Drive is recognized at the point in time when the consumer obtains control of the merchant's products.

(In millions, except percentages)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2023	%Change	2022	2023	%Change
Revenue	\$ 1,608	\$ 2,133	33 %	\$ 3,064	\$ 4,168	36 %

Revenue increased by \$525 million, or 33%, during the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by a 26% increase in Marketplace GOV to \$16.5 billion. On a year-over-year basis, revenue for the second quarter of 2023 grew at a faster rate than Marketplace GOV during the same period primarily due to improved logistics efficiency.

Revenue increased by \$1.1 billion, or 36%, during the first six months of 2023, compared to the same period of 2022. The increase was primarily driven by a 27% increase in Marketplace GOV. For the first six months of 2023, revenue grew at a faster rate than Marketplace GOV during the same period primarily due to improved logistics efficiency.

Cost of Revenue, Exclusive of Depreciation and Amortization

Cost of revenue primarily consists of (i) order management costs, which include payment processing charges, net of rebates issued from payment processors, costs associated with cancelled orders, insurance expenses, costs related to placing orders with non-partner merchants, and costs related to first party product sales, for which we take control of inventory, (ii) platform costs, which include costs for onboarding merchants and Dashers, costs for providing support for consumers, merchants, and Dashers, and technology platform infrastructure costs, and (iii) personnel costs, which include personnel-related compensation expenses related to our local operations, support, and other teams, and allocated overhead. Personnel-related compensation expenses primarily include salary, bonus, benefits, and stock-based compensation expense. Allocated overhead is determined based on an allocation of shared costs, such as facilities (including rent and utilities) and information technology costs, among all departments based on employee headcount.

<i>(In millions, except percentages)</i>	Three Months Ended June 30,		%Change	Six Months Ended June 30,		%Change
	2022	2023		2022	2023	
Cost of revenue, exclusive of depreciation and amortization	\$ 880	\$ 1,135	29 %	\$ 1,643	\$ 2,204	34 %

Cost of revenue, exclusive of depreciation and amortization, increased by \$255 million, or 29%, for the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by an increase of \$177 million in order management costs and an increase of \$28 million in platform costs, driven primarily by growth in Total Orders. Additionally, personnel-related compensation expenses and allocated overhead increased by \$46 million primarily driven by increased headcount.

Cost of revenue, exclusive of depreciation and amortization, increased by \$561 million, or 34%, during the first six months of 2023, compared to the same period of 2022. The increase was primarily attributable to an increase of \$380 million in order management costs, an increase of \$57 million in platform costs, driven primarily by growth in Total Orders. Additionally, personnel-related compensation expenses and allocated overhead increased by \$112 million primarily driven by increased headcount.

Sales and Marketing

Sales and marketing expenses primarily consist of advertising and other ancillary expenses related to merchant, consumer, and Dasher acquisition, including certain consumer referral credits and Dasher referral fees paid to the referrers to the extent they represent fair value of acquiring a new consumer or a new Dasher, brand marketing expenses, personnel-related compensation expenses for sales and marketing employees, and commissions expense including amortization of deferred contract costs, as well as allocated overhead.

<i>(In millions, except percentages)</i>	Three Months Ended June 30,		%Change	Six Months Ended June 30,		%Change
	2022	2023		2022	2023	
Sales and marketing	\$ 421	\$ 471	12 %	\$ 835	\$ 967	16 %

Sales and marketing expenses increased by \$50 million, or 12%, for the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by an increase of \$25 million in advertising expenses and an increase of \$16 million in personnel-related compensation expenses and allocated overhead primarily driven by increased headcount.

Sales and marketing expenses increased by \$132 million, or 16%, during the first six months of 2023, compared to the same period of 2022. The increase was primarily driven by an increase of \$76 million in advertising expenses and an increase of \$41 million in personnel-related compensation expenses and allocated overhead primarily driven by increased headcount.

Research and Development

Research and development expenses primarily consist of personnel-related compensation expenses related to data analytics and the design of, product development of, and improvements to our platform, as well as expenses associated with the licensing of third-party software and allocated overhead.

(In millions, except percentages)	Three Months Ended June 30,			%Change	Six Months Ended June 30,			%Change
	2022	2023			2022	2023		
Research and development	\$ 205	\$ 269		31 %	\$ 353	\$ 500		42 %

Research and development expenses increased by \$64 million, or 31%, for the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by an increase of \$77 million in personnel-related compensation expenses and allocated overhead primarily driven by increased headcount, partially offset by an increase in capitalized software and website development costs of \$13 million.

Research and development expenses increased by \$147 million, or 42%, during the first six months of 2023, compared to the same period of 2022. The increase was primarily driven by an increase of \$170 million in personnel-related compensation expenses and allocated overhead primarily driven by increased headcount, partially offset by an increase in capitalized software and website development costs of \$25 million.

General and Administrative

General and administrative expenses primarily consist of legal, tax, and regulatory expenses, which include litigation settlement expenses and sales and indirect taxes, personnel-related compensation expenses related to administrative employees, which include finance and accounting, human resources and legal, chargebacks associated with fraudulent credit card transactions, professional services fees, transaction-related costs, bad debt expense, and allocated overhead.

(In millions, except percentages)	Three Months Ended June 30,			%Change	Six Months Ended June 30,			%Change
	2022	2023			2022	2023		
General and administrative	\$ 291	\$ 341		17 %	\$ 536	\$ 626		17 %

General and administrative expenses increased by \$50 million, or 17%, for the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by an increase of \$55 million in legal, tax, and regulatory expenses and an increase of \$30 million in personnel-related compensation expenses and allocated overhead primarily driven by increased headcount, partially offset by a decrease in transaction-related costs of \$43 million.

General and administrative expenses increased by \$90 million, or 17%, during the first six months of 2023, compared to the same period of 2022. The increase was primarily driven by an increase of \$57 million in legal, tax, and regulatory expenses and an increase of \$82 million in personnel-related compensation expenses and allocated overhead primarily driven by increased headcount, partially offset by a decrease in transaction-related costs of \$55 million.

Depreciation and Amortization

Depreciation and amortization expenses primarily consist of depreciation and amortization expenses associated with our property and equipment and intangible assets. Depreciation primarily includes expenses associated with equipment for merchants, computer equipment and software, office equipment, and leasehold improvements. Amortization includes expenses associated with our capitalized software and website development costs, as well as acquired intangible assets.

(In millions, except percentages)	Three Months Ended June 30,			%Change	Six Months Ended June 30,			%Change
	2022	2023			2022	2023		
Depreciation and amortization	\$ 81	\$ 128		58 %	\$ 140	\$ 251		79 %

Depreciation and amortization expenses increased by \$47 million, or 58%, for the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by an increase of \$26 million in amortization expense related to increased capitalized software and website development costs, and an increase of \$15 million of amortization expenses for acquired intangible assets.

Depreciation and amortization expenses increased by \$111 million, or 79%, during the first six months of 2023, compared to the same period of 2022. The increase was primarily driven by an increase of \$54 million in amortization expense related to increased capitalized software and website development costs, and an increase of \$45 million of amortization expenses for acquired intangible assets.

Restructuring Charges

Restructuring charges primarily consist of separation-related payments and other termination benefit costs associated with restructuring activities.

(In millions, except percentages)	Three Months Ended June 30,		%Change	Six Months Ended June 30,		%Change
	2022	2023		2022	2023	
Restructuring charges	\$ 3	\$ —	*	\$ 3	\$ 2	*

* Percentage not meaningful.

Restructuring charges was not material in the periods presented.

Interest Income, Net

Interest income, net primarily consists of interest earned on our cash, cash equivalents, and marketable securities.

(In millions, except percentages)	Three Months Ended June 30,		%Change	Six Months Ended June 30,		%Change
	2022	2023		2022	2023	
Interest income, net	\$ 4	\$ 34	*	\$ 5	\$ 61	*

* Percentage not meaningful.

Interest income, net increased by \$30 million for the second quarter of 2023, compared to the same quarter of 2022. The increase was primarily driven by an increase in average interest rates earned on marketable securities during 2023.

Interest income, net increased by \$56 million during the first six months of 2023, compared to the same period of 2022. The increase was primarily driven by an increase in average interest rates earned on marketable securities during 2023.

Other Income (Expense), Net

Other income (expense), net primarily consists of gains and losses from transactions denominated in a currency other than the functional currency.

(In millions, except percentages)	Three Months Ended June 30,		%Change	Six Months Ended June 30,		%Change
	2022	2023		2022	2023	
Other income (expense), net	\$ (3)	\$ (4)	*	\$ 2	\$ (5)	*

* Percentage not meaningful.

Other income (expense), net was not material in the periods presented.

Provision for (benefit from) income taxes

Provision for income taxes is primarily attributable to U.S. income tax expense, as well as income tax expense attributable to foreign operations. Benefit from income taxes primarily results from losses and credits for which an income tax benefit can be recognized.

(In millions, except percentages)	Three Months Ended June 30,		%Change	Six Months Ended June 30,		%Change
	2022	2023		2022	2023	
Provision for (benefit from) income taxes	\$ (9)	\$ (9)	*	\$ (9)	\$ 8	*

* Percentage not meaningful.

The benefit from income taxes for the second quarter of 2023, is comparable to that in the same quarter of 2022.

The provision for income taxes for the first six months of 2023 is primarily attributable to positive pre-tax book income in the United States resulting in federal and state income taxes. The benefit from income taxes for the first six months of 2022 is primarily driven by the losses generated in non-U.S. jurisdictions for which a tax benefit can be realized.

Non-GAAP Financial Measures

We use adjusted cost of revenue, adjusted sales and marketing expense, adjusted research and development expense, adjusted general and administrative expense, Contribution Profit, Contribution Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Free Cash Flow in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our business and financial performance. We believe that these non-GAAP financial measures provide useful information to investors about our business and financial performance, enhance their overall understanding of our past performance and future prospects, and allow for greater transparency with respect to metrics used by our management in their financial and operational decision making. We are presenting these non-GAAP financial measures to assist investors in seeing our business and financial performance through the eyes of management, and because we believe that these non-GAAP financial measures provide an additional tool for investors to use in comparing results of operations of our business over multiple periods with other companies in our industry.

Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations. Thus, our adjusted cost of revenue, adjusted sales and marketing expense, adjusted research and development expense, adjusted general and administrative expense, Contribution Profit, Contribution Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Free Cash Flow should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

We compensate for these limitations by providing a reconciliation of adjusted cost of revenue, adjusted sales and marketing expense, adjusted research and development expense, adjusted general and administrative expense, Contribution Profit, Contribution Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Free Cash Flow to their respective related GAAP financial measures. We encourage investors and others to review our business, results of operations, and financial information in its entirety, not to rely on any single financial measure, and to view adjusted cost of revenue, adjusted sales and marketing expense, adjusted research and development expense, adjusted general and administrative expense, Contribution Profit, Contribution Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA and Free Cash Flow in conjunction with their respective related GAAP financial measures.

Adjusted Cost of Revenue

We define adjusted cost of revenue as cost of revenue, exclusive of depreciation and amortization, excluding stock-based compensation expense and certain payroll tax expense, allocated overhead, and inventory write off related to restructuring. We exclude stock-based compensation as it is non-cash in nature and we exclude allocated overhead as it is generally a fixed cost and is not directly impacted by Total Orders.

The following table provides a reconciliation of cost of revenue, exclusive of depreciation and amortization, to adjusted cost of revenue:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Cost of revenue, exclusive of depreciation and amortization	\$ 880	\$ 1,135	\$ 1,643	\$ 2,204
Adjusted to exclude the following:				
Stock-based compensation expense and certain payroll tax expense	(31)	(43)	(43)	(67)
Allocated overhead	(8)	(8)	(17)	(17)
Inventory write-off related to restructuring	(2)	\$ —	(2)	—
Adjusted cost of revenue	<u>\$ 839</u>	<u>\$ 1,084</u>	<u>\$ 1,581</u>	<u>\$ 2,120</u>

Adjusted Sales and Marketing Expense

We define adjusted sales and marketing expense as sales and marketing expenses excluding stock-based compensation expense and certain payroll tax expense, and allocated overhead. We exclude stock-based compensation as it is non-cash in nature and we exclude allocated overhead as it is generally a fixed cost and is not directly impacted by Total Orders.

The following table provides a reconciliation of sales and marketing expense to adjusted sales and marketing expense:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Sales and marketing	\$ 421	\$ 471	\$ 835	\$ 967
Adjusted to exclude the following:				
Stock-based compensation expense and certain payroll tax expense	(29)	(36)	(43)	(60)
Allocated overhead	(4)	(6)	(9)	(12)
Adjusted sales and marketing	<u>\$ 388</u>	<u>\$ 429</u>	<u>\$ 783</u>	<u>\$ 895</u>

Adjusted Research and Development Expense

We define adjusted research and development expense as research and development expenses excluding stock-based compensation expense and certain payroll tax expense, and allocated overhead. We exclude stock-based compensation as it is non-cash in nature and we exclude allocated overhead as it is generally a fixed cost and is not directly impacted by Total Orders.

The following table provides a reconciliation of research and development expense to adjusted research and development expense:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Research and development	\$ 205	\$ 269	\$ 353	\$ 500
Adjusted to exclude the following:				
Stock-based compensation expense and certain payroll tax expense	(95)	(134)	(151)	(232)
Allocated overhead	(4)	(5)	(8)	(9)
Adjusted research and development	<u>\$ 106</u>	<u>\$ 130</u>	<u>\$ 194</u>	<u>\$ 259</u>

Adjusted General and Administrative Expense

We define adjusted general and administrative expense as general and administrative expenses excluding stock-based compensation expense and certain payroll tax expense, certain legal, tax, and regulatory settlements, reserves, and expenses, transaction-related costs (primarily consists of acquisition, integration, and investment related costs), impairment expenses, and including allocated overhead from cost of revenue, sales and marketing, and research and development. We exclude stock-based compensation as it is non-cash in nature and we exclude certain legal, tax, and regulatory settlements, reserves, and expenses, transaction-related costs, as well as impairment expenses, as these costs are not indicative of our operating performance.

The following table provides a reconciliation of general and administrative expense to adjusted general and administrative expense:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
General and administrative	\$ 291	\$ 341	\$ 536	\$ 626
Adjusted to exclude the following:				
Stock-based compensation expense and certain payroll tax expense	(76)	(99)	(124)	(183)
Certain legal, tax, and regulatory settlements, reserves, and expenses ⁽¹⁾	(15)	(49)	(39)	(68)
Transaction-related costs ⁽²⁾	(44)	(1)	(58)	(2)
Allocated overhead from cost of revenue, sales and marketing, and research and development	16	19	34	38
Adjusted general and administrative	\$ 172	\$ 211	\$ 349	\$ 411

- (1) We exclude certain costs and expenses from our calculation of adjusted general and administrative expense because management believes that these costs and expenses are not indicative of our core operating performance, do not reflect the underlying economics of our business, and are not necessary to operate our business. These excluded costs and expenses consist of (i) certain legal costs primarily related to worker classification matters, (ii) reserves and settlements or other resolutions for or related to the collection of sales, indirect, and other taxes that we do not expect to incur on a recurring basis, (iii) expenses related to supporting various policy matters, including those related to worker classification and price controls, and (iv) donations as part of our relief efforts in connection with the COVID-19 pandemic and Russia's invasion of Ukraine. We believe it is appropriate to exclude the foregoing matters from our calculation of adjusted general and administrative expense because (1) the timing and magnitude of such expenses are unpredictable and thus not part of management's budgeting or forecasting process, and (2) with respect to worker classification matters, management currently expects such expenses will not be material to our results of operations over the long term as a result of increasing legislative and regulatory certainty in this area, including as a result of Proposition 22 in California and similar legislation.
- (2) Consists of acquisition, integration, and investment related costs, primarily related to the Wolt acquisition.

Contribution Profit

We use Contribution Profit to evaluate our operating performance and trends. We believe that Contribution Profit is a useful indicator of the economic impact of orders fulfilled through DoorDash as it takes into account the direct expenses associated with generating and fulfilling orders. We define Contribution Profit as our gross profit less sales and marketing expense plus (i) depreciation and amortization expense related to cost of revenue, (ii) stock-based compensation expense and certain payroll tax expense included in cost of revenue and sales and marketing expenses, (iii) allocated overhead included in cost of revenue and sales and marketing expenses, and (iv) inventory write off related to restructuring. We define gross margin as gross profit as a percentage of revenue for the same period and we define Contribution Margin as Contribution Profit as a percentage of revenue for the same period.

Gross profit is the most directly comparable financial measure to Contribution Profit. The following table provides a reconciliation of gross profit to Contribution Profit:

(In millions, except percentages)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Revenue	\$ 1,608	\$ 2,133	\$ 3,064	\$ 4,168
Less: Cost of revenue, exclusive of depreciation and amortization	(880)	(1,135)	(1,643)	(2,204)
Less: Depreciation and amortization related to cost of revenue	(42)	(47)	(73)	(92)
Gross profit	\$ 686	\$ 951	\$ 1,348	\$ 1,872
Gross Margin	42.7 %	44.6 %	44.0 %	44.9 %
Less: Sales and marketing	\$ (421)	\$ (471)	\$ (835)	\$ (967)
Add: Depreciation and amortization related to cost of revenue	42	47	73	92
Add: Stock-based compensation expense and certain payroll tax expense included in cost of revenue and sales and marketing	60	79	86	127
Add: Allocated overhead included in cost of revenue and sales and marketing	12	14	26	29
Add: Inventory write-off related to restructuring	2	—	2	—
Contribution Profit	\$ 381	\$ 620	\$ 700	\$ 1,153
Contribution Margin	23.7 %	29.1 %	22.8 %	27.7 %

Adjusted Gross Profit

We define Adjusted Gross Profit as gross profit plus (i) depreciation and amortization expense related to cost of revenue, (ii) stock-based compensation expense and certain payroll tax expense included in cost of revenue, (iii) allocated overhead included in cost of revenue, and (iv) inventory write off related to restructuring. Gross profit is defined as revenue less (i) cost of revenue, exclusive of depreciation and amortization and (ii) depreciation and amortization related to cost of revenue. Adjusted Gross Margin is defined as Adjusted Gross Profit as a percentage of revenue for the same period.

The following table provides a reconciliation of gross profit to Adjusted Gross Profit:

(In millions, except percentages)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Gross profit	\$ 686	\$ 951	\$ 1,348	\$ 1,872
Add: Depreciation and amortization related to cost of revenue	42	47	73	92
Add: Stock-based compensation expense and certain payroll tax expense included in cost of revenue	31	43	43	67
Add: Allocated overhead included in cost of revenue	8	8	17	17
Add: Inventory write-off related to restructuring	2	—	2	—
Adjusted Gross Profit	\$ 769	\$ 1,049	\$ 1,483	\$ 2,048
Adjusted Gross Margin	47.8 %	49.2 %	48.4 %	49.1 %

Adjusted EBITDA

Adjusted EBITDA is a measure that we use to assess our operating performance and the operating leverage in our business. We define Adjusted EBITDA as net income (loss) including redeemable non-controlling interests, adjusted to exclude (i) certain legal, tax, and regulatory settlements, reserves, and expenses, (ii) loss on disposal of property and equipment, (iii) transaction-related costs (primarily consists of acquisition, integration, and investment related costs), (iv) impairment expenses, (v) restructuring charges, (vi) inventory write off related to restructuring, (vii) provision for (benefit from) income taxes, (viii) interest income, net, (ix) other (income) expense, net, (x) stock-based compensation expense and certain payroll tax expense, and (xi) depreciation and amortization expense.

The following table provides a reconciliation of net loss including redeemable non-controlling interests to Adjusted EBITDA:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2023	2022	2023
Net loss including redeemable non-controlling interests	\$ (263)	\$ (172)	\$ (430)	\$ (334)
Certain legal, tax, and regulatory settlements, reserves, and expenses ⁽¹⁾	15	49	39	68
Transaction-related costs ⁽²⁾	44	1	58	2
Restructuring charges	3	—	3	2
Inventory write-off related to restructuring	2	—	2	—
Provision for (benefit from) income taxes	(9)	(9)	(9)	8
Interest income, net	(4)	(34)	(5)	(61)
Other (income) expense, net	3	4	(2)	5
Stock-based compensation expense and certain payroll tax expense	231	312	361	542
Depreciation and amortization expense	81	128	140	251
Adjusted EBITDA	\$ 103	\$ 279	\$ 157	\$ 483

- (1) We exclude certain costs and expenses from our calculation of Adjusted EBITDA because management believes that these costs and expenses are not indicative of our core operating performance, do not reflect the underlying economics of our business, and are not necessary to operate our business. These excluded costs and expenses consist of (i) certain legal costs primarily related to worker classification matters, (ii) reserves and settlements or other resolutions for or related to the collection of sales, indirect, and other taxes that we do not expect to incur on a recurring basis, (iii) expenses related to supporting various policy matters, including those related to worker classification and price controls, and (iv) donations as part of our relief efforts in connection with the COVID-19 pandemic and Russia's invasion of Ukraine. We believe it is appropriate to exclude the foregoing matters from our calculation of Adjusted EBITDA because (1) the timing and magnitude of such expenses are unpredictable and thus not part of management's budgeting or forecasting process, and (2) with respect to worker classification matters, management currently expects such expenses will not be material to our results of operations over the long term as a result of increasing legislative and regulatory certainty in this area, including as a result of Proposition 22 in California and similar legislation.

- (2) Consists of acquisition, integration, and investment related costs, primarily related to the Wolt acquisition.

Free Cash Flow

We define Free Cash Flow as cash flows from operating activities less purchases of property and equipment and capitalized software and website development costs.

The following table provides a reconciliation of net cash provided by operating activities to Free Cash Flow:

(in millions)	Six Months Ended June 30,	
	2022	2023
Net cash provided by operating activities	\$ 145	\$ 790
Purchases of property and equipment	(77)	(66)
Capitalized software and website development costs	(73)	(97)
Free Cash Flow	\$ (5)	\$ 627

Credit Facilities

On November 19, 2019, we entered into a revolving credit and guaranty agreement with JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, and Goldman Sachs Lending Partners LLC, an affiliate of Goldman Sachs & Co. LLC, which, as amended and restated on August 7, 2020, and further amended on October 31, 2022, provides for a \$300 million unsecured revolving credit facility maturing on August 7, 2025, which increased to \$400 million in aggregate revolving commitments upon the consummation of an initial public offering, with a sublimit for the issuance of letters of credit in an aggregate face amount of up to \$200 million. Loans under the credit facility bear interest, at our option, at (i) a base rate equal to the highest of (A) the prime rate, (B) the higher of the federal funds rate or a composite overnight bank borrowing rate plus 0.50%, or (C) an adjusted SOFR rate for a one-month interest period plus 1.00%, or (ii) an adjusted SOFR rate (based on an interest period of one, three, or six months) rate plus a margin equal to 1.00%. We are also obligated to pay other customary fees for a credit facility of this size and type, including letter of credit fees, an upfront fee, and an unused commitment fee. As of June 30, 2023, we were in compliance with the covenants under the revolving credit and guaranty agreement. As of December 31, 2022 and June 30, 2023, no revolving loans were outstanding under the credit facility.

We maintain letters of credit established primarily for real estate leases and insurance policies. As of December 31, 2022 and June 30, 2023, we had \$132 million and \$134 million of issued letters of credit outstanding, respectively, of which \$99 million and \$99 million were issued under the revolving credit and guaranty agreement.

Liquidity and Capital Resources

In December 2020, we completed our IPO in which we received net proceeds of \$3.3 billion from sales of shares of our Class A common stock in the IPO, after deducting underwriting discounts and commissions.

As of June 30, 2023, our principal sources of liquidity were cash, cash equivalents, and marketable securities of \$3.9 billion, which consisted of cash and cash equivalents of \$1.9 billion, short-term marketable securities of \$1.6 billion and long-term marketable securities of \$381 million. Additionally, funds held at payment processors of \$297 million represent cash due from our payment processors for cleared transactions with merchants and consumers, as well as funds remitted to payment processors for Dasher payout. Cash and cash equivalents consisted of cash on deposit with banks as well as institutional money market funds. Marketable securities consisted of commercial paper, corporate bonds, U.S. government agency securities, and U.S. Treasury securities.

We have generated significant operating losses from our operations as reflected in our accumulated deficit of \$4.9 billion as of June 30, 2023. To execute on our strategic initiatives to continue to grow our business, we may incur operating losses and generate negative cash flows from operations in the future, and as a result, we may require additional capital resources. We believe our existing cash, cash equivalents, and marketable securities, along with the \$400 million in available borrowings under our unsecured revolving credit facility, will be sufficient to meet our working capital and capital expenditures needs for at least the next 12 months and beyond.

In February 2023, our board of directors authorized the repurchase of up to \$750 million of our Class A common stock. Repurchases may be made from time to time through open market purchases or through privately negotiated transactions subject to market conditions, applicable legal requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Exchange Act. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of our Class A common stock under this authorization. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities. As of June 30, 2023, approximately \$57 million remained available under the repurchase authorization.

Our future capital requirements will depend on many factors, including, but not limited to our growth, our ability to attract and retain merchants, consumers, and Dashers that utilize our platform, the continuing market acceptance of our offerings, the timing and extent of spending to support our efforts to develop our platform, and the expansion of sales and marketing activities, the timing and extent of spending for policy and worker classification initiatives. Further, we may in the future enter into arrangements to acquire or invest in businesses, products, services, and technologies. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

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

(In millions)	Six Months Ended June 30,	
	2022	2023
Net cash provided by operating activities	\$ 145	\$ 790
Net cash provided by (used in) investing activities	80	(145)
Net cash provided by (used in) financing activities	8	(698)
Foreign currency effect on cash, cash equivalents, and restricted cash	(8)	(2)
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 225	\$ (55)

Operating Activities

Cash provided by operating activities was \$790 million for the first six months of 2023. This consisted of a net loss, including redeemable non-controlling interests, of \$334 million, offset by non-cash stock-based compensation expense of \$541 million, non-cash depreciation and amortization expense of \$251 million, non-cash reduction of operating lease right-of-use assets and accretion of operating lease liabilities of \$60 million, and other net non-cash expenses of \$19

million, as well as \$253 million net inflows from changes in operating assets and liabilities primarily driven by an increase in accrued liabilities and other current liabilities and decrease in our funds held at payment processors.

Cash provided by operating activities was \$145 million for the first six months of 2022. This primarily consisted of a net loss, including redeemable non-controlling interests, of \$430 million, offset by non-cash stock-based compensation expense of \$360 million, non-cash depreciation and amortization expense of \$140 million, non-cash reduction of operating lease right-of-use assets and accretion of operating lease liabilities of \$35 million, as well as \$26 million net inflows from changes in operating assets and liabilities primarily driven by a decrease in funds held at payment processors.

Investing Activities

Cash used in investing activities was \$145 million for the first six months of 2023, which primarily consisted of purchases of marketable securities of \$930 million, purchases of property and equipment of \$66 million, and cash outflows for capitalized software and website development costs of \$97 million, partially offset by proceeds from maturities and sales of marketable securities of \$965 million.

Cash provided by investing activities was \$80 million for the first six months of 2022, which primarily consisted of proceeds from maturities and sales of marketable securities of \$1.2 billion, net of cash acquired in acquisition of \$71 million, partially offset by purchases of marketable securities of \$1.1 billion, purchases of property and equipment of \$77 million, and cash outflows for capitalized software and website development costs of \$73 million.

Financing Activities

Cash used in financing activities was \$698 million for the first six months of 2023, which primarily consisted of repurchases of Class A common stock of \$693 million.

Cash provided by financing activities was \$8 million for the first six months of 2022, which was the proceeds from exercise of stock options.

Non-cancelable Purchase Commitments

In May 2023, we amended a third-party platform service agreement under which we have a non-cancellable purchase commitment of \$892 million through May 2028.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of condensed consolidated financial statements in accordance with GAAP requires us to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements, as well as the reported amounts of revenue and expenses during the period presented. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows could be affected.

There have been no material changes to our critical accounting policies and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Fluctuation Risk

Our investment portfolio consists of short-term fixed income securities, including government and investment-grade debt securities and money market funds. These securities are classified as available-for-sale and, consequently, are recorded on the condensed consolidated balance sheets at fair value with unrealized gains or losses, net of tax reported as a separate component of stockholders' equity within accumulated other comprehensive income (loss). Our investment

policy and strategy are focused on the preservation of capital and supporting our liquidity requirements. We do not enter into investments for trading or speculative purposes.

Based on our investment portfolio balance as of June 30, 2023, a hypothetical 100 basis point increase in interest rates would not have materially affected our condensed consolidated financial statements. We currently do not hedge these interest rate exposures.

Equity Price Risk

Our non-marketable equity investments consist of investments in privately-held companies that we hold for purposes other than trading. These investments are inherently risky because there is no established market for these securities and the markets for the technologies or products these companies are developing are typically in the early stages and may never materialize. As such, we could lose our entire investment in these companies. However, we believe that market sensitivities are not practicable.

The aggregate carrying value of our non-marketable equity investments was \$142 million as of June 30, 2023. Adjustments or impairments are recorded in other income (expense), net on the condensed consolidated statements of operations and establish a new carrying value for the investment.

Foreign Currency Exchange Risk

Transaction Exposure

We transact business globally and have international revenue, as well as costs, denominated in multiple currencies, primarily the Euro, Canadian dollars, Israeli shekel, and Australian dollars. This exposes us to the risk of fluctuations in foreign currency exchange rates. Accordingly, changes in exchange rates are reflected in reported income and loss from our international businesses included in our condensed consolidated statements of operations. A continued strengthening of the U.S. dollar would therefore reduce reported revenue and expenses from our international businesses included in our condensed consolidated statements of operations.

We have experienced and will continue to experience fluctuations in our net income (loss) as a result of transaction gains or losses related to revaluing and ultimately settling certain asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. Foreign currency gains and losses were immaterial for the three and six months ended June 30, 2023. Based on our foreign currency exposures from monetary assets and liabilities as of June 30, 2023, we estimated that a 10% change in exchange rates against the U.S. dollar would not have resulted in a material gain or loss.

Translation Exposure

We are also exposed to foreign exchange rate fluctuations as we translate the financial statements of our foreign subsidiaries into U.S. dollars in consolidation. If there is a change in foreign currency exchange rates, the translation adjustments resulting from the conversion of the financial statements of our foreign subsidiaries into U.S. dollars would result in a gain or loss recorded as a component of accumulated other comprehensive income (loss) which is part of stockholders' equity.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Control

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2023 that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. 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, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. 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 policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II

Item 1. Legal Proceedings

We are currently involved in, and may in the future be involved in, legal proceedings, claims, regulatory inquiries, audits, and governmental investigations (collectively, "Legal Proceedings") in the ordinary course of business, including suits by merchants, consumers, Dashers, or other third parties (individually or as class actions).

The outcomes of our Legal Proceedings are inherently unpredictable and subject to significant uncertainties. For some matters for which a material loss is reasonably possible, an estimate of the amount of loss or range of losses is not possible nor are we able to estimate the loss or range of losses that could potentially result from the application of nonmonetary remedies. Until the final resolution of Legal Proceedings, there may be an exposure to a material loss in excess of the amount recorded.

Except as set forth below, we are not, and have not been within the past 12 months, party to any material administrative, legal, or arbitration proceeding that may have or have had a significant effect on the financial position or profitability of DoorDash, and we are not aware of any such proceedings being pending or threatened.

Independent contractor classification matters

We have in the past been, are currently, and may in the future be subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings at the federal, state, and municipal levels challenging the classification of Dashers on our platform as independent contractors, and claims that, by the alleged misclassification, we have violated various labor and other laws that would apply to delivery employees. Laws and regulations that govern the status and classification of independent contractors are subject to change and divergent interpretations by various authorities, which can create uncertainty and unpredictability for us.

We are currently involved in putative class actions, representative actions, such as those brought under California Labor Code Private Attorneys General Act ("PAGA") and individual claims both in court as well as arbitration and other matters challenging the classification of Dashers on our platform as independent contractors. Various other Dashers have challenged or threatened to challenge, and may challenge in the future, their classification on our platform, as an independent contractor under U.S. federal and state and international law, seeking monetary, injunctive, or other relief. We are currently involved in a number of such actions filed by individual Dashers, with many additional claims threatened, including those brought in, or compelled pursuant to our independent contractor agreement to, individual arbitration. In addition, in June 2020, the San Francisco District Attorney filed an action in the Superior Court of California, County of San Francisco, alleging that we misclassified California Dashers as independent contractors as opposed to employees in violation of the California Labor Code and the California Unfair Competition Law, among other allegations. This action is seeking both restitutionary damages and a permanent injunction that would bar us from continuing to classify California Dashers as independent contractors. It is a reasonable possibility that a loss may be incurred; however, the possible range of losses is not estimable given the status of the case. Please see "*Risk Factors—If Dashers that utilize our platform are reclassified as employees under U.S. federal or state law, or the laws of other jurisdictions in which we operate, our business, financial condition, and results of operations would be adversely affected.*" for more information.

We believe that we have meritorious defenses and intend to dispute the allegations of wrongdoing and defend ourselves vigorously in these matters. Legal Proceedings related to these matters can have an adverse impact on us because of defense and settlement costs individually and in the aggregate, diversion of management resources, and other factors.

We have been proactively working with state and local governments and regulatory bodies to ensure that our platform can continue to operate in the United States and foreign jurisdictions. New laws and regulations and changes to existing laws and regulations continue to be adopted, implemented, and interpreted in response to our industry and related technologies. For example, the California Legislature passed AB 5, which was signed into law in September 2019 and became effective in January 2020. AB 5 codified the standard in Dynamex regarding contractor classification, expanded its application, and created numerous carve-outs. We, along with certain other companies, supported a campaign for Proposition 22 to address AB 5 and preserve flexibility for California Dashers, which was approved by voters in November 2020 and went into effect in December 2020. However, in February 2021, petitioners consisting of a number of individuals and labor groups filed a writ of mandate petitioning the Alameda County Superior Court to compel the State of California not to enforce any provisions of Proposition 22 as unconstitutional. In August 2021, after a merits hearing, the Alameda County Superior Court issued an order finding that the entirety of Proposition 22 is unenforceable. The California Attorney General, the Protect App-Based Drivers and Services coalition and individual sponsors of Proposition 22 filed appeals in the California First District Court of Appeal. In March 2023, the Court of Appeal overturned the Alameda County Superior

Court's ruling and upheld nearly all of Proposition 22 as state law. In April 2023, petitioners consisting of a number of individuals and labor groups filed a petition for review in the Supreme Court of California, which was granted in June 2023.

Consumer protection and other actions

We have in the past been, are currently, and may in the future be involved in other Legal Proceedings in the ordinary course of business, including class action lawsuits and actions brought by government authorities, alleging violations of consumer protection laws, data protection laws, civil rights laws and other laws. In addition, we have been subject to Legal Proceedings related to representations regarding tips paid to Dashers and our former DoorDash Dasher pay model. We dispute any allegations of wrongdoing and intend to continue to defend ourselves vigorously in these matters.

Intellectual property matters

We have in the past been, are currently, and may in the future be involved in Legal Proceedings related to alleged infringement of patents and other intellectual property and, in the ordinary course of business, we receive correspondence from other purported holders of patents and other intellectual property offering to license such property and/or asserting infringement of such property. We dispute any allegation of wrongdoing and intend to defend ourselves vigorously in these matters.

Regulatory and administrative investigations, audits, demands, and inquiries

We have in the past been, are currently, and may in the future be the subject of regulatory and administrative investigations, audits, demands, and inquiries conducted by federal, state, or local governmental agencies concerning our business practices, the classification and compensation of Dashers, DoorDash Dasher pay models, compliance with consumer protection laws, privacy, data security, tax issues, unemployment insurance, workers' compensation insurance, and other matters. For example, we are currently under audit by the Employment Development Department of the State of California (the "CA EDD") for payroll tax liabilities. In January 2023, the CA EDD issued a negative assessment in connection with such audit. We believe that we have meritorious defenses to the CA EDD's assessment, and intend to vigorously appeal this assessment. However, the ultimate resolution of the audit is uncertain and, accordingly, we have recorded an accrual for this matter within accrued expenses and other current liabilities on the condensed consolidated balance sheets as of June 30, 2023. We are currently undergoing government audits in other jurisdictions as well. Results of investigations, audits, demands, and inquiries and related governmental action are inherently unpredictable and, as such, there is always the risk of an investigation, audit, demand, or inquiry having a material impact on our business, financial condition, and results of operations, particularly in the event that an investigation, audit, or inquiry results in a lawsuit or unfavorable regulatory enforcement or other action. Regardless of the outcome, these matters can have an adverse impact on us in light of the costs associated with cooperating with, or defending against, such matters, and the diversion of management resources, and other factors.

Personal injury matters

We have in the past been, are currently, and may in the future be involved in Legal Proceedings where various parties may claim that we are liable for damages related to accidents or other incidents involving Dashers who have been active on our platform. We are currently named as a defendant in a number of matters related to accidents or other incidents involving Dashers that utilize our platform. In many of these matters, we believe we have meritorious defenses, dispute the allegations of wrongdoing, and intend to defend ourselves vigorously. There is no pending or threatened legal proceeding that has arisen from these accidents or incidents that individually, in our opinion, is likely to have a material impact on our business, financial condition, or results of operations; however, results of litigation and claims are inherently unpredictable and legal proceedings related to such accidents or incidents, in the aggregate, could have a material impact on our business, financial condition, and results of operations. Regardless of the outcome, these matters can have an adverse impact on us because of defense and settlement costs individually and in the aggregate, the diversion of management resources, and other factors.

Item 1A. Risk Factors

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our condensed consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Our business, financial condition, results of operations, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risk Factors Summary

Our business is subject to numerous risks and uncertainties, including those outside of our control, that could cause our actual results to be harmed. These risks include the following:

- We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful;
- We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve, maintain, or increase profitability in the future;
- We may not continue to grow on pace with historical rates;
- We face intense competition and if we are unable to compete effectively, our business, financial condition, and results of operations would be adversely affected;
- If we fail to retain our existing merchants and consumers or acquire new merchants and consumers in a cost-effective manner, our revenue, revenue growth, and margins may decrease and our business, financial condition, and results of operations could be adversely affected;
- If we fail to cost-effectively attract and retain Dashers or to increase the use of our platform by existing Dashers, our business, financial condition, and results of operations could be adversely affected;
- We rely on merchants on our platform for many aspects of our business, and to the extent they fail to maintain their service levels or increase the prices they charge consumers on our platform, our business would be adversely affected;
- We expect a number of factors to cause our results of operations to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance;
- Systems failures and resulting interruptions in the availability of our websites, mobile applications, or platform could adversely affect our business, financial condition, and results of operations;
- If we are unable to make acquisitions and investments, or successfully integrate acquisitions into our business, including in the case of our acquisition of Wolt, our business, financial condition, and results of operations could be adversely affected;
- Our international operations and any future international expansion will subject us to additional costs and risks and our plans may not be successful;
- If Dashers that utilize our platform are reclassified as employees under U.S. federal or state law, or the laws of other jurisdictions in which we operate, our business, financial condition, and results of operations would be adversely affected;
- We are subject to various claims, lawsuits, investigations, and proceedings, and face potential liability, expenses, and harm to our business as a result;
- Our business is subject to a variety of laws and regulations globally, including those related to worker classification, Dasher pay and conditions of work, and merchant pricing and commissions, many of which are unsettled and still developing, and failure to comply with such laws and regulations could subject us to claims or otherwise adversely affect our business, financial condition, or results of operations and subject us to legal claims;
- The multi-class structure of our common stock and the voting agreement and irrevocable proxy (the "Voting Agreement"), between Tony Xu, Andy Fang, and Stanley Tang (our "Co-Founders"), has the effect of concentrating voting power with Tony Xu, our co-founder, Chief Executive Officer, and Chair of our board of

directors, which will limit your ability to influence the outcome of matters submitted to our stockholders for approval; and

- The trading price of our Class A common stock may be volatile, and you could lose all or part of your investment.

Risks Related to Our Business and Operations

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We launched operations in 2013 and we have since frequently expanded our platform features and services and changed our pricing methodologies. This limited operating history and our evolving business make it difficult to evaluate our future prospects and the risks and challenges we may encounter. These risks and challenges include our ability to:

- accurately forecast our revenue and plan our operating expenses;
- increase the number of and retain existing merchants, consumers, and Dashers using our platform;
- successfully compete with current and future competitors;
- successfully expand our business in existing markets and categories and enter new markets and categories;
- successfully integrate acquired technologies and businesses into our own, including in the case of our acquisition of Wolt;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate, including with respect to inflation and other fluctuations in prices such as gasoline and food costs;
- maintain and enhance the value of our reputation and brand;
- adapt to rapidly evolving trends in the ways merchants and consumers interact with technology;
- avoid interruptions or disruptions in our service;
- develop and maintain a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage, as well as the deployment and integration of new features, services, and technologies;
- hire, integrate, motivate, and retain talented technology, sales, customer service, and other personnel;
- effectively manage rapid growth in our personnel and operations; and
- effectively manage our costs related to Dashers.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this “Risk Factors” section, our business, financial condition, and results of operations could be adversely affected. Further, because we have relatively limited historical financial data and operate in a rapidly evolving market, any predictions about our future results of operations may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition, and results of operations could be adversely affected.

We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve, maintain or increase profitability in the future.

We have incurred net losses in each year since our founding, we anticipate increasing expenses in the future, and we may not be able to achieve profitability, or maintain or increase profitability in the future. We incurred a net loss of \$263 million and \$170 million in the three months ended June 30, 2022 and 2023, respectively, and, as of December 31, 2022 and June 30, 2023, we had an accumulated deficit of \$3.8 billion and \$4.9 billion, respectively. We expect our costs will increase over time and our losses to continue as we expect to invest significant additional funds towards growing our business and operating as a public company. We have expended and expect to continue to expend substantial financial and other resources on developing our platform, including expanding our platform offerings, developing or acquiring new platform features and services, acquiring and integrating technologies and businesses, expanding into new markets and categories, and increasing our sales and marketing efforts. These efforts may be more costly than we expect and may not result in sufficient increased revenue or growth in our business to offset such costs. Any failure to increase our revenue

sufficiently to keep pace with our investments and other expenses could prevent us from maintaining or increasing profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition, and results of operations could be adversely affected.

In addition, the stock-based compensation expense related to our restricted stock units ("RSUs") and other outstanding equity awards will result in increased expenses in future periods. As of June 30, 2023, we had \$2.5 billion of unrecognized stock-based compensation expense related to RSUs and other outstanding equity awards. Additionally, we may expend substantial funds in connection with the tax withholding and remittance obligations that arise upon the initial settlement of certain of our RSUs.

If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve, maintain, or increase profitability.

We may not continue to grow on pace with historical rates.

We have grown rapidly over the last several years, and we experienced a significant increase in revenue in 2020 and 2021 during the peak of the COVID-19 pandemic. Our past revenue growth rate, growth in demand for our offerings, and financial performance should not necessarily be considered indicative of our future performance, and the circumstances that accelerated the growth of our business during the peak of the COVID-19 pandemic are not likely to recur. You should not rely on our revenue or key business metrics for any previous quarterly or annual period as any indication of our revenue, revenue growth, key business metrics, or key business metrics growth in future periods.

Our revenue growth rate has fluctuated in prior periods, and it may continue to fluctuate over the short term and decline in the long term as the size of our business grows and as we achieve greater market adoption. We may also experience a declining revenue growth rate as a result of slowing demand for our platform, insufficient growth in the number of merchants, consumers, and Dashers that utilize our platform, increasing competition, a decrease in the growth of our overall market, our failure to capitalize on growth opportunities, and increasing regulatory costs. We also expect to continue to make investments in the development and expansion of our business, which may not result in sufficient revenue or growth to offset the cost of such investments. If our revenue growth rate declines, investors' perceptions of our business and the trading price of our Class A common stock could be adversely affected.

We face intense competition and if we are unable to compete effectively, our business, financial condition, and results of operations would be adversely affected.

The markets in which we operate are intensely competitive and characterized by shifting user preferences, fragmentation, and frequent introductions of new services and offerings. In particular, local food delivery logistics, the largest category of our business today, is fragmented and intensely competitive. Globally, we compete with other local on-demand delivery companies, such as Uber Eats, Just Eat Takeaway (including Grubhub, which it acquired in June 2021), and Delivery Hero, merchants that have their own online ordering platforms, online ordering systems, merchants that own and operate their own delivery fleets, grocers and grocery delivery services, convenience stores and convenience store delivery services, and companies that provide point of sale solutions and merchant delivery services. As we continue to expand to verticals beyond food, we may compete with large Internet companies with substantial resources, users, and market and brand power. In addition, we compete with traditional offline ordering channels, such as take-out offerings, telephone, and paper menus that merchants distribute to consumers as well as advertising that merchants place in local publications to attract consumers. Further, as we continue to expand our presence internationally, we also face competition from local incumbents in these markets.

Our current and future competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater category share in certain markets, market-specific knowledge, established relationships with local merchants and suppliers, larger existing user bases, more successful marketing capabilities, established geographic footprints and infrastructure, and substantially greater financial, technical, and other resources than we have. For example, with grocery delivery, we compete with established grocery chains that have strong bargaining power, established relationships with suppliers, and their own delivery fleets. Greater financial resources and product development capabilities may allow these competitors to respond more quickly and efficiently to new or emerging technologies and changes in merchant, consumer, and Dasher preferences that may render our platform less attractive or obsolete. If certain merchants choose to partner with our competitors in a specific geographic market, or if merchants choose to engage exclusively with our competitors, we may lack a sufficient variety and supply of merchant options or lack access to the most popular merchants, such that our offering would become less appealing to consumers. Our competitors may also make acquisitions or establish cooperative or other strategic relationships among themselves or with others, including merchants. For example, in July 2022, Grubhub announced a partnership with Amazon that allows

Amazon Prime members in the United States to receive a free trial of Grubhub's membership program. Our competitors could also introduce new offerings with competitive price and performance characteristics or undertake more aggressive marketing campaigns than ours. Such efforts may lead us to lose category share or require us to increase our marketing expenses in order to maintain our category share.

In particular, our acquisition of Wolt and the expansion of the combined company may lead to an increase in competitive pressure from both existing competitors and new entrants in an already highly competitive industry. Through the acquisition, we have expanded our operations in Europe and Asia—regions that are already subject to intense competition in many of the categories in which we operate. As a result, existing competitors and any subsequent entrants in Europe and Asia may engage in aggressive consumer acquisition campaigns, develop superior offerings, or consolidate with other entities and achieve benefits of scale in response to our acquisition of Wolt. Such competitive pressures in an already highly competitive market may erode our category share, adversely impact our business, and increase the expenses associated with, or otherwise hinder, our expansion in both existing and new markets, which could adversely impact our business, financial condition, and results of operations.

Many of our competitors are well capitalized and offer discounted services, lower merchant commission rates and consumer fees, greater incentives for independent contractors who provide delivery services, consumer discounts and promotions, innovative platforms and offerings, and alternative pay models, any of which may be more attractive than those that we offer. Such competitive pressures may lead us to maintain or lower our commission rates and fees or maintain or increase our incentives, discounts, and promotions to remain competitive, particularly in markets where we are not in a leading position. Such efforts have negatively affected, and will continue to negatively affect, our financial performance, and there is no guarantee that such efforts will be successful. Further, the markets in which we compete have attracted significant investments from a wide range of funding sources, and we anticipate that many of our competitors will continue to be highly capitalized. These investments, along with the other competitive advantages discussed above, may allow our competitors to continue to lower their prices and fees, or increase the incentives, discounts, and promotions they offer, and compete more effectively against us. Local on-demand delivery services for food and the other verticals in which we compete are nascent, and we cannot guarantee that they will stabilize at a competitive equilibrium that will allow us to achieve, maintain or increase profitability. Further, merchants could determine that it is more cost-effective to develop their own platforms to offer online pickup and delivery rather than use our platform.

It is relatively easy to switch between offerings in our industry. Consumers have a propensity to shift to the lowest-cost provider and could use more than one local commerce platform, independent contractors who provide delivery services could use multiple platforms concurrently as they attempt to maximize earnings, and merchants could prefer to use the local commerce platform that offers the lowest commission rates and adopt more than one platform to maximize their volume of orders. As we and our competitors introduce new offerings and as existing offerings evolve, we expect to become subject to additional competition. Our competitors may adopt certain of our platform features or may adopt innovations that merchants, consumers, or Dashers value more highly than ours, which would make our platform less attractive and more difficult to differentiate. Increased competition could result in, among other things, a reduction of the revenue we generate from the use of our platform, the number of platform users, the frequency of use of our platform, and our margins.

For all of these reasons, we may not be able to compete successfully. If we lose existing merchants, consumers, or Dashers that utilize our platform, fail to attract new merchants, consumers, or Dashers, or are forced to reduce our commission rate or make pricing concessions as a result of increased competition, our business, financial condition, and results of operations would be adversely affected.

If we fail to retain our existing merchants and consumers or acquire new merchants and consumers in a cost-effective manner, our revenue, revenue growth, and margins may decrease and our business, financial condition, and results of operations could be adversely affected.

We believe that growth of our business and revenue is dependent on our ability to continue to cost-effectively grow our platform by retaining our existing merchants and consumers and adding new merchants and consumers, including in new markets. The increase in merchants attracts more consumers to our platform and the increase in consumers attracts more merchants. This network takes time to build and may grow slower than we expect or slower than it has grown in the past. If we fail to retain either our existing merchants, especially our most popular merchants and our national brand partners, or consumers, the value of our network would be diminished. We expect to continue to incur substantial expenses to acquire additional merchants and consumers. In expanding our operations into new markets to acquire additional merchants and consumers, we may be placed into unfamiliar competitive environments, and we may invest significant resources with the possibility that the return on such investments will not be achieved for several years or at all. We cannot assure you that the revenue from the merchants and consumers we acquire will ultimately exceed the cost of acquisition.

In addition, if merchants on our platform were to cease operations, temporarily or permanently, or face financial distress or other business disruption, or if our relationships with merchants on our platform deteriorate, we may not be able to provide consumers with sufficient merchant selection. This risk is particularly pronounced with restaurants, as each year a significant percentage of restaurants go out of business, and in markets where we have fewer merchants. Similarly, if we are unsuccessful in attracting and retaining popular merchants, if merchants enter into exclusive arrangements with our competitors, if we fail to negotiate satisfactory terms with merchants, or if we ineffectively manage our relationships with merchants, our business, financial condition, and results of operations could be adversely affected. Our agreements with partner merchants generally remain in effect until terminated by partner merchants or us. Partner merchants may generally terminate their agreements with us by providing us at least seven or 30 days advance notice and such agreements do not generally provide for any exclusivity. In the event that our partner merchants terminate their agreements with us, the merchant selection available on our local commerce platform could be adversely affected. Changes to our business and to our relationships with some of our constituencies may also impact our ability to attract and retain other constituencies. For example, the increased growth of our membership products, DashPass and Wolt+, and how compelling these offerings are to consumers, depends on our ability to sign up eligible merchants to our membership products. Additionally, many of our consumers initially access our platform to take advantage of certain promotions, such as discounts and other reduced fees. We strive to demonstrate the value of our platform and offerings to such consumers, thereby encouraging them to access our platform regularly or become a paid user of our membership products, through prompts and notifications and time-limited trials of our membership product and other offerings. However, these consumers may never convert to a paid membership of our membership products or access our platform after they take advantage of our promotions. If we are not able to expand our consumer base, convert our consumers to regular paying consumers, or increase the spending of our current consumer base on our platform, demand for our full-price or paid services, including DashPass and Wolt+, and our revenue may grow slower than expected or decline.

If we fail to cost-effectively attract and retain Dashers or to increase the use of our platform by existing Dashers, our business, financial condition, and results of operations could be adversely affected.

Our continued growth depends in part on our ability to cost-effectively attract and retain Dashers who satisfy our screening criteria and procedures and to increase use of our platform by existing Dashers. Dashers have the ability to decline orders or stop using our platform entirely at any time and we do not have any exclusivity provisions with Dashers. Accordingly, if we do not continue to provide Dashers with flexibility on our platform and compelling opportunities to earn income, we may fail to attract new Dashers or retain existing Dashers or increase their use of our platform, or we may experience complaints, negative publicity, or work stoppages that could adversely affect our users and our business. Relatedly, if merchants and consumers choose to use competing offerings, we may lack sufficient opportunities for Dashers to earn, which may reduce the perceived utility of our platform and impact our ability to attract and retain Dashers. To attract and retain Dashers, we have, among other things, invested in making the use of our Dasher applications, and dashing, as frictionless as possible, created new ways for Dashers to earn and get paid, offered monetary incentives and perquisites, including credits to be used for orders on our platform, provided assistance using the Dasher applications, and offered access to programs that provide cashback rewards on certain purchases, including gasoline. We also frequently test Dasher incentives with subsets of existing Dashers and potential Dashers, and these incentives could fail to attract and retain Dashers or fail to increase use of our platform by existing Dashers or could have unintended adverse consequences, including negative press, adverse reactions from existing and potential Dashers, and harm to our brand and reputation in both the U.S. and other markets. Changes in certain laws and regulations, including immigration and labor and employment laws, or laws that require us to make changes to our platform that decrease the flexibility provided to Dashers in certain markets, may result in a decrease in the pool of Dashers, which may result in increased competition for Dashers or higher costs of recruitment and engagement. Other factors outside of our control, such as increases in the price of gasoline, vehicles, or insurance, may also reduce the number of Dashers that utilize our platform or the use of our platform by Dashers. If we fail to attract Dashers, retain existing Dashers on favorable terms, or maintain or increase the use of our platform by existing Dashers, we may not be able to meet the demand of merchants and consumers and our business, financial condition, and results of operations could be adversely affected.

We rely on merchants on our platform for many aspects of our business, and to the extent they fail to maintain their service levels or increase the prices they charge consumers on our platform, our business would be adversely affected.

We rely on merchants on our platform to provide quality goods to our consumers at expected price points. If these merchants experience difficulty servicing consumer demand, producing quality goods, meeting our requirements and standards, or price their goods on our platform at unreasonable rates, our reputation and brand could be damaged. An increase in merchant operating costs, whether due to inflation or otherwise, could cause merchants on our platform to raise prices, renegotiate commission rates, or cease operations, which could in turn adversely affect our revenue, operational costs, and efficiency. Further, some items on our platform are listed at higher prices relative to their in-store

prices. This practice can negatively affect consumer perception of our platform and could result in a decline in consumers or order volume, or both, which would adversely affect our financial condition and results of operations.

We expect a number of factors to cause our results of operations to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance.

Our results of operations have historically varied from period to period, and we expect that our results of operations will continue to vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. As a result, comparing our results of operations on a period-to-period basis may not be meaningful. In addition to other risk factors described elsewhere in this “Risk Factors” section, factors that may contribute to the variability of our quarterly and annual results include:

- our ability to attract and retain merchants, consumers, and Dashers that utilize our platform in a cost-effective manner;
- our ability to accurately forecast revenue and appropriately plan expenses;
- the effects of increased competition on our business;
- our ability to successfully expand in existing markets and successfully enter new markets;
- our ability to successfully integrate acquired technologies and businesses, including in the case of our acquisition of Wolt;
- changes in consumer behavior with respect to on-demand delivery;
- increases in marketing, sales, and other operating expenses that we may incur to grow and acquire new merchants, consumers, and Dashers;
- our business mix between our Marketplaces and Platform Services;
- the contribution to our overall business of our membership products, DashPass and Wolt+;
- the impact of worldwide economic conditions, including the resulting effect on consumer spending on on-demand delivery;
- the seasonality of our business, including the effect of academic calendars on college campuses and seasonal patterns in restaurant dining;
- the impact of weather on our business;
- our ability to maintain an adequate rate of growth and effectively manage that growth;
- our ability to maintain and increase traffic to our platform;
- the contribution to our overall business of our advertising products and services, including the effect that market conditions may have on our ability to sell these products and services;
- the effects of changes in search engine placement and prominence;
- our ability to keep pace with technology changes in our industry;
- the success of our sales and marketing efforts;
- the effects of negative publicity on our business, reputation, or brand;
- our ability to protect, maintain, and enforce our intellectual property;
- costs associated with defending claims, including intellectual property infringement claims, and related judgments or settlements;
- changes in governmental or other regulations affecting our business, including regulations regarding the classification of Dashers that utilize our platform and regulations impacting the commission rates we charge to merchants;
- interruptions in service and any related impact on our business, reputation, or brand;
- the effects of natural or human-made catastrophic events;
- the effects of outbreaks of contagious disease, such as the COVID-19 pandemic, and the response of governments and private industry;

- the impact of price controls that may be imposed by various jurisdictions, and any associated increase in the fees we may have to impose to offset such price controls;
- the effectiveness of our internal control over financial reporting;
- the impact of payment processor costs and procedures;
- changes in the online payment transfer rate; and
- changes in our tax rates or exposure to additional tax liabilities.

The variability and unpredictability of our results of operations could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other results of operations for a particular period. If we fail to meet or exceed such expectations, the market price of our Class A common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

Systems failures and resulting interruptions in the availability of our websites, mobile applications, or platform could adversely affect our business, financial condition, and results of operations.

It is critical to our success that merchants, consumers, and Dashers be able to access our platform at all times. Our systems, or those of third parties upon which we rely, may experience service interruptions or degradation or other performance problems because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, infrastructure changes, human error, earthquakes, hurricanes, floods, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware, or other events. Our systems also may be subject to break-ins, sabotage, theft, and intentional acts of vandalism, including by our own employees. It may become increasingly difficult and expensive to maintain and improve the performance of our systems and the availability of our platform, especially during peak usage times, as our operations grow and the usage of our platform increases. Some of our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures and similar events.

We have experienced and will likely continue to experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our platform. These events have resulted in losses in revenue in the past and in the future could result in significant losses of revenue and may harm our brand and reputation. Moreover, we have in the past voluntarily provided credits to consumers on our platform to compensate them for the inconvenience caused by a system failure or similar event, including for orders that are delivered late or orders that are cancelled by us or the merchant, and may voluntarily provide similar such credits in the future. In addition, affected users could seek monetary recourse from us for their losses and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address. Further, in some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. A prolonged interruption in the availability or reduction in the availability, speed, or other functionality of our platform could adversely affect our business and reputation and could result in the loss of users.

If we are unable to make acquisitions and investments, or successfully integrate acquisitions into our business, including in the case of our acquisition of Wolt, our business, financial condition, and results of operations could be adversely affected.

As part of our business strategy, we will continue to consider a wide array of strategic transactions, including acquisitions of, and investments in, businesses, technologies, intellectual property, services, and other assets and arrangements that complement our business. For example, on May 31, 2022, we completed the acquisition of Wolt. We have previously acquired and invested in, and continue to evaluate, targets that operate in relatively nascent markets and there is no assurance that such acquired businesses, or any investment or strategic transaction that we enter into, will be successfully integrated into our business, generate revenue, or achieve any expected benefits on a timely basis or at all.

Acquisitions and similar strategic transactions involve numerous risks, any of which could harm our business and negatively affect our financial condition and results of operations, including:

- intense competition for suitable acquisition and strategic transaction targets, which could increase prices and adversely affect our ability to consummate deals on favorable or acceptable terms;
- transaction-related lawsuits or claims;
- difficulties associated with managing a larger, more complex, combined company;

- difficulties integrating the technologies, operations, including compensation structures, existing contracts, and personnel of an acquired business;
- difficulties retaining, integrating, and motivating key employees or business partners of an acquired business, and difficulties retaining or motivating our existing key employees or business partners after an acquisition;
- difficulties retaining merchants, consumers, and Dashers, as applicable, of an acquired business;
- challenges integrating accounting, finance, and forecasting practices of acquired businesses with our own, especially in the context of international businesses;
- challenges relating to the structure of an investment, such as governance, accountability, operations, expense sharing, and decision-making conflicts that may arise in the context of a joint venture or other majority ownership investments;
- challenges with integrating the brand identity of an acquired company with our own;
- difficulties in operating a geographically dispersed organization, including as a result of different time zones, languages, and cultural, political, and business practices;
- currency, regulatory, and compliance risks associated with foreign jurisdictions and entry into new markets;
- diversion of financial and management resources from existing operations or alternative acquisition or investment opportunities;
- the need to implement internal controls, procedures, and policies appropriate for a larger, U.S.-based public company like ours at companies we may acquire that prior to acquisition may not have robust controls, procedures, and policies, in particular, with respect to the effectiveness of internal controls, cyber and information security practices, incident response plans, and business continuity and disaster recovery plans, compliance with privacy, data protection, information security, and other regulations, and compliance with U.S.-based economic policies and sanctions which may not have previously been applicable to the acquired company's operations;
- failure to realize the anticipated benefits or synergies of a transaction;
- failure to identify the problems, liabilities, or other shortcomings or challenges of an investment or acquired business, technology, or asset, including issues related to intellectual property, regulatory compliance practices, litigation, information security vulnerabilities, trust and safety practices, brand management, revenue recognition or other accounting practices, or employee or user issues;
- the enactment of new laws or regulations that are adverse to an investment or acquired business, or impede our ability to achieve the expected benefits of such investments;
- regulatory challenges from antitrust or other regulatory authorities that may block, delay, or impose conditions (such as divestitures, ownership, or operational restrictions or other structural or behavioral remedies) on the completion of transactions or the integration of acquired businesses;
- an acquired business or investment in new technologies, products, or services cannibalizing a portion of our existing business;
- additional stock-based compensation issued or assumed in connection with an acquisition or strategic transaction, which may in turn impact our stock price and results of operations;
- as a result of an acquisition, third parties we or an acquired business works with may delay or defer certain business decisions, seek to terminate, change or renegotiate their relationships with us or the acquired business, or consider working with a competitor instead; and
- adverse market reaction to an acquisition, particularly if we are unable to achieve any expected benefits in our results of operation, or if the anticipated benefits are not realized as rapidly or to the extent anticipated or if the transaction costs are greater than expected.

In particular, the ongoing integration of Wolt into our business poses heightened risks, including write-offs or restructuring charges, unanticipated costs, regulatory and compliance risks associated with operating in a number of new jurisdictions, operational difficulties, and the loss of key employees. There can be no assurance that the integration will be accomplished effectively or in a timely manner. In addition, the integration of Wolt will subject us to liabilities that may exist at Wolt or may arise in connection with the completion of the acquisition, some of which may be unknown. Although we and our advisers have conducted due diligence on the operations of Wolt and we have certain rights of indemnification, including an escrow of acquisition consideration to secure certain obligations of Wolt's securityholders, there can be no guarantee that we are aware of all liabilities of Wolt or that the amounts in escrow will be sufficient. Further, the escrow

consists of shares and therefore, even if we are able to recover from the escrow, we will need to use our cash and resources to pay for the liabilities and damages. These liabilities, and any additional risks and uncertainties related to the acquisition not currently known to us or that we may currently deem immaterial or unlikely to occur, could negatively impact our business, financial condition and results of operations, including our profitability.

We have made and may continue to make strategic investments as part of our business strategy. For example, in October 2021, we closed a \$395 million investment in preferred shares of a private grocery delivery platform company based in Europe. Strategic investments inherently involve less control over business operations of the investee, thereby potentially increasing the financial, legal, operational, regulatory, and/or compliance risks associated with the joint venture or strategic investment. In addition, we may be dependent on partners, controlling shareholders, management, or other persons or entities who control them and who may have business interests, strategies, or goals that are inconsistent or competitive with ours. Business decisions or other actions or omissions of the partners, controlling shareholders, management, or other persons or entities who control them may adversely affect the value of our investment, result in litigation or regulatory action against us, and may otherwise damage our reputation and brand. Our ability to sell or transfer, or realize value from our investments may be limited by applicable securities laws and regulations. Entry into certain transactions with foreign entities now or in the future may be subject to government regulations, including review related to foreign direct investment by U.S. or foreign government entities. If a transaction with a foreign entity is subject to regulatory review, such regulatory review might limit our ability to enter into the desired strategic alliance and thus our ability to carry out our long-term business strategy. We can provide no assurance that our strategic investments will generate returns for our business, or that we will not lose our initial investment in whole or in part. For example, during the quarter ended December 31, 2022, in the course of evaluating our investments, we determined impairment indicators existed for a previously disclosed investment in a grocery delivery platform company. Following a valuation of this investment, we incurred an impairment of \$312 million associated with our non-marketable equity securities.

If we fail to address the foregoing risks or other problems encountered in connection with past or future acquisitions of, and investments in, businesses, technologies, services, intellectual property, and other assets and arrangements and investments, or if we fail to successfully integrate or otherwise realize the benefits of such acquisitions, our business, financial condition, and results of operations could be adversely affected.

Our international operations and any future international expansion will subject us to additional costs and risks and our plans may not be successful.

We have significant international operations, and we expect to continue to make significant investments in non-U.S. markets as part of our growth strategy. We currently operate in over 25 countries across the globe. Our operations outside of the United States require significant operating expenses and management attention in order to oversee operations over broad geographic areas with varying regulations, cultural norms, and customs, in addition to placing strain on our finance, analytics, compliance, legal, engineering, and operations teams. Our current international operations and our plans for investment in non-U.S. markets subject us to a number of risks and we may not be successful in our international operations for a variety of reasons, including:

- an inability to recruit and retain talented and capable employees in foreign countries and maintain our company culture across all of our offices;
- an inability to attract merchants, consumers, and Dashers;
- competition from local incumbents that better understand the local market, may market and operate more effectively, and may enjoy greater local affinity or awareness;
- differing demand dynamics, which may make our platform less successful;
- difficulty localizing, or an inability to localize, services for merchants, Dashers, and consumers in non-U.S. markets;
- complying with varying laws and regulatory standards across jurisdictions, including with respect to labor and employment, data privacy, data protection, tax, export control and sanctions, public health, payment processing, transactions, and local regulatory restrictions;
- increased financial accounting and reporting requirements and complexities, including with respect to revenue recognition and similar accounting principles;
- difficulties with communication and information sharing as a result of communication barriers, cultural norms and customs, and differing legal, compliance, trust and safety, accounting, and financial standards, especially as it relates to compliance with laws, internal controls and processes, and financial reporting;

- adverse tax consequences, including the complexities of foreign value added and digital services tax systems, and restrictions on the repatriation of earnings;
- unique and varying terms and conditions and cultural norms in contract negotiations across jurisdictions;
- varying payment cycles and difficulties in enforcing contracts and collecting accounts receivable;
- obtaining any required government approvals, licenses, or other authorizations;
- varying levels of Internet and mobile technology adoption and infrastructure;
- foreign currency exchange restrictions or costs;
- operating in jurisdictions that do not protect intellectual property rights in the same manner or to the same extent as the United States;
- public health concerns or emergencies, such as the COVID-19 pandemic and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred, and which may occur, in various parts of the world in which we operate or may operate in the future; and
- limitations and differences in available instruments to invest our funds, including the risk profile associated with such investments, and limitations on our ability to repatriate funds.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake may not be successful. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected. In addition, international expansion may subject our business to broader economic, political, and other international risks, including economic volatility, security risks, and geopolitical conflicts, and may increase our risks in complying with various laws and standards, including with respect to anti-corruption, anti-bribery, export controls, and trade and economic sanctions such as U.S. Office of Foreign Assets Control sanctions and similar European Union ("EU") sanctions. For example, the civil unrest in Kazakhstan required Wolt to temporarily suspend its business operations in the country due to safety and security concerns, as well as the unavailability of, and significant disruptions to, Internet service. While we have been able to resume business operations in Kazakhstan, such events may occur in the future in other countries or regions leading to similar disruptions. In addition, Wolt's operations in markets that are in close proximity to Russia increases the difficulty in complying with trade and economic sanction regimes related to business with Russia.

Our pricing methodologies are impacted by a number of factors and ultimately may not be successful in attracting and retaining merchants, consumers, and Dashers. Price controls on local commerce platforms will have an adverse impact on our results of operations.

Demand for our platform is highly sensitive to a range of factors, including the price of the goods delivered, the amount of compensation and gratuities required to attract and retain Dashers, incentives paid to Dashers, and the fees and commissions we charge merchants and consumers. Many factors, including operating costs, legal and regulatory requirements, constraints or changes, and our current and future competitors' pricing and marketing strategies, could significantly affect our pricing strategies. For example, fees and commissions charged by local commerce platforms have been under increased scrutiny and are expected to continue to be subject to political and public debate in the jurisdictions in which we and our subsidiaries operate. Many jurisdictions in which we have operations have price control measures in effect on local commerce platforms and we expect other such measures may be enacted in the future. These price controls have caused, and may in the future cause, us to increase the fees we charge to consumers. To the extent that price control measures lead to an increase in the fees we charge to consumers, consumer demand for our services could be reduced, which would further harm our business and results of operations. Our risks related to price controls are described in more detail under "*Our business is subject to a variety of laws and regulations globally, including those related to worker classification, Dasher pay, and merchant pricing and commissions, many of which are unsettled and still developing, and failure to comply with such laws and regulations could subject us to claims or otherwise adversely affect our business, financial condition, or results of operations and subject us to legal claims.*"

Certain of our competitors offer, or may in the future offer, lower-priced or a broader range of offerings. Similarly, certain competitors may use marketing strategies that enable them to attract and retain new merchants, consumers, and Dashers at a lower cost than us. There can be no assurance that we will not be forced, through competition, regulation, or otherwise, to reduce the price of delivery for consumers, increase the incentives we pay to Dashers that utilize our platform, further reduce the fees and commissions we charge merchants, or increase our marketing and other expenses to attract and retain merchants, consumers, and Dashers in response to competitive pressures. We have launched, and may in the future launch, new pricing strategies and initiatives, including Dasher or consumer loyalty programs, such as

our membership products like DashPass and Wolt+, or modify existing pricing methodologies or the way in which fees, taxes, or similar items are presented on our platform, any of which may not ultimately be successful in attracting and retaining merchants, consumers, or Dashers and which may result in lower commissions or fees, which could adversely affect our business, financial condition, and results of operations. Further, our consumers' price sensitivity may vary by geographic location, and as we expand, our business model and pricing methodologies may not be competitive in these locations. As a result, our continued international expansion may require us to change our operations and pricing strategies to adjust to different cultural norms, including with respect to consumer pricing and gratuities.

Our assessments about optimal pricing strategy may not be accurate and may not enable us to compete in the categories and regions in which we operate effectively. There may also be errors or defects in the technology we use to set our prices, which could result in underpricing or overpricing our services. In addition, if the services on our platform change, then we may need to revise our pricing methodologies. Any such pricing assumptions, technological errors or defects in pricing, or changes to our pricing methodology could adversely affect demand for our platform, our brand and reputation, and results of operations.

We face certain risks associated with our pay models for Dashers.

Our pay models for Dashers, particularly with respect to tips for Dashers, has previously led, and may continue to lead, to negative publicity, lawsuits, arbitration demands, and government inquiries. For example, under a former pay model for Dashers in the United States, we would increase the amount paid to Dashers on a delivery in cases when a consumer left little or no tip. Although this "boost" pay was intended to help Dashers by making every delivery economically worthwhile, it also had the unintended effect of causing some people to be under the misimpression that not all tips were being received by Dashers. Government authorities have brought claims against us related to our former DoorDash Dasher pay model and may bring similar claims in the future. We could face similar claims related to our former DoorDash Dasher pay model from other government authorities in the future.

We have also launched, and may in the future launch, changes to the rates and fee structure for Dashers that utilize our platform, which may not ultimately be successful in attracting and retaining Dashers and may result in negative publicity or damage our reputation. For example, we increased the amount we pay to DoorDash Dashers per order when we changed our pay model in September 2019, but this pay model also causes less consistency in earnings across deliveries in some cases. This pay model has resulted in, and in the future may result in, negative publicity related to perceptions of its complexity, inconsistency in earnings for Dashers, and lack of flexibility in the ways consumers can leave tips, and as a result, we may not be successful in attracting and retaining merchants, consumers, and Dashers. In addition, in June 2023, we introduced an option for Dashers in select cities to earn a guaranteed hourly rate while delivering. In the future, based on a variety of factors, including legal and regulatory changes and expansion into new categories and geographies, we may change our Dasher pay models again. In particular, new or amended laws and regulations could require us to make changes to our Dasher pay models, or make other changes to our platform, that decrease the flexibility provided to Dashers in certain markets, which may also impact our ability to cost-effectively acquire or retain Dashers. Our current Dasher pay models, and any future changes to our pay models or our ability to cost-effectively acquire and retain Dashers, could result in an increase to the fees we charge to consumers, which in turn could affect our ability to attract and retain consumers, and could adversely affect our business, financial condition, and results of operations.

Further, while we maintain that Dashers that utilize our platform are independent contractors, there is a risk that Dashers may be reclassified as employees under U.S. federal or state law or laws of other jurisdictions in which we operate. As discussed further elsewhere in this Quarterly Report on Form 10-Q, we have been involved in and continue to be involved in numerous legal proceedings related to Dasher classification in the United States, and such proceedings have increased in volume since the California Supreme Court's 2018 ruling in *Dynamex Operations West, Inc. v. Superior Court ("Dynamex")*, including an action brought by the San Francisco District Attorney in June 2020. Certain risks related to reclassification of Dashers that use our platform are described in more detail under *"If Dashers that utilize our platform are reclassified as employees under U.S. federal or state law or the laws of other jurisdictions in which we operate, our business, financial condition, and results of operations would be adversely affected."* A reclassification of Dashers as employees could require us to revise our pricing methodologies and Dasher pay models to account for such a change to Dasher classification, and to make other substantive internal adjustments to account for any transition of a subset of Dashers to employment positions, which would have an adverse impact on our business, financial condition, and results of operations.

If we fail to manage our growth effectively, our brand, business, financial condition, and results of operations could be adversely affected.

Since 2013, we have experienced rapid growth in our employee headcount, the number of users on our platform, our geographic reach, and our operations, and we expect to continue to experience growth in the future. We have experienced rapid employee headcount growth at our San Francisco headquarters, in a number of our offices across the United States, internationally, and with employees working remotely globally. We have also expanded our presence, both in employee headcount and operationally, in Europe and Asia through our acquisition of Wolt. This growth has placed, and may continue to place, substantial demands on management and our operational and financial infrastructure.

Our failure to implement and maintain effective internal control over financial reporting as a result of our rapid growth, including at Wolt and other companies we may acquire, could result in errors in our condensed consolidated financial statements that could result in a restatement of our financial statements, and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in us and could cause a decline in the price of our Class A common stock. We will need to continue to improve our operational and financial infrastructure in order to manage our business effectively and accurately report our results of operations. Similarly, our failure to implement and maintain effective data and information security systems with respect to our platform as we grow could result in breaches, security incidents, theft or fraud, service disruptions, loss of user confidence in our platform, legal claims, regulatory investigations, and damage to our reputation or brand, any of which could adversely affect our business, financial condition and results of operations.

We have made, and intend to continue to make, substantial investments in our technology, customer service, and sales and marketing infrastructure. Our ability to manage our growth effectively and to integrate new employees, technologies, services, and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to effectively integrate, develop, and motivate a large number of new employees, while maintaining the beneficial aspects of our culture. Continued growth could challenge our ability to develop and improve our operational, financial, and management controls, enhance our reporting systems and procedures, recruit, train, and retain highly skilled personnel, and maintain user satisfaction. Additionally, if we do not manage the growth of our business and operations effectively, the quality of our platform and the efficiency of our operations could suffer, which could adversely affect our reputation and brand, business, financial condition, and results of operations.

Growth of our business will depend on a strong reputation and brand, and any failure to maintain, protect, and enhance our brand would hurt our ability to retain or expand our base of merchants, consumers, and Dashers and our ability to increase their level of engagement.

We believe that building a strong reputation and brand and continuing to increase the strength of the local network effects among the merchants, consumers, and Dashers that use our platform are critical to our ability to attract and retain all three constituencies and increase their engagement with our platform and will only become more important as competition in our industry further intensifies. Similarly, maintaining and enhancing the Wolt reputation and brand will be particularly important for our continued growth in Europe and Asia. Successfully maintaining, protecting, and enhancing our reputation and brand and increasing the local network effects of our platform will depend on the success of our marketing efforts, our ability to provide consistent, high-quality services and support, and our ability to successfully secure, maintain, and defend our rights to use the "DoorDash" and "Wolt" marks, our logos, and other trademarks important to our brand, as well as a number of other factors, many of which are outside our control. We believe that our paid marketing initiatives have been critical in promoting awareness of our platform, which in turn drives new user growth and engagement, but future marketing efforts may not be successful or cost-effective. Our users have a wide variety of options for delivery of goods, including other local commerce platforms and services, and consumer preferences may also change from time to time. To expand our user base, we must appeal to new users who may have historically used other methods of delivering goods or other local commerce platforms.

Our reputation, brand, and ability to build trust with existing and new merchants, consumers, and Dashers may be adversely affected by complaints and negative publicity about us, our platform, merchants, and Dashers that utilize our platform or our competitors' platforms, even if factually incorrect or based on isolated incidents. The effect of negative publicity could be exacerbated to the extent dissatisfaction with, or complaints concerning, us are disseminated via social media, due to its immediacy and accessibility as a means of communication. Any such expressions of dissatisfaction or complaints, even if ultimately concluded to be unfounded or successfully resolved without direct adverse financial effects,

could still harm our brand, reputation, and local network effects. Negative perception of our platform or company may result from:

- complaints or negative publicity about us, our platform, services or items provided through our platform, including highly regulated products, Dashers, merchants, consumers, or our policies and guidelines, including Dasher pay;
- missing or incorrect items, inaccurate orders, or cancelled orders;
- fraud;
- illegal, negligent, reckless, or otherwise inappropriate behavior by users or third parties;
- food tampering or inappropriate or unsanitary food preparation, handling, or delivery;
- traffic accidents caused by, or involving, Dashers or employee couriers or death or serious injury involving a Dasher or employee couriers or any party associated with us;
- a pandemic or an outbreak of disease, such as the COVID-19 pandemic, in which constituencies of our network become infected;
- a failure to provide Dashers with a sufficient level of orders or otherwise pay Dashers competitively;
- a failure to offer consumers competitive pricing and delivery times;
- a failure to provide a range of delivery options sought by consumers;
- a failure to provide environmentally friendly delivery and packaging options;
- actual or perceived disruptions to or defects in our platform or similar incidents, such as privacy or data security breaches or other security incidents, site outages, payment disruptions, or other incidents that impact the reliability of our services;
- litigation over, or investigations by regulators into, our platform;
- users' lack of awareness of, or compliance with, our policies;
- changes to our policies that users or others perceive as overly restrictive, unclear, inconsistent with our values or mission, or not clearly articulated;
- a failure to comply with legal, tax, privacy, and regulatory requirements, including violations of food information and alcohol delivery age verification regulations;
- changes to our practices with respect to collection and use of consumer, merchant, and Dasher data;
- a failure to enforce our policies in a manner that users perceive as effective, fair, and transparent;
- a failure to operate our business in a way that is consistent with our values and mission;
- inadequate or unsatisfactory user support experiences;
- illegal or otherwise inappropriate behavior by our management team or other employees or contractors;
- negative responses by merchants, consumers, or Dashers to new services on our platform;
- a failure to register and prevent misappropriation of our trademarks;
- perception of our treatment of employees, merchants, consumers, and Dashers and our response to employee, merchant, consumer, and Dasher sentiment related to political or social causes or actions of management;
- our operations in regions that are or become subject to geopolitical instability, conflict, or economic sanctions, and any negative consequences of such operations to us, our merchants, consumers, or Dashers; or
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of us or our industry as a whole.

If we do not successfully develop, protect, and enhance our reputation and brand and increase the local network effects of our platform, our business may not grow, and we may not be able to compete effectively. If existing and new merchants and consumers do not perceive the delivery services provided by Dashers that utilize our platform to be reliable, safe, and affordable, or if we fail to offer new and relevant services and features on our platform, we may not be able to attract or retain merchants, consumers, or Dashers or to increase their use of our platform, any of which we expect would adversely affect our business, financial condition, and results of operations. In addition, changes we may make to enhance and improve our platform and balance the needs and interests of merchants, consumers, and Dashers that utilize our platform may be viewed positively from one group's perspective but negatively from another group's perspective, or may not be

viewed positively by any group. If we fail to balance the interests of merchants, consumers, and Dashers or make changes that they view negatively, merchants, consumers, and Dashers may stop or reduce usage of our platform or use alternative platforms, any of which could adversely affect our reputation, brand, business, financial condition, and results of operations.

Unfavorable media coverage could harm our business, financial condition, and results of operations.

We are the subject of media coverage from time to time. Unfavorable publicity regarding our business model, Dasher pay models, user support, technology, platform policies, platform changes, platform quality, delivery issues, privacy or security practices, management team, compliance with laws and regulations, or the health and safety of Dashers, employee couriers, merchants, and consumers using our platform could adversely affect our reputation. Such negative publicity could also harm the size of our network and the engagement and loyalty of merchants, consumers, and Dashers that utilize our platform, which could adversely affect our business, financial condition, and results of operations. For example, we have previously received negative media coverage related to the manner in which Dashers were compensated, in particular with respect to gratuities, concerns related to food tampering and general food safety and quality, and concerns regarding the safety of Dashers, consumers, and merchants using our platform, which has adversely affected our reputation and brand. As our platform continues to scale and public awareness of our brand increases, any future issues that draw media coverage could have an amplified negative effect on our reputation and brand. In addition, negative publicity related to key brands, influencers, or other third parties that we have partnered with or may partner with in the future may damage our reputation, even if the publicity is not directly related to us. Any negative publicity that we may receive could diminish confidence in, and the use of, our platform, which could adversely affect our business.

We have been subject to cybersecurity incidents in the past and anticipate being the target of future attacks. Any actual or perceived cybersecurity incident or security or privacy breach could interrupt our operations, harm our brand, subject us to claims, litigation, regulatory investigations and liability, and adversely affect our reputation, brand, business, financial condition, and results of operations.

Our business involves the collection, storage, processing, and transmission of personal data and other sensitive and proprietary data of our merchants, consumers, and Dashers. Additionally, we maintain sensitive and proprietary data relating to our business, including our own proprietary data and personal data relating to our employees. Cybersecurity incidents are increasing in severity and sophistication and can originate with external actors or with our employees and contractors, whether acting maliciously or by inadvertently providing access to an external party or having their credentials compromised by an external party. Further, due to the current geopolitical environment, there is heightened risk of cybersecurity incidents sponsored by state actors, which could target businesses. These incidents can originate on our vendors' systems, which can be leveraged to access our websites, platforms, and data, including personal data. We and our vendors have previously experienced these types of breaches and other incidents. For example, in August 2022, we reported an incident affecting one of our vendors that resulted in unauthorized access to personal data of certain consumers and Dashers. In addition, in December 2021, we investigated and patched Log4j vulnerabilities that, if exploited, could have allowed for unauthorized remote code execution in our systems. We have undertaken steps to enhance our data security and governance program, which include adding security layers around data, improving access controls, hiring additional personnel with data security experience, and using outside expertise to identify and repel threats. We cannot assure you that all potential causes of these incidents have been identified and remediated or will not lead to recurrence or other incidents.

Because techniques used to obtain unauthorized access to or to sabotage information systems change frequently and may not be known until launched against us or our vendors, we and our vendors may be unable to anticipate or prevent these attacks, react in a timely manner, or implement adequate preventive measures, and we and our vendors may face delays in our detection or remediation of, or other responses to, breaches and other incidents. Unauthorized parties have in the past gained access, and may in the future gain access, to systems used in our business through various means, including gaining unauthorized access to the systems of merchants, consumers, and Dashers that use our platform. In addition, there may be attempts to fraudulently induce our employees, merchants, consumers, Dashers, vendors, or others into disclosing user names, passwords, payment card information, or other sensitive information resulting in the fraudulent transfer of funds to bad actors. With the prevalence of remote work, we may be exposed to increased risks of breaches or incidents via such methods.

Although we have taken measures to protect our systems and the data in our possession, these measures have not fully protected our systems in the past and cannot guarantee security in the future. Our IT and infrastructure may be vulnerable to viruses, social engineering, vulnerabilities, denial of service, credential stuffing, ransomware and other malware, employee error and malfeasance, and other sources of disruption, and unauthorized parties may be able to access data, including personal data and other sensitive and proprietary data, through those systems. Although we have policies

restricting the access to the personal data we store, these policies may not be effective in all cases. Any actual or perceived breach or similar incident could interrupt our operations, harm our reputation, brand, and competitive position, result in our platform being unavailable, loss or improper access to, or unavailability of, data, fraudulent transfer of funds, regulatory investigations, proceedings, and significant legal, regulatory, and financial exposure. Any such incidents or any perception that our security measures are inadequate could lead to loss of merchant, consumer, or Dasher confidence in, or decreased use of, our platform, any of which could adversely affect our business, financial condition, and results of operations. Further, any cyberattacks or actual or perceived breaches or other incidents directed at, or suffered by, our competitors could reduce confidence in our industry as a whole and, as a result, reduce confidence in us.

Any actual or perceived breach or other security incident, impacting any entities with which we share or disclose data (including, for example, our vendors) could have similar effects. Our ability to monitor our vendors' security measures is limited. There have been and may continue to be significant supply chain attacks, and we cannot guarantee that our or our vendors' systems have not been breached or that they do not contain exploitable defects, bugs, or vulnerabilities that could result in an incident, breach, or other disruption to, our or our vendors' systems.

Additionally, defending against claims or litigation based on any breach or incident, regardless of their merit, could be costly and divert management's attention. While we maintain cyber insurance that may help provide coverage for these types of incidents and resulting claims, we cannot be certain that our insurance coverage will be adequate for liabilities incurred relating to any breach or incident, that insurance will continue to be available to us on commercially reasonable terms or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of any claim against us that exceeds available insurance coverage, or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition, and results of operations.

The on-demand local commerce category is still in relatively early stages of growth, and if this category does not continue to grow, or grows slower than we expect, our business, financial condition, and results of operations could be adversely affected.

The on-demand local commerce category has grown rapidly since we launched our platform in 2013, but it is still relatively new, and it is uncertain to what extent market acceptance will continue to grow, if at all. The markets for certain services we facilitate, in particular convenience, grocery, advertising, and certain other categories, may be in even earlier stages of development than our restaurant category, and it is uncertain whether demand for these services will continue to grow and achieve wide market acceptance, if at all. In addition, through our acquisition of Wolt, we have entered many geographies where the development of the on-demand local commerce category may be at different stages of market acceptance. Our success will depend to a substantial extent on the willingness of people to widely adopt on-demand local commerce platforms. Changing traditional ordering habits is difficult, and if merchants and consumers do not embrace the transition to on-demand local commerce platforms as we expect, including as a result of concerns regarding safety, affordability, or for other reasons, whether as a result of incidents on our platform or on our competitors' platforms or otherwise, or instead adopt alternative solutions that may arise, then the market for our platform may not further develop or may develop slower than we expect, either of which could adversely affect our business, financial condition, and results of operations.

We are committed to expanding our platform and enhancing the DoorDash experience, which may not maximize short-term financial results and may yield results that conflict with the market's expectations, which could result in our stock price being adversely affected.

We are passionate about expanding our platform and continually enhancing the DoorDash experience, with a focus on driving long-term engagement through innovation, the expansion of our platform and services, and providing high-quality support, which may not necessarily maximize short-term financial results. We frequently make business decisions that may negatively impact our short-term financial results when we believe that the decisions are consistent with our goals to improve the DoorDash experience, which we believe will improve our financial results over the long term. These decisions may not be consistent with the short-term expectations of our stockholders and may not produce the long-term benefits that we expect, in which case our growth, business, financial condition, and results of operations could be adversely affected.

Illegal, improper, or otherwise inappropriate activity of merchants, consumers, or Dashers, whether or not occurring while using our platform, could expose us to liability and adversely affect our business, brand, financial condition, and results of operations.

Illegal, improper, or otherwise inappropriate activities by merchants, consumers, or Dashers, including the activities of individuals who may have previously engaged with, but are not then receiving or providing services offered through, our

platform or individuals who are intentionally impersonating consumers or Dashers, have occurred, and in the future may occur, which could adversely affect our brand, business, financial condition, and results of operations. These activities include food tampering, inappropriate or unsanitary food preparation, handling, or delivery, including the use of unsafe or inappropriate delivery equipment, assault, battery, theft, unauthorized use of credit and debit cards or bank accounts, sharing of consumer accounts, registering Dasher accounts with us with stolen personal information, consumer identity theft, and other misconduct. Such activities may result in injuries, property damage, or loss of life for consumers and third parties, or business interruptions, reputational and brand damage, or other significant liabilities for us.

We have in the past incurred, and may in the future incur, losses from various types of fraud, including use of stolen or fraudulent credit card data, referral fraud by both consumers and Dashers, fraud with respect to background checks, fraud by employees or agents relating to payments or credits on our platform, attempted payments by consumers with insufficient funds, exploitation of system bugs or vulnerabilities to circumvent payment requirements, fraud committed by consumers in concert with Dashers, and account takeovers of Dasher accounts by bad actors. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person's identity, account information, or payment information and unauthorized acquisition or use of credit or debit card details, bank account information, and mobile phone numbers. For example, bad actors have created Dasher accounts using other people's stolen personal identifying information to commit fraud on our platform and for other illicit purposes. Among other things, in the United States, this has caused Form 1099s to be incorrectly sent to individuals who are not performing services as Dashers. We have launched a series of initiatives and product changes to help prevent these practices, but there can be no assurances that our efforts will be successful in fully remediating this or similar issues.

Under current credit card practices, we may be liable for orders facilitated on our platform with fraudulent credit card data, even if the associated financial institution approved the credit card transaction. Despite measures we have taken to detect and reduce the occurrence of fraudulent or other malicious activity on our platform, we cannot guarantee that any of our measures will be effective or will scale efficiently with our business. Our failure to adequately detect or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action, and lead to expenses that could adversely affect our business, financial condition, and results of operations.

While we have implemented various measures intended to anticipate, identify, and address the risk of these types of illegal, improper, or otherwise inappropriate activities of merchants, consumers, and Dashers, these measures may not adequately address or prevent all such activity from occurring and such conduct could expose us to liability, including through litigation, or adversely affect our brand or reputation. For example, Dashers whose accounts we have deactivated from our platform may nevertheless find a way to create a new account on our platform and perform deliveries. At the same time, if the measures we have taken to guard against these illegal, improper, or otherwise inappropriate activities, such as our requirement that all Dashers undergo a background check where permitted by applicable law, are too restrictive and inadvertently prevent Dashers and consumers otherwise in good standing from using our platform, or if we are unable to implement and communicate these measures fairly and transparently or are perceived to have failed to do so, or if our competitors do not adopt similar measures, the growth and engagement of the number of Dashers and consumers on our platform and their use of our platform could be adversely affected. In addition, our ability to adopt measures to anticipate, identify, and address illegal, improper, or otherwise inappropriate activity may be particularly limited with our Self-Delivery service, which enables merchants on our Marketplaces to fulfill orders with their own delivery fleets. These delivery providers are retained directly by merchants, and as a result, we do not conduct background checks on such providers or engage in any of the other activities that are a part of the typical onboarding process for Dashers on our platform. Any negative publicity related to incidents involving illegal, improper, or otherwise inappropriate activities, or the measures we adopt to mitigate the risk of such incidents, whether such incident occurred on our platform or on our competitors' platforms, could adversely affect our reputation and brand or public perception of our industry as a whole, which could negatively affect demand for platforms like ours, and potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

Our platform facilitates deliveries to consumers from non-partner merchants, and we face certain risks associated with these deliveries.

We aim to have a broad selection of merchants on our platform, which sometimes includes facilitating deliveries to consumers from non-partner merchants. Facilitating deliveries from non-partner merchants is generally less operationally efficient than doing so with partner merchants, as our platform is not integrated with non-partner merchants' systems. As a result, we generally experience higher operational expenses for each order and a higher likelihood of errors. The occurrence of any errors, delays with orders, or other problems associated with facilitating deliveries with non-partner merchants could create a negative perception of our platform and cause damage to our reputation and brand.

Some non-partner merchants may not want to be included on our platform and may request to be removed. There is a risk that non-partner merchants will bring legal claims against us relating to their inclusion on our platform. For example, in 2015, In-N-Out Burger filed a complaint against us claiming unfair competition, among other claims, and sought a permanent injunction to stop us from delivering their food. In addition, measures have been enacted in many U.S. jurisdictions that prohibit, among other things, on-demand local commerce platforms like ours from facilitating deliveries from restaurants without the restaurants' prior consent. We have adopted internal policies pursuant to which we generally do not add new non-partner restaurants for delivery on our platform in the United States and require the use of disclaimers with existing non-partner restaurants on our platform in the United States to inform consumers that such restaurants are not partnered with us. However, we continue to add non-partner merchants in categories other than restaurants. In the future, we may continue to revise and update our internal policies related to non-partner restaurants and other merchants. To the extent we are required or we choose to remove non-partner merchants for any reason, this may adversely affect our ability to provide a broad selection of merchants on our platform, attract and retain consumers and could directly and adversely affect our business, financial condition, and results of operations.

If we do not continue to innovate and further develop our platform, our platform developments do not perform, or we are not able to keep pace with technological developments, we may not remain competitive and our business and results of operations could suffer.

Our success depends in part on our ability to continue to innovate and further develop our platform. To remain competitive, we must continuously enhance and improve the functionality and features of our platform, including our websites and mobile applications and the suite of merchant services that we offer through our platform. If we fail to expand the suite of merchant services that we offer through our platform, or if we fail to continuously enhance and improve our existing merchant services, our ability to retain and acquire merchants could be adversely affected. To compete effectively, we must also provide a convenient, efficient, and reliable consumer experience on our platform, and we may be unable to effectively address consumer needs or identify emerging consumer trends. If competitors introduce new features, offerings, or technologies, or if new industry standards and practices or consumer trends emerge, our existing technology, services, websites, and mobile applications may become less popular or obsolete. For example, our competitors may develop and commercialize autonomous and drone delivery technologies at scale before we or our partners do. In the event that our competitors bring autonomous or drone delivery to market before we do, or their technology is, or is perceived to be, superior to our or our partners' technology, they may be able to leverage such technology to compete more effectively with us, which would adversely affect our business, financial condition, and results of operations. Our future success could depend on our ability to invest in, develop, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner.

We have scaled our business rapidly and significant new platform features and services have in the past resulted in, and in the future may continue to result in, operational challenges affecting our business. Developing and launching enhancements to, and new services on, our platform may involve significant technical risks, the time and attention of our personnel, including management and key employees, and upfront capital investments that may not generate return on investment. We may use new technologies ineffectively, or we may fail to adapt to emerging industry standards. If we face material delays in introducing new or enhanced platform features and services or if our recently introduced offerings do not perform in accordance with our expectations, the merchants, consumers, and Dashers that utilize our platform may forego the use of our services in favor of those of our competitors.

We face certain risks with our convenience, grocery, and other retail operations in connection with our self-operated convenience and grocery stores.

We face certain risks in connection with the operation of DashMart and Wolt Market, our self-operated convenience and grocery delivery businesses. To build and expand DashMart and Wolt Market, we have made substantial investments, including in establishing and managing a reliable supply chain for groceries, including the maintenance of a cold chain to ensure food safety and hygiene, establishing supply-related contractual partnerships, inventory management, leasing premises, hiring personnel, and rolling out relevant technologies and processes. We also plan to continue to invest in such businesses in the future. The maintenance and expansion of our DashMart and Wolt Market businesses requires significant investments, and there is no assurance that we will realize any of the anticipated benefits. In locations where we operate DashMart and Wolt Market, we may not be able to generate a sufficient number of orders to make such services viable in certain locations and we may incur significant costs before we can determine the viability of these DashMart and Wolt Market locations. Our self-operated retail locations also expose us to different regulatory requirements and risks than our Marketplaces and Platform Services, in particular with respect to food safety, alcoholic beverage licenses, and zoning restrictions. Our expansion into convenience, grocery, and other retail categories, may also result in the diversion of management's attention from other business opportunities as well as the diversion of resources from support functions, which could adversely affect our business, financial condition, and results of operations.

Our marketing efforts to help grow our business may not be effective.

Promoting awareness of our platform is important to our ability to grow our business and to attract new merchants, consumers, and Dashers and can be costly. We believe that much of the growth in the number of merchants, consumers, and Dashers that utilize our platform is attributable to our paid marketing initiatives. Our marketing efforts currently include referrals, affiliate programs, free or discount trials, partnerships, display advertising, television, billboards, radio, video, direct mail, social media, email, podcasts, hiring and classified advertisement websites, mobile “push” communications, search engine optimization, and keyword search campaigns. Our marketing initiatives may become increasingly expensive and generating a meaningful return on these initiatives may be difficult. Even if we successfully increase revenue as a result of our paid marketing efforts, it may not offset the additional marketing expenses we incur. If our marketing efforts to help grow our business are not effective, we expect that our business, financial condition, and results of operations would be adversely affected.

If we fail to maintain or improve the cost-effectiveness of our local commerce platform, our business, financial condition, and results of operations could be adversely affected.

Our ability to provide a cost-effective local commerce platform depends on a number of factors, including Dasher efficiency and Dasher pay. Dasher efficiency relies on the technology that powers our platform and while we continue to make significant investments to improve the efficiency and sophistication of our technology, including enhancements to demand prediction, forecasting food preparation times at merchants, and optimizing our routing and batching algorithms, there is no guarantee that such efforts will be successful and produce the resulting gains in efficiency to our platform that we expect, or at all. Dasher pay is a major component of the cost of our business and subject to a number of risks, including changes to our Dasher pay models and changes in macroeconomic conditions. The cost-effectiveness of our platform would also be adversely affected if our operational and technological improvements do not reduce the number of defective orders and accordingly our cost of revenue and refunds and credits. If we are unable to maintain or improve the cost-effectiveness of our platform, including with respect to Dasher efficiency and Dasher pay, our business, financial condition, and results of operations could be adversely affected.

Any failure to offer high-quality support may harm our relationships with merchants, consumers, and Dashers and could adversely affect our business, financial condition, and results of operations.

Our ability to attract and retain merchants, consumers, and Dashers is dependent in part on our ability to provide high-quality support. Merchants, consumers, and Dashers depend on our support organization to resolve any issues relating to our platform. We rely on third parties to provide some support services and our ability to provide effective support is partially dependent on our ability to attract and retain third-party service providers who are not only qualified to support users of our platform but are also well versed in our platform. As we continue to grow our business and improve our offerings, we will face challenges related to providing high-quality support services at scale. Additionally, as we continue to grow our international business and the number of non-U.S. based users on our platform, our support organization will face additional challenges, including those associated with delivering support in languages other than English and in ways consistent with the customs and dominant technologies used in the various geographies in which we operate. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, could harm our reputation and adversely affect our ability to scale our platform and business, our financial condition, and results of operations.

We experience significant seasonal fluctuations in our financial results, which could cause our Class A common stock price to fluctuate.

Our business is highly dependent on consumer spending habits and Dasher behavior patterns, each of which have a significant impact on our growth and expenses. We may experience changes in consumer activity over the course of the calendar year, although our rapid growth in historical periods has made, and may continue to make, seasonal fluctuations difficult to detect. For example, consumer activity may be impacted by weather. Colder or more inclement weather may increase consumer demand, while warmer or sunny weather may decrease consumer demand. In contrast, the number of available Dashers may decrease during periods of cold or inclement weather, during times when we need more Dashers available to fulfill orders driven by increased consumer demand. In such instances, we typically rely on incentive pay to attract sufficient Dashers to maintain the quality of our platform, which increases our costs. Further, severe weather can cause businesses, including restaurants, to close, making it impossible for Dashers to fulfill deliveries. We also benefit from increased order volume in our campus markets when school is in session, and we experience a decrease in order volume when school is not in session and during summer breaks and other vacation periods, causing a decrease in Dasher pay and adverse effects to our results of operations during impacted periods. Seasonality will likely cause fluctuations in our financial results on a quarterly basis. In addition, other seasonal trends may develop and the existing

seasonal trends that we experience may become more pronounced and contribute to greater fluctuations in our results of operations as we continue to scale and our growth slows. As such, we may not accurately forecast our results of operations and we may not be able to adjust our spending quickly enough if our revenue is less than expected, causing our results of operations to fail to meet our expectations or the expectations of investors.

The impact of adverse economic conditions and other trends, including the resulting effects on consumer spending and merchant operations, may adversely affect our business, financial condition, and results of operations.

Changes to economic conditions can impact consumer spending in the regions where we do business, which can prompt consumers to reduce spending on our platform or forgo spending on our platform altogether. Any factor that impacts consumer spending broadly may also impact consumer spending on our platform. Some of these factors include unemployment, inflation, consumer debt, fluctuations in household net worth, fluctuations in gasoline, vehicle, and transportation costs, increased food costs, fluctuations in commodity prices, declines in asset prices, residential real estate and mortgage markets, taxation, energy prices, changes in interest rates and credit availability, and consumer confidence in the current and future political and economic environment. Economic conditions in certain regions may also be affected or exacerbated by natural disasters, such as earthquakes, hurricanes, wildfires, and threats to public health, such as the COVID-19 pandemic. Additionally, volatility in the global financial markets, or in specific segments of those markets, may contribute to banks and financial institutions with whom we have banking or payment processing relationships entering receivership or becoming insolvent in the future, and we may be unable to access or may lose some or all of our existing cash and cash equivalents to the extent those funds are not insured or otherwise protected by the Federal Deposit Insurance Corporation or other insurance programs. Such volatility may also adversely impact any funds held temporarily at our third-party payment processors.

In addition, merchants on our platform may be negatively impacted by supply chain issues, labor shortages, inflation, or other macroeconomic factors. Labor shortages and supply chain issues at merchants could negatively impact their ability to fulfill orders, which could negatively impact volume on our Marketplaces and in our Platform Services business. Inflationary pressures could drive merchant prices higher, which could negatively impact consumer demand and drive lower order volume on our Marketplaces and in our Platform Services business. Small businesses that do not have substantial resources, like many of the merchants on our platform, tend to be more adversely affected by poor economic conditions than large businesses. If merchants on our platform, including our small business merchants, cease operations, temporarily or permanently, or face financial distress or other business disruption, we may not be able to provide consumers with sufficient merchant selection, and they may be less likely to use our platform.

As our business has grown, including in connection with our acquisition of Wolt, we have increasingly become subject to risks arising from adverse global economic and political conditions, including Russia's invasion of Ukraine. While our business does not operate in Russia or Ukraine, we have operations in countries that border Russia and Ukraine and are exposed to the economic impacts of that conflict on the region. Russia's invasion of Ukraine has had, and may continue to have, an adverse impact on macroeconomic conditions in the region and give rise to volatility and instability in a manner that adversely affects our business and merchants, consumers, and Dashers on our platform. Russia's invasion of Ukraine could also negatively impact consumer confidence and spending globally and in the neighboring countries in which we operate, disrupt supply chains, and drive inflationary cost increases for labor, fuel, materials, food, and services, all of which may negatively impact our business.

We may face difficulties as we expand our operations into new geographic markets and categories in which we have limited or no prior operating experience.

Our capacity for continued growth depends in part on our ability to expand our operations into, and compete effectively in, new geographic markets and categories. It may be difficult for us to understand and accurately predict consumer preferences and purchasing habits in these new geographic markets and categories. In addition, each market and category has unique regulatory dynamics. These include laws and regulations that can directly or indirectly affect our ability to operate, the pool of Dashers that are available, and our costs associated with insurance, support, fraud, and onboarding new Dashers. In addition, each market and category is subject to distinct competitive and operational dynamics. These include our ability to offer more attractive services than alternative options and our ability to efficiently attract and retain merchants, consumers, and Dashers, all of which affect our sales, results of operations, and key business metrics. As a result, we may experience fluctuations in our results of operations due to the changing dynamics in the geographic markets and categories in which we operate. If we invest substantial time and resources to expand our operations and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected. For more information on risks associated with entry into new markets internationally see the section titled "*Our international operations and any future international expansion will subject us to additional costs and*

risks and our plans may not be successful.” For more information on risks associated with entry into certain new categories see the section titled “—We face certain risks in expanding our convenience, grocery, and other retail operations, especially in connection with our self-operated convenience and grocery stores.”

We are subject to risks related to fluctuations in foreign currency exchange rates.

We are subject to foreign currency exchange risk as a result of our operations in foreign countries. When conducting business in foreign countries, including through Wolt and our other subsidiaries and affiliates, such business is typically denominated in the local currency of the respective country, which exposes us to the risk of fluctuations in foreign currency exchange rates. Our primary foreign currency exposure is currently to the euro, the Canadian dollar, the Israeli shekel, and the Australian dollar. Additionally, because our financial statements are presented in U.S. dollars, local functional currencies will be converted into U.S. dollars at the applicable exchange rates for inclusion in our condensed consolidated financial statements, thereby increasing our foreign exchange translation risk.

We depend on our highly skilled employees to grow and operate our business, and if we are unable to hire, retain, manage, and motivate our employees, or if our new employees do not perform as we anticipate, we may not be able to grow effectively and our business, financial condition, and results of operations could be adversely affected.

Our future success will depend in part on the continued service of our founders, senior management team, key technical employees, and other highly skilled employees, including Tony Xu, our co-founder and Chief Executive Officer, and on our ability to continue to identify, hire, develop, motivate, and retain talented employees. We may not be able to retain the services of any of our employees or other members of senior management in the future. Also, all of our U.S.-based employees, including our senior management team and Mr. Xu, work for us on an at-will basis, and there is no assurance that any such employee will remain with us. Our competitors may be successful in recruiting and hiring members of our management team or other key employees, and it may be difficult for us to find suitable replacements on a timely basis, on competitive terms, or at all. If we are unable to attract and retain the necessary employees, particularly in critical areas of our business, we may not achieve our strategic goals. In addition, from time to time, there may be changes in our senior management team that may be disruptive to our business. If our senior management team fails to work together effectively and to execute its plans and strategies, our business, financial condition, and results of operations could be adversely affected.

We face intense competition for highly skilled employees, especially in the San Francisco Bay Area where we have a substantial presence and need for highly skilled employees. To attract and retain top talent, we have had to offer, and we believe we will need to continue to offer, competitive compensation and benefits packages. Job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. The trading price of our Class A common stock may be volatile and could be subject to fluctuations in response to various factors and may not appreciate. If the perceived value of our equity awards declines for this or other reasons, it may adversely affect our ability to attract and retain highly qualified employees. Certain of our employees have received significant proceeds from sales of our equity in private transactions and many of our employees have received, and may in the future receive, significant proceeds from sales of our equity in the public markets, which may reduce their motivation to continue to work for us. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, and results of operations.

Our company culture has contributed to our success and if we cannot maintain and evolve our culture as we grow, our business could be adversely affected.

We believe that our company culture, which promotes authenticity, empathy, support for others, and bias for action, has been critical to our success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size and geographic diversity of our workforce;
- an increasing share of our workforce working remotely, on hybrid schedules, and spending less time collaborating in offices;

- the integration of new personnel and businesses from acquisitions, including in the case of our acquisition of Wolt;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly evolving industry;
- the increasing need to develop expertise in new areas of business that affect us; and
- negative perception of our treatment of employees, merchants, consumers, and Dashers or our response to employee sentiment related to political or social causes or actions of management.

Any of the foregoing factors may be further exacerbated as a result of the reduction in workforce that was disclosed in our Current Report on Form 8-K on December 1, 2022. If we are not able to maintain and evolve our culture, our business, financial condition, and results of operations could be adversely affected.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and the rules and regulations of the applicable listing standards of the New York Stock Exchange (the "NYSE"). We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting, which includes hiring additional accounting and financial personnel to implement such processes and controls.

In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems, or the existing systems and third-party software applications that we rely on for financial reporting, do not perform as expected, we may experience further deficiencies in our controls and we may not be able to meet our financial reporting obligations. We also need to implement, integrate, and maintain effective internal control over financial reporting at companies we acquire, including in the case of our acquisition of Wolt, and any failure to do so could impact our ability to meet our financial reporting obligations.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE.

Additionally, our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business and results of operations and could cause a decline in the price of our Class A common stock.

We may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure that our platform is accessible, which would adversely affect our business, reputation, financial condition, and results of operations.

We expect to continue to make significant investments to maintain and improve the availability of our platform and to enable rapid releases of new features and services. However, it may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and as our platform becomes more complex and our user traffic increases. If our platform is unavailable when merchants, consumers, and Dashers attempt to access it or it does not load as quickly as they expect or it experiences capacity constraints due to an excessive number of users accessing our platform simultaneously, users may seek other offerings, and may not return to our platform as often in the future, or at all. This would adversely affect our ability to attract merchants, consumers, and Dashers and decrease the frequency with which they use our platform. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, or continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, reputation, financial condition, and results of operations would be adversely affected.

We may use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

We may incorporate artificial intelligence ("AI") solutions into our platform, offerings, services, and features, and these applications may become important in our operations over time. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, our business, financial condition, and results of operations may be adversely affected. The use of AI applications has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal data of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, will require significant resources to develop, test, and maintain our platform, offerings, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact.

Defects, errors, or vulnerabilities in our applications, backend systems, or other technology systems and those of third-party technology providers could harm our reputation and brand and adversely impact our business, financial condition, and results of operations.

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. Our practice is to effect frequent releases of software updates, sometimes multiple times per day. The third-party software that we incorporate into our platform may also be subject to errors or vulnerabilities. Any errors or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity and a loss of users, revenue, and availability of our platform, as well as other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of data of users on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects, or vulnerabilities could adversely affect our business, reputation, brand, financial condition, and results of operations.

We have implemented "sell-to-cover" in which shares of our Class A common stock are sold into the market on behalf of RSU holders upon vesting and/or settlement of RSUs to cover tax withholding liabilities and such sales will result in dilution to our stockholders. We also permit certain RSU holders to elect to cover the RSU tax withholding liabilities by providing to us a cash payment amount.

To fund the tax withholding and remittance obligations arising in connection with the future vesting and/or settlement of RSUs, we will either (i) withhold shares of our Class A common stock that would otherwise be issued with respect to such RSUs and pay the relevant tax authorities in cash to satisfy such tax obligations, (ii) have the holders of such RSUs use a broker to sell a portion of such shares into the market on the applicable settlement date, with the proceeds of such sales to be delivered to us for remittance to the relevant taxing authorities, in order to satisfy such tax withholding and remittance obligations, which is generally referred to as "sell-to-cover," or (iii) allow certain holders of such RSUs to pay us an amount in cash, via a broker, sufficient to cover the applicable RSU tax withholding obligations. If we withhold shares of our Class A common stock that would otherwise be issued with respect to the vesting and/or settlement of RSUs and pay

the relevant tax authorities in cash to satisfy such tax obligations, this may result in significant cash expenditures by us. We have implemented “sell-to-cover” to satisfy tax withholding obligations, pursuant to which shares with a market value equivalent to the tax withholding obligation are sold on behalf of the holder of the RSUs upon vesting and settlement to cover the tax withholding liability and the cash proceeds from such sales are remitted by us to the taxing authorities. Such sales or any cash amount that the holder provides to us to cover the applicable RSU tax withholding obligations, in either case, will not result in the expenditure of additional cash by us to satisfy the tax withholding obligations for RSUs, but will cause dilution to our stockholders and, to the extent a large number of shares are sold in connection with any vesting event, such sales volume may cause our stock price to fluctuate.

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

We track certain operational metrics, including our merchant, consumer, and Dasher counts, key business and non-GAAP metrics, such as Total Orders, Marketplace GOV, Contribution Profit, Contribution Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Free Cash Flow, and certain other metrics required by regulatory and administrative bodies, such as the monthly active recipients of our services in the EU (as required by Article 24(2) of the Digital Services Act), with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations. For example, the accuracy of our operating metrics could be impacted by fraudulent users of our platform, and further, we believe that there are consumers who have multiple accounts, even though this is prohibited in our Terms of Service and we implement measures to detect and prevent this behavior. Consumer usage of multiple accounts may cause us to overstate the number of consumers on our platform. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, investors may lose confidence in our operating metrics and business and we expect that we could be subject to legal claims, including securities class action lawsuits, and our business, reputation, financial condition, and results of operations would be adversely affected.

Our actual losses may exceed our insurance reserves, which could adversely affect our financial condition and results of operations.

We establish insurance reserves for claims incurred but not yet paid and claims incurred but not yet reported and any related estimable expenses, and we periodically evaluate and, as necessary, adjust our actuarial assumptions and insurance reserves as our experience develops or new information is learned. We employ various predictive modeling and actuarial techniques and make numerous assumptions based on limited historical experience and industry statistics to estimate our insurance reserves. Estimating the number and severity of claims, as well as related judgment or settlement amounts, is inherently difficult, subjective, and speculative. Additionally, actuarial projections make no provision for the extraordinary future emergence of losses or types of losses not sufficiently represented in the historical data or which are not yet quantifiable. A number of external factors can affect the actual losses incurred for any given claim, including but not limited to the length of time the claim remains open, fluctuations in healthcare costs, legislative and regulatory developments, judicial developments and unexpected events such as natural or human-made catastrophic disasters or negative publicity. Such factors can impact the reserves for claims incurred but not yet paid as well as the actuarial assumptions used to estimate the reserves for claims incurred but not yet reported and any related estimable expenses for current and historical periods. For any of the foregoing reasons, our actual losses for claims and related expenses may deviate, individually or in the aggregate, from the insurance reserves reflected in our condensed consolidated financial statements. If we determine that our estimated insurance reserves are inadequate, we may be required to increase such reserves at the time of the determination, which could result in an increase to our net loss in the period in which the shortfall is determined and negatively impact our business, financial condition and results of operations.

Our business could be adversely impacted by changes in the Internet and mobile device accessibility of users.

Our business depends on users' access to our platform via a mobile device or personal computer and the Internet. Internet access and access to a mobile device or personal computer are frequently provided by companies with significant

market power that could take actions that degrade, disrupt, or increase the cost of consumers' ability to access our platform. In addition, the Internet infrastructure that we and users of our platform rely on in any particular geographic area may be unable to support the demands placed upon it and could interfere with the speed and availability of our platform. Any such failure in Internet or mobile device or computer accessibility, even for a short period of time, could adversely affect our results of operations.

Operating as a public company requires us to incur substantial costs and requires substantial management attention. In addition, key members of our management team have limited experience managing a public company.

As a public company, we incur substantial legal, accounting, and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC, and the listing standards of the NYSE. For example, the Exchange Act requires, among other things, we file annual, quarterly, and current reports with respect to our business, financial condition, and results of operations. We are also required to maintain effective disclosure controls and procedures and internal control over financial reporting. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, and increase demand on our systems. In addition, as a public company, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate. As a result of disclosure of information in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors.

Many members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our operations as a public company subject to significant regulatory oversight and reporting obligations under federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituencies will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition, and results of operations.

Risks Related to our Legal and Regulatory Environment

If Dashers that utilize our platform are reclassified as employees under U.S. federal or state law, or the laws of other jurisdictions in which we operate, our business, financial condition, and results of operations would be adversely affected.

We are subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings at the U.S. federal, state, and municipal levels, as well as in jurisdictions in Europe and Asia, challenging the classification of Dashers that utilize our platform as independent contractors. Laws and regulations that govern the status and classification of independent contractors vary by jurisdiction and are subject to changes and divergent interpretations by various authorities, which can create uncertainty and unpredictability for us, as well as the Dashers, merchants, and consumers that use our platform. For example, in October 2022, the U.S. Department of Labor released a proposed rule regarding the classification of employees and independent contractors under the federal Fair Labor Standards Act. The proposed rule would implement new interpretative guidance for classification of workers. We maintain that Dashers that utilize our platform are properly classified as independent contractors. However, Dashers may be reclassified as employees, especially in light of the evolving rules and restrictions on worker classification and their potential impact on the local commerce industry. A reclassification of Dashers as employees would adversely affect our business, financial condition, and results of operations, including as a result of:

- monetary exposure arising from, or relating to, failure to withhold and remit taxes, unpaid wages and wage and hour laws and requirements (such as those pertaining to failure to pay minimum wage and overtime, or to provide required breaks and wage statements), expense reimbursement, statutory and punitive damages, penalties, including related to PAGA and government fines;
- injunctions prohibiting continuance of existing business practices;
- claims for employee benefits, social security, workers' compensation, and unemployment;
- claims of discrimination, harassment, and retaliation under civil rights laws;
- claims under laws pertaining to unionizing, collective bargaining, and other concerted activity;

- other claims, charges, or other proceedings under laws and regulations applicable to employers and employees, including risks relating to allegations of joint employer liability or agency liability; and
- harm to our reputation and brand.

In addition to the harms listed above, a reclassification of Dashers as employees would require us to significantly alter our existing business model and operations and impact our ability to add and retain Dashers to our platform and grow our business, which we would expect to have an adverse effect on our business, financial condition, and results of operations.

We have been involved in and continue to be involved in numerous legal proceedings related to Dasher classification, and such proceedings have increased in volume since the California Supreme Court's 2018 ruling in *Dynamex*. We are currently involved in a number of putative class actions and representative actions brought, for example, pursuant to PAGA, and numerous individual claims, including those brought in arbitration or compelled pursuant to the terms of our independent contractor agreements to arbitration, challenging the classification of Dashers that utilize our platform as independent contractors. In addition, in June 2020, the San Francisco District Attorney filed a claim against us in the Superior Court of California, County of San Francisco, alleging that we misclassified California Dashers as independent contractors as opposed to employees. For more details on this action, please see the section titled "*Legal Proceedings*" above in this Quarterly Report on Form 10-Q.

Some jurisdictions in the United States, Europe, and Asia have modified, or are considering modifying, their standards used to determine worker classification. For example, the California Legislature passed Assembly Bill ("AB 5") and it was signed into law by Governor Gavin Newsom on September 18, 2019 and became effective on January 1, 2020. AB 5 codified the *Dynamex* standard regarding contractor classification, expanded its application, and created numerous carve-outs. We, along with certain other companies, supported a campaign for Proposition 22 ("Proposition 22") to address AB 5 and preserve flexibility for California Dashers, which was approved by voters in November 2020 and went into effect in December 2020. However, on August 20, 2021, the Alameda County Superior Court in California issued an order finding that the entirety of Proposition 22 is unenforceable. The California Attorney General and other groups and individuals appealed to the California First District Court of Appeal. In March 2023, the Court of Appeal overturned the Alameda County Superior Court's ruling and upheld nearly all of Proposition 22 as state law. In April 2023, petitioners consisting of a number of individuals and labor groups filed a petition for review in the Supreme Court of California, which was granted in June 2023. To the extent Proposition 22 remains in effect, certain provisions regarding compensation, along with certain other requirements, are applicable to us and Dashers in California. These provisions have increased our costs related to Dashers in California. To offset a portion of these increased costs, in certain circumstances we charge higher fees and commissions, which could result in lower order volumes over time. Depending on whether and how much we choose to increase fees and commissions, these increased costs could also lead to a lower Net Revenue Margin, defined as revenue expressed as a percentage of Marketplace GOV. The provisions resulting from Proposition 22 that are now applicable to us include, but are not limited to, (i) net earnings (which excludes tips, tolls, and certain other amounts) to Dashers no less than a net earnings floor equal to (A) 120% of the minimum wage for a Dasher's engaged time and (B) for Dashers using a motor vehicle, \$0.30 per engaged mile (which amount shall be adjusted for inflation in future years) and (ii) for Dashers averaging at least 15 hours per week of engaged time during a calendar quarter who subscribe to a qualifying health plan, payments to such Dashers of healthcare subsidies of varying dollar amounts depending on a Dasher's engaged time per week. As such, Proposition 22 has had, and may continue to have, an adverse impact on our results of operations.

Several other jurisdictions where we operate have adopted or may be considering, or in the future may consider, adopting legislation, or we may propose or support legislation, ballot initiatives, or other legislative processes, that would pair worker flexibility and independence with new protections and benefits. To the extent other jurisdictions adopt such legislation, or we propose or support legislation, ballot initiatives, or other legislative processes, we would expect our costs related to Dashers in such jurisdictions to increase. We may also experience lower order volumes in such jurisdictions if it becomes necessary to charge higher fees and commissions as a result of such laws, which would adversely impact our results of operations. Even with the passage of Proposition 22 and similar legislation, such initiatives and legislation could still be challenged and subject to litigation. If Dashers are determined to be employees under U.S. federal or state law, or the laws of other jurisdictions in which we operate, including as a result of litigation, this could result in increases to our costs related to Dashers, which would likely lead us to increase fees and commissions and may result in lower order volumes, which in turn would have an adverse effect on our business, financial condition, and results of operations.

With the breadth of our geographic scope, the classification of Dashers that utilize our platform as independent contractors may be subject to challenge in other jurisdictions. In particular, through Wolt, we are subject to local regulations and challenges in Europe and Asia to the classification of Wolt courier partners as independent contractors. For example, on November 1, 2021, the Finnish Occupational Safety and Health Administration (through the Division at

the Regional State Administrative Agency for Southern Finland) issued a decision which deemed that Wolt courier partners in Finland are in an employment relationship with Wolt, and that Wolt should be mandated to keep statutory records of Wolt courier partners' working hours. We have appealed the decision to the Administrative Court of Hämeenlinna. In addition, other jurisdictions are considering changing the standards used to determine worker classification, which may impact our classification of Dashers using our platform. For example, the EU is considering new criteria for determining worker classification, which could be adopted by member states. Any potential EU-wide legislative reform may adversely affect our ability to operate our current independent contractor model within the EU.

In certain jurisdictions where there are uncertainties associated with the interpretation of applicable law, we may decide to adopt employment-based models, as Wolt already does in Germany, which could result in certain operational challenges and increased costs and cause us to withdraw from certain jurisdictions or decide not to expand our business in or into a certain jurisdiction, which could limit our growth and expansion opportunities.

We are subject to various claims, lawsuits, investigations, and proceedings, and face potential liability, expenses, and harm to our business as a result.

We face potential liability, legal expenses, and harm to our business relating to the nature of our business generally, and with the delivery services we facilitate in particular. Specifically, we are subject to claims, lawsuits, arbitration proceedings, government investigations, audits, and demands, and other legal, regulatory, and other administrative proceedings, including those involving personal injury, property damage, worker classification, labor and employment, anti-discrimination, commercial disputes, competition, consumer complaints, intellectual property disputes, marketing and advertising to merchants, consumers, and Dashers, compliance with regulatory requirements, and other matters, and we may become subject to additional types of claims, lawsuits, government investigations, and legal or regulatory proceedings as our business grows and as we deploy new services.

We are also subject to claims, lawsuits, and other legal proceedings seeking to hold us vicariously liable for the actions of merchants, consumers, and Dashers. For example, third parties could assert legal claims against us in connection with personal injuries related to food poisoning, tampering, or other food safety issues or accidents caused by merchants and Dashers that utilize our platform. We have incurred expenses to settle personal injury claims, which we sometimes choose to settle for reasons including expediency, protection of our reputation, and to prevent the uncertainty of litigating, and we expect that such expenses will continue to increase as our business grows and we face increasing public scrutiny. Similarly, we could be subject to legal claims relating to the sale of alcoholic beverages or alcohol consumption. Regardless of the outcome of any legal proceeding, any injuries to, or deaths of, any consumers, Dashers, employees, or third parties could result in negative publicity and harm to our brand, reputation, business, financial condition, and results of operations.

Reports, whether true or not, of food-borne illnesses (such as E. Coli, avian flu, bovine spongiform encephalopathy, hepatitis A, trichinosis, or salmonella) and injuries caused by food tampering or inappropriate or unsanitary food preparation, handling, or delivery, or other food safety incidents have led to threatened and actual legal claims against, and severely injured the reputations of, participants in the food business and could do so in the future as well. Further, if any such report were to affect one or more of the merchants on our platform that generate a significant percentage of our overall Marketplace GOV, it could seriously harm our business. The potential for acts of terrorism on the United States or international food supply also exists and, if such an event occurs, it could harm our business and results of operations. Further, food that is ordered through our platform could be subject to a recall, but we may have limited ability, if any, to ensure compliance with a food recall. In addition, reports of food-borne illnesses, food recalls, food tampering, or inappropriate or unsanitary food preparation, handling, or delivery, even those occurring solely at merchants that are not on our platform, could, as a result of negative publicity about the restaurant or grocery industry, adversely affect our business, financial condition, and results of operations.

We also face potential liability and expense for claims, including class, collective, and other representative actions, by or relating to Dashers regarding, among other things, the classification of Dashers that utilize our platform as well as our Dasher pay models, including claims regarding disclosures we make with respect to Dasher earnings, sales tax, service fees, delivery fees, and gratuities, the process of signing up to become a Dasher, including our background check processes, and the nature and frequency of our communications to Dashers via email, text, or telephone. We also face potential liability and expense for claims, including class actions, by consumers relating to, among other things, our Dasher pay models, including claims regarding disclosures we make with respect to sales tax, service fees, delivery fees, and gratuities, the local food delivery fulfillment services we facilitate, discrepancies between the menus on our websites and consumer mobile applications and the menus at the restaurant from which the food is delivered, including discrepancies in menu items and the prices of such items and taxes on such items, and the nature and frequency of our marketing communications to consumers via email, text, or telephone. In addition, we face potential liability and expense

for claims, including class, collective, and other representative actions, by or relating to merchants regarding, among other things, menu pricing, exclusivity arrangements, and the listing of merchants on our platform without an agreement.

In addition, we face potential liability and expense for claims relating to the information that we publish on our websites and mobile applications, including claims for trademark and copyright infringement, defamation, libel, and negligence, among others. We also face potential liability and expense for claims arising from a data security incident, including claims regarding the adequacy and timeliness of our response to such an incident and our notification to affected consumers and Dashers.

The results of any such claims, lawsuits, arbitration proceedings, government investigations, audits, and demands, or other legal or regulatory proceedings cannot be predicted with any degree of certainty. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, be harmful to our reputation, require significant management attention, and divert significant resources. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines, and penalties that could adversely affect our business, financial condition, and results of operations. Determining reserves for our pending litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. There can be no guarantee that our litigation reserves will be sufficient to offset such liabilities. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions, or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, financial condition, and results of operations. Further, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and commercial partners and current and former directors and officers.

In the United States and certain other jurisdictions in which we operate, we include arbitration and class action waiver provisions in our terms of service with the merchants, consumers, and Dashers that utilize our platform. These provisions are intended to streamline the litigation process for all parties involved, as they can in some cases be faster and less costly than litigating disputes in court. However, arbitration can be costly and burdensome, and the use of arbitration and class action waiver provisions subjects us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. In order to minimize these risks to our reputation and brand, we may limit our use of arbitration and class action waiver provisions or be required to do so in a legal or regulatory proceeding, either of which could cause an increase in our litigation costs and exposure. Additionally, we permit certain users of our platform to opt out of such provisions, which could also cause an increase in our litigation costs and exposure.

Further, with the potential for conflicting rules regarding the scope and enforceability of arbitration and class action waivers on a state-by-state basis, as well as between U.S. state and federal law, there is a risk that some or all of our arbitration and class action waiver provisions could be subject to challenge or may need to be revised to exempt certain categories of protection. If these provisions were found to be unenforceable, in whole or in part, or specific claims are required to be exempted, we could experience an increase in our costs to litigate disputes and the time involved in resolving such disputes, and we could face increased exposure to potentially costly lawsuits, each of which could adversely affect our business, financial condition, and results of operations.

Taxing authorities may successfully assert that we have not properly collected or remitted, or in the future should collect or remit, sales and use, gross receipts, value added, similar taxes or withholding taxes, and may successfully impose additional obligations or liabilities on us, and any such assessments, obligations, or liabilities could adversely affect our business, financial condition, and results of operations.

The application of non-income, or indirect, taxes, such as sales and use tax, value-added tax, goods and services tax, business tax, and gross receipt tax, to businesses like ours is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations, and as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain and could exceed the amount of any applicable reserves, if any. In addition to our own potential liability, if we or merchants pass along increased additional taxes and raise prices to consumers, order volume may decline.

We are subject to indirect taxes, such as payroll, sales, use, value-added, goods and services, and gross receipt taxes in the United States and foreign jurisdictions where we operate, such as Canada, Australia, and several countries in Europe and Asia. In certain jurisdictions, we collect and remit indirect taxes. However, tax authorities may raise questions about, or challenge or disagree with, our calculation, reporting, or collection of taxes and may require us to collect taxes in jurisdictions in which we do not currently do so or to remit additional taxes and interest, including tax on the cost of goods sold, and could impose associated penalties and fees. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so or to collect additional taxes in a jurisdiction in which we

currently collect taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest, could discourage merchants, consumers, and Dashers from utilizing our offerings, or could otherwise harm our business, financial condition, and results of operations. Further, even where we are collecting taxes and remitting them to the appropriate authorities, we may fail to accurately calculate, collect, report, and remit such taxes.

The United States and certain foreign jurisdictions have tax rules generally requiring payors to obtain payee taxpayer information and report payments to unrelated parties to the government. Under certain circumstances, a failure to comply with such obligations may cause us to become liable for monetary penalties or to withhold a percentage of the amounts paid to Dashers and merchants and remit such amounts to the taxing authorities. Due to the large number of Dashers and merchants, and the amounts paid to each, process failures with respect to these reporting obligations could result in substantial financial liability and other consequences to us if we were unable to remedy such failures in a timely manner. Certain risks relating to employment taxes are described in more detail under "*If Dashers that utilize our platform are reclassified as employees under U.S. federal or state law, or the laws of other jurisdictions in which we operate, our business, financial condition, and results of operations would be adversely affected.*"

In addition, governments are increasingly looking for ways to increase revenue, which could result in legislative action to increase indirect taxes, including digital services taxes. Such legislative action could discourage merchants, consumers, and Dashers from utilizing our offerings, or could otherwise harm our business, financial condition, and results of operations.

As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our condensed consolidated financial statements and any such difference may adversely affect our results of operations in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

We may have exposure to greater than anticipated income tax liabilities.

We are subject to income taxes in the United States and certain foreign jurisdictions. Our effective tax rate could be adversely affected by changes in our business operations, acquisitions, investments, entry into new businesses and geographies, changes in our stock price, changes to our forecasts of income and loss and changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses, and the realization of deferred tax assets. Increases in our effective tax rate would reduce profitability. As we expand the scale of our international business activities, any changes in the United States or foreign taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition, and results of operations.

Further, income earned by us and our subsidiaries may be subject to taxation in more than one jurisdiction, such as in the jurisdiction we or the applicable subsidiary is incorporated or organized, as well as the jurisdiction from which such income is derived. This may result in double taxation if relief is not available under applicable U.S. or non-U.S. law or an applicable tax treaty. Any double taxation may impact the financial results of our operations.

Federal, state, local, and foreign governments may amend existing taxation laws or enact new taxation legislation applicable to our business activities, including but not limited to legislation adopting the Pillar Two agreements of the Organisation for Economic Cooperation and Development. These changes in legislation could adversely affect our business, financial condition, and results of operations.

We may have greater than anticipated liabilities because of tax audits and examinations.

We have been subject to examination, and may be subject to examination in the future, by federal, state, local, and foreign tax authorities on income, employment, sales, and other tax matters. In addition, the application of federal, state, local, and foreign taxation laws to our business is uncertain, novel and evolving, and new judicial or administrative interpretations of these laws may increase our tax liability, which could include liability related to prior periods. While we regularly assess the likelihood of adverse outcomes from tax examinations and the adequacy of our provision for taxes, there can be no assurance that such provision is sufficient and that a determination by a tax authority or judicial body would not have an adverse effect on our business, financial condition, and results of operations.

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

As of December 31, 2022, we had accumulated \$2.1 billion and \$1.6 billion of U.S. federal and state net operating loss carryforwards ("NOLs"), respectively, available to reduce future taxable income, some of which will begin to expire in 2036 for U.S. federal and 2024 for state tax purposes. It is possible that we will not generate sufficient taxable income in time to

use these NOLs before their expiration, or at all. Under Section 382 and Section 383 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOLs and other tax attributes, including R&D tax credits, to offset its post-change income may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5 percent stockholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Our ability to use NOLs and other tax attributes, including R&D credit carryforwards, to reduce future taxable income and liabilities may be subject to annual limitations as a result of prior ownership changes and ownership changes that may occur in the future. Prior to the utilization of NOLs in the future, we will determine whether there are any limitations under Section 382 of the Code. In addition, we have accumulated \$692 million of foreign net operating losses, which may be available to reduce future taxable income in the relevant jurisdiction. Some of these foreign NOLs will begin to expire in 2025 and it is possible that we may never realize the benefits of these losses.

There is also a risk that due to changes in applicable law or regulatory changes (such as suspensions on the use of NOLs and other tax attributes by certain jurisdictions, possibly with retroactive effect) or other unforeseen reasons, our existing NOLs and other tax attributes could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs and other tax attributes.

Our business is subject to a variety of laws and regulations globally, including those related to worker classification, Dasher pay and conditions of work, and merchant pricing and commissions, many of which are unsettled and still developing, and failure to comply with such laws and regulations could subject us to claims or otherwise adversely affect our business, financial condition, or results of operations and subject us to legal claims.

The on-demand local commerce industry and our business model are relatively nascent and rapidly evolving. We are or may become subject to a variety of laws in the United States and other jurisdictions, including those related to worker classification, Dasher pay and conditions of work, insurance, merchant pricing and commissions, and consumer fees. Laws, regulations, and standards governing issues such as worker classification or our relationship with Dashers more generally (for example, those concerning Dasher pay and insurance requirements), labor and employment, anti-discrimination, food safety, alcoholic beverages and other highly regulated products, online credit card payments, gratuities, merchant pricing and commissions, text messaging, membership products, intellectual property, data retention, privacy, data sharing, data security, consumer protection, consumer fees, background checks, website and mobile application accessibility, and tax and other government-imposed fees are often complex, subject to change, and subject to varying interpretations, in many cases due to their lack of specificity. The scope and interpretation of these laws, and whether they are applicable to us, are often uncertain and may be conflicting, including varying standards and interpretations between U.S. law and the laws of other countries, U.S. state and federal law, between individual states, and even at the city and municipality level. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state, and local administrative agencies. We have been proactively working with national, federal, state, and local governments and regulatory bodies to ensure that our platform is available broadly in the United States and foreign jurisdictions. It is difficult to predict how existing laws would be applied to our business and the new laws to which it may become subject.

Additionally, laws relating to the potential liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. In addition, regulatory authorities in the United States at the federal and state level are considering a number of legislative and regulatory proposals concerning privacy and other matters that may be applicable to our business.

Further, we are subject to regulatory review, proceedings, and audits pursuant to national, federal, state, and local laws regulating the sale and delivery of alcoholic beverages and other highly regulated products, such as products containing Cannabidiol, or CBD. These regulations and laws dictate matters such as licensing requirements, advertising restrictions, and consumer age verification. Any governmental litigation, fines, or restrictions on our operations resulting from the enforcement of these existing regulations, any changes to existing regulations or changes to the interpretation or enforcement of existing regulations, or the adoption of any new legislation or regulations could result in penalties or cause us to have to suspend sales and delivery of alcoholic beverages or other highly regulated products in a jurisdiction for a period of time or result in increased production, sales or marketing costs, or changes to our business practices, each of which could have an adverse effect on our brand, reputation, business, financial condition, and results of operations.

As our business grows and evolves and our services are used in a greater number of geographies, particularly following our acquisition of Wolt, we have become subject to a growing array of laws and regulations, which increase the complexity and compliance risk inherent in our business. For example, the EU has recently enacted, and is in the process of enacting, various laws and regulations that govern digital services and markets and impose environmental sustainability obligations and disclosure requirements on businesses like ours. The impact of these new regulations on the overall industry, business models, and our operations is uncertain. We may be required to enhance our disclosures and undertake certain changes to our products, services, fees and commissions structure, and operations as a result of these new requirements. Furthermore, we could be subject to administrative costs, regulatory proceedings, and fines, any of which could have an adverse effect on our business, financial condition, and results of operations.

Further, competition authorities in some of the markets in which Wolt operates have made queries regarding, or investigated, Wolt's pricing-related terms or other practices and decisions have been issued by competition authorities and courts concerning Wolt's pricing-related terms and practices. Any violation of competition laws could result in restraints in the way in which we operate our business. We could also be subject to claims of violations of competition laws in other aspects of our business, such as alleged market sharing, price fixing, or exchange of competitively sensitive information. Any potential violations of competition laws could result in fines, render applicable pricing-related provisions or contracts unenforceable, require contractual amendments, and lead to claims for damages and reputational harm, each of which could adversely affect our business, financial condition, and results of operations.

Our ability to comply with laws and regulations across the multiple jurisdictions in which we operate and to predict and adapt to changes in these laws is critical to our success, particularly for our continued expansion efforts, which may include entries into new geographic markets or new verticals in existing or new geographic markets. Additional regulatory scrutiny or changes in legal requirements may impose significant compliance costs and make it uneconomical for us to continue to operate in all of our current markets or to continue with our expansion plans, particularly if regulations or their interpretations vary greatly or conflict between different operating countries. This may adversely affect our business and financial condition by preventing us from reaching sufficient scale in particular markets or having to change our business model or incur additional costs. Our inability, or perceived inability, to comply with existing or new compliance obligations, could lead to additional regulatory scrutiny, which could result in administrative or enforcement actions, such as fines, penalties, or enforceable undertakings.

Recent financial, political, and other events may increase the level of regulatory scrutiny on larger companies, technology companies in general, and companies engaged in dealings with independent contractors. Regulatory and administrative bodies may enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business, including by changing employment-related laws, mandating specific earning standards for Dashers, requiring businesses like ours to maintain specific auto insurance coverage, or by regulating or capping the commissions businesses like ours agree to with merchants or the fees that we may charge consumers. For example, in June 2023, New York City finalized a rule mandating certain minimum earnings standards for food delivery workers. In addition, many jurisdictions in which we operate have price control measures in effect on local commerce platforms and we expect other such measures may be enacted in the future. These price controls have had in the past, and may in the future have, an adverse effect on our results of operations. These price controls have also caused, and may in the future cause, us to increase the fees we charge to consumers. To the extent that price control measures lead to an increase in the fees we charge to consumers, consumer demand for our services could be reduced, which would further harm our business and results of operations. In addition, certain jurisdictions may challenge or seek to regulate the way in which we categorize or collect such increased consumer fees on our platform. For example, the City of Chicago has challenged such fees as confusing and/or misleading to consumers.

Our success, or perceived success, and increased visibility may also drive some businesses or other organizations that perceive our business model negatively to raise their concerns to policymakers and regulators. These businesses and their trade association groups or other organizations may take actions and employ significant resources to shape the legal and regulatory regimes in jurisdictions where we may have, or seek to have, a market presence in an effort to change such legal and regulatory regimes in ways intended to adversely affect or impede our business and the ability of merchants, consumers, and Dashers to use our platform. If we are not able to comply with these laws or regulations, including any future laws or obligations that we may not be able to anticipate at this time, we could be adversely affected, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain services or platform features, which would adversely affect our business. Any failure to comply with applicable laws and regulations could also subject us to claims and other legal and regulatory proceedings, fines, or other penalties, criminal and civil proceedings, forfeiture of significant assets, and other enforcement actions. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could adversely affect our reputation or otherwise impact the growth of our business. Any costs incurred to

prevent or mitigate this potential liability are also expected to adversely affect our business, financial condition, and results of operations.

We are subject to various U.S. and non-U.S. anti-corruption laws and other anti-bribery and anti-kickback laws and regulations.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), and other anti-corruption, anti-bribery, and anti-money laundering laws in the jurisdictions in which we do business, both domestic and abroad, including EU anti-money laundering directives and related regulations in connection with our operations in Europe. The FCPA and other applicable anti-bribery and anti-corruption laws generally prohibit us and our employees from improperly influencing government officials or commercial parties in order to obtain or retain business, direct business to any person, or gain any improper advantage. These laws may also hold us liable for acts of corruption and bribery committed by our third-party business partners, representatives, and agents who are acting on our behalf. We and our third-party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries and our employees, representatives, contractors, and agents, even if we do not explicitly authorize such activities. In addition, we may be subject to liability, including penalties and fines, for any failure to satisfy certain requirements under anti-money laundering laws, such as meeting local "know your customer" and ongoing due diligence standards. For example, in connection with our operations in Europe, we could be liable for penalties of up to 10% of our revenue in a fiscal year in the event that our anti-money laundering compliance measures are found to be insufficient. All of these laws may also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that our employees and agents will not take actions in violation of our policies or applicable law, for which we may be ultimately held responsible, and our exposure for violating these laws increases as our international presence expands, including as a result of our acquisition of Wolt, and as we increase sales and operations in foreign jurisdictions. Any violation of the FCPA or other applicable anti-bribery, anti-corruption, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, substantial diversion of management's attention, a drop in our stock price, or overall adverse consequences to our business, all of which may have an adverse effect on our reputation, business, financial condition, and results of operations.

We may be subject to various regulations relating to payment processing.

The majority of payments by our consumers are made by credit card or debit card or through third-party payment services, which subjects us to certain payment-related regulations. We may in the future offer new payment options to consumers that may be subject to additional regulations and risks. In the United States, money transmitters are regulated by numerous state and local governments and agencies, many of which may define money transmitter differently. If we are found to be a money transmitter under any applicable regulations and we are not in compliance with such regulations, we may be subject to fines or other penalties levied by national, federal, state, or local regulators in one or more jurisdictions. Outside of the United States, we are subject to additional laws, rules, and regulations related to the provision of payments and financial services. For example, as a result of our operations in Europe, we are subject to the revised EU Payment Services Directive ("PSD II") and related regulations. One of our subsidiaries acts as an intra-group licensed payment service provider for its payment services to merchants in European Economic Area ("EEA") countries and has obtained a payment institution license from the Finnish Financial Supervisory Authority in accordance with PSD II. Should our payment institution license be revoked in the future, or any other enforcement measures be taken by the Finnish Financial Supervisory Authority, such as imposing penalties or forcing us to cease offering certain payment facilities, our operations in Europe would be adversely affected. Furthermore, as we expand into new jurisdictions, the payment-related regulations that we are subject to will expand as well. In addition to fines, penalties for failing to comply with applicable rules and regulations related to payment processing could include criminal and civil proceedings, forfeiture of significant assets, or other enforcement actions. We could also be required to make significant changes to our business practices or compliance programs as a result of regulatory scrutiny, which could interrupt our ability to operate in certain jurisdiction and otherwise adversely affect our business and results of operations.

Government regulation of the Internet, mobile devices, and e-commerce is evolving, and unfavorable changes could substantially adversely affect our business, financial condition, and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet, mobile devices, and e-commerce that are constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth of the Internet, mobile devices, e-commerce, or other online services, and

increase the cost of providing online services, require us to change our business practices, or raise compliance costs or other costs of doing business. These regulations and laws, which continue to evolve, may cover taxation, tariffs, user privacy, data protection, pricing and commissions, content, copyrights, distribution, social media marketing, advertising practices, sweepstakes, mobile, electronic contracts and other communications, consumer protection, broadband residential Internet access, and the characteristics and quality of services. It is not clear how existing laws governing issues such as property ownership, sales, use, and other taxes, libel, and personal privacy apply to the Internet and e-commerce. In addition, as we continue to expand internationally, it is possible that foreign government entities may seek to censor content available on our mobile applications or websites or may even attempt to block access to our mobile applications and websites. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and brand, a loss in business, and proceedings or actions against us by governmental entities or others, which could adversely affect our business, financial condition, and results of operations.

Changes in laws or regulations relating to privacy or the protection or transfer of data relating to individuals, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations relating to privacy or the protection or transfer of data relating to individuals, could adversely affect our business.

We receive, transmit, and store a large volume of personal data relating to the users on our platform, as well as other personal data relating to individuals such as our employees. Numerous local, municipal, state, federal, national, and international laws and regulations address privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data and require the notification of certain security breaches involving personal data. These laws and regulations evolve frequently, and their scope may continually change through new legislation, amendments to existing legislation, or changes in enforcement, and such changes may be inconsistent from one jurisdiction to another. Any changes in these laws or regulations could add further complexity, variation in requirements, restrictions, and legal risk; require additional investment of resources in compliance and data management programs; and result in changes or increased compliance costs in business practices and policies. We have incurred, and may continue to incur, significant expenses in our efforts to comply with current and evolving privacy, data protection, and cybersecurity standards and protocols imposed by law, regulation, industry standards, or contractual obligations.

Applicable laws or regulations could force us to disclose our intellectual property and the personal data of our users. For example, the City Council of New York passed a law effective in December 2021 that would require us to provide consumer data, such as names, phone numbers, email addresses, and delivery addresses to restaurant merchants for orders on our platform in New York City, unless a consumer opts out. This could result in consumers receiving unsolicited communications from merchants, which could lead to a negative consumer experience. We have filed a lawsuit challenging this law, and New York City has agreed not to enforce the law against us during the pendency of the litigation. If our lawsuit is not successful, complying with this law could have an adverse effect on our intellectual property or result in harm to our reputation or brand.

We are increasingly subject to additional laws relating to privacy, data protection, and cybersecurity as we expand our international operations. For example, with our acquisition of Wolt, we expanded our liability under the EU's General Data Protection Regulation ("GDPR"), which imposes strict requirements relating to the processing of personal data as well as significant penalties, such as fines, injunctions against the processing of personal data, and civil litigation claims for noncompliance.

We rely on legal mechanisms for transferring personal data subject to GDPR. In 2020, the EU-US Privacy Shield Framework was invalidated in the Schrems II case by the Court of Justice of the European Union, which has created significant challenges in using other data transfer mechanisms to transfer personal data from the EEA to other countries. The uncertainty around data transfers and global trends relating to national data localization could present risks with respect to non-compliance, as well as increased costs to comply with complex and evolving requirements.

We are also subject to industry standards, such as the Payment Card Industry Data Security Standard, which requires companies to adopt certain measures to ensure the security of cardholder information. We may also be contractually required to process and secure data in certain manners and to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations, or other legal obligations relating to privacy, data protection, information security, or consumer protection.

Additionally, our success depends, in part, on our ability to access, collect, and use data relating to Dashers, merchants, consumers, and other individuals. If the use of tracking technologies, such as "cookies," is further restricted, regulated, or blocked by new laws, regulations, and other practices, the amount or accuracy of Internet user information we collect would decrease, which could harm our business, financial condition, and results of operations. U.S. and foreign jurisdictions have enacted or are considering enacting legislation or regulations that significantly restrict the practice of

online tracking. Other regulators are increasingly scrutinizing the use of online tracking tools and compliance with requirements related to the online behavioral advertising ecosystem. Moreover, some providers of consumer devices and web browsers, such as Apple and Google, plan to or have implemented means to make it easier for Internet users to block tracking technologies or to require new permissions from users for certain activities, which could, if widely adopted, significantly reduce the effectiveness of such practices and technologies. As a result, we may have to develop alternative systems to determine our customers' behavior, customize their online experience, or efficiently market to them.

Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and cybersecurity, it is possible that our interpretations of the law and regulations or our practices and platform could be inconsistent with, be alleged to fail, or fail to meet all requirements of, such laws, regulations, or obligations. Our failure, or the failure by our vendors, merchants, or Dashers on our platform, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, or cybersecurity, or any compromise of security that results in unauthorized access to, or use or release of personal data or other data relating to merchants, consumers, Dashers, or other individuals, or the perception of privacy concerns or that any of the foregoing types of failure or compromise has occurred, could damage our reputation and brand, discourage new and existing merchants, consumers, and Dashers from using our platform, or result in fines, investigations, or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition, and results of operations.

We may be subject to legal claims resulting from unauthorized text messages sent in violation of the Telephone Consumer Protection Act.

The actual or perceived improper sending of text messages may subject us to certain risks, including liabilities or claims relating to consumer protection laws. For example, the TCPA restricts telemarketing and the use of automated SMS text messages without proper consent. This has resulted, and may in the future result, in civil claims against us. The scope and interpretation of the laws that are or may be applicable to the delivery of text messages are continuously evolving and developing. If we are not able to comply with these laws and regulations, including the TCPA, in an effective manner, we could be subject to legal claims and liability, our brand and reputation may be harmed, and our business, financial condition, and results of operations could be adversely affected.

Risks Related to our Dependence on Third Parties

We rely primarily on third-party insurance policies from a limited number of insurance providers to insure our operations-related risks. If our insurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able to mitigate the risks facing our business, which could adversely affect our business, financial condition, and results of operations.

We procure third-party insurance policies from a limited number of insurance providers to cover various operations-related risks including auto liability, employment practices liability, workers' compensation, business interruptions, cybersecurity and data breaches, crime, directors' and officers' liability, occupational accident liability for Dashers, and general business liabilities. For certain types of operations-related risks or risks related to our new and evolving services, we may not be able to, or may choose not to, acquire insurance. Even if we do acquire insurance for our operations-related risks or risks related to our new and evolving services, we may not obtain enough insurance to adequately mitigate such risks, and we may have to pay high premiums, self-insured retentions, or deductibles for the coverage we do obtain. If any of our insurance providers becomes insolvent, it would be unable to pay any operations-related claims that we make. In addition, if any of our insurance providers terminate their relationship with us or refuse to renew their relationships with us on commercially reasonable terms, we would be required to find alternate insurance providers and may not be able to secure similar terms or a suitable replacement in an acceptable time frame. Further, some of our agreements with merchants require that we procure certain types of insurance, and if we are unable to obtain and maintain such insurance, we would be in violation of the terms of these merchant agreements and could be subject to additional liabilities as a result.

If the amount of one or more operations-related claims were to exceed our applicable aggregate coverage limits, we would be responsible for the excess, in addition to amounts already incurred in connection with deductibles, self-insured retentions, or otherwise paid by our insurance subsidiary. Insurance providers have raised premiums and deductibles for many businesses and may do so in the future. As a result, our insurance and claims expense could increase substantially, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced. Our business, financial condition, and results of operations could be adversely affected if (i) the cost per claim, premiums, or the number of claims significantly exceeds our historical experience and coverage limits, (ii) we experience a claim in excess of our coverage limits, (iii) our insurance providers fail to pay on our insurance claims, (iv) we experience a claim for which coverage is not provided, or (v) the number of claims under our deductibles or self-insured retentions differs from historical averages.

We primarily rely on Amazon Web Services to deliver our services to users on our platform, and any disruption of or interference with our use of Amazon Web Services could adversely affect our business, financial condition, and results of operations.

We primarily host our platform and support our operations on data centers provided by Amazon Web Services ("AWS"), a third-party provider of cloud infrastructure services, in a limited number of locations. We do not have control over the operations of the AWS facilities that we use. AWS's facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages, and similar events or acts of misconduct. We have experienced, and expect that in the future we will continue to experience, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. In addition, any changes in AWS' service levels may adversely affect our ability to meet the requirements of users on our platform. Any negative publicity arising from these disruptions could harm our reputation and brand. Since our platform's continuing and uninterrupted performance is critical to our success, sustained or repeated system failures would reduce the attractiveness of our platform, usage of our platform, lead to loss of revenue, increase our costs, and impair our ability to attract new users, any of which could adversely affect our business, financial condition, and results of operations.

Our primary commercial agreement with AWS will remain in effect until terminated by AWS or us. AWS may terminate the agreement for convenience by providing us at least 30 days advanced notice. AWS may also terminate the agreement for cause upon a material breach of the agreement, subject to AWS providing prior written notice and a 30-day cure period, and may in some cases terminate the agreement immediately for cause upon written notice. Although it would be difficult for a number of reasons, we believe that we could transition to one or more alternative cloud infrastructure providers on commercially reasonable terms if it became necessary. In the event that our agreement with AWS is terminated or we add additional cloud infrastructure service providers, we may experience significant costs or downtime for a short period in connection with the transfer to, or the addition of, new cloud infrastructure service providers. However, we do not believe that such transfer to, or the addition of, new cloud infrastructure service providers would cause substantial harm to our business, financial condition, or results of operations over the longer term.

We primarily rely on a third-party payment processor to process payments made to merchants and Dashers and a small number of third-party payment processors to process payments made by consumers, and if we cannot manage our relationship with such third parties and other payment-related risks, our business, financial condition, and results of operations could be adversely affected.

We primarily rely on a third-party payment processor, Stripe, to process payments made to merchants and Dashers and a small number of third-party payment processors to process payments made by consumers, primarily PayPal and Stripe. Under our commercial agreements with Stripe and PayPal, each of these parties may terminate our relationship with advanced notice. If both Stripe and PayPal terminate their relationship with us or refuse to renew their agreements with us on commercially reasonable terms, we would be required to find alternate payment processors and may not be able to secure similar terms or a suitable replacement in an acceptable time frame. Further, the software and services provided by a replacement for Stripe or PayPal may not meet our expectations, may contain errors or vulnerabilities, and could be compromised or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions, verify payment information, or make timely payments to merchants and Dashers, any of which could disrupt our business for an extended period of time, make our platform less convenient and attractive to users, result in losses and legal liability to us, and adversely affect our ability to attract and retain qualified merchants, consumers, and Dashers.

If we fail to or are alleged to fail to comply with applicable payment, payment processing, anti-money laundering, and similar regulations as a result of our relationships with our third-party payment processors, we may be subject to claims and litigation, regulatory investigations and proceedings, civil or criminal penalties, fines, or higher transaction fees and may lose the ability to accept online payments or other payment card transactions, which could make our platform less convenient and attractive to consumers. We also rely on data provided by Stripe and other payment service provider partners for financial statement reporting, and there could be inaccuracies and other errors in such data. If any of these events were to occur, our business, financial condition, and results of operations could be adversely affected. Additionally, our primary third-party payment processor requires us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit us from providing certain services to some users, be costly to implement, or difficult to follow. If we fail to comply with these rules or regulations, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from consumers or facilitate other types of online payments, and our business, financial condition, and results of operations could be adversely affected. We have also agreed to reimburse our third-party payment processor for any reversals, chargebacks, and fines they are assessed

by payment card networks if we violate these rules. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

We rely on third-party background check providers to screen potential Dashers and if such providers fail to provide accurate information or we are not able to maintain business relationships with them, our business, financial condition, and results of operations could be adversely affected.

Where permitted under applicable law, we rely on accredited third-party background check providers to provide the criminal and/or driving history of potential Dashers and, in some cases, existing Dashers to help identify those that are not qualified to use our platform pursuant to applicable law or our internal standards, and our business may be adversely affected to the extent such providers do not meet their contractual obligations, our expectations, or the requirements of applicable law or regulations. If any of our third-party background check providers terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we may need to find alternate providers, and may not be able to secure similar terms or replace such partners in an acceptable time frame. In certain jurisdictions, including Canada, we currently rely on a single third-party background check provider. In other jurisdictions, including the United States, we rely on a very limited number of background check providers. If the need arises, and we cannot find alternate third-party background check providers on terms acceptable to us, we may not be able to timely onboard potential Dashers, and as a result, our platform may be less attractive to potential Dashers and we may have difficulty finding enough Dashers to meet consumer demand. Further, if the background checks conducted by our third-party background check providers are inaccurate or do not otherwise meet our expectations, unqualified Dashers may be permitted to make deliveries on our platform, and as a result, we may be unable to adequately help protect or provide a safe environment for our merchants and consumers and qualified Dashers may be inadvertently excluded from our platform. As a result of inaccurate background checks, our reputation and brand could be adversely affected and we could be subject to increased regulatory or litigation exposure. In addition, if a Dasher engages in criminal activity after the third-party background check has been conducted, we may not be informed of such criminal activity and this Dasher may be permitted to continue making deliveries on our platform.

We are also subject to a number of laws and regulations applicable to background checks for potential and existing Dashers that utilize our platform. If we or our third-party background check providers fail to comply with applicable laws, rules, and regulations, our reputation, business, financial condition, and results of operations could be adversely affected, and we could face legal action, including class, collective, or other representative actions. For example, we have faced issues in the past, including lawsuits, inquiries, and demand letters, related to our background check review process and the notice requirements around background checks. In addition, background check qualification processes may be limited in certain jurisdictions based on national and local laws, and our third-party service providers may fail to conduct such background checks adequately or disclose information that could be relevant to a determination of eligibility.

In jurisdictions where our industry does not have regulations establishing standards for background checks, we decide on the scope of our background checks and the cadence with which we conduct such background checks. If we choose background checks that are less thorough in scope than we are permitted to conduct under applicable law or regulation, or if we fail to run additional background checks after Dashers are onboarded, we may face negative publicity or become subject to litigation in the future.

Any negative publicity related to any of our third-party background check providers, including publicity related to safety incidents or actual or perceived privacy or data security breaches or other security incidents, could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

We rely on third parties to provide some of the software for our platform. If such third parties interfere with the distribution of our platform or with our use of such software, our business would be adversely affected.

We rely upon certain third parties to provide software for our platform. For example, we use Google Maps for the mapping function that is critical to the functionality of our platform, and accordingly, we do not control all mapping functions employed by our platform or Dashers using our platform, and it is possible that such mapping functions may not be reliable. Any failure by us to understand and manage our exposure to the risks associated with the use of third party software, such as the risk of misuse of confidential or proprietary information or the exposure to cybersecurity incidents, could adversely impact us. For example, integration issues could prevent the onboarding of new third party software providers or lead to the loss of existing providers. Furthermore, updates to third party software that integrates with our offerings could cause our platform to not operate as efficiently as it previously had or at all. Any changes in these systems that degrades the functionality of our platform or gives preferential treatment to competitive services may impose could adversely affect usage of our platform. From time to time we have had, and may in the future have, disputes with certain

of our third-party software providers. If, in connection with such a dispute, a software provider terminates its relationship with us or otherwise limits the provision of their software to us, the availability or usage of our platform could be disrupted. If the third parties we rely upon cease to provide access to the third-party software that we and Dashers use, whether in connection with disputes or otherwise, do not provide access to such software on terms that we believe to be attractive or reasonable, or do not provide us with the most current version of such software, we may be required to seek comparable software from other sources, which may be more expensive or inferior, or may not be available at all, any of which would adversely affect our business.

We depend on the interoperability of our platform across third-party applications and services that we do not control.

We have integrations with PayPal, Stripe, Olo, Google Maps, AWS, and a variety of other vendors. Third-party applications, products, and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors or merchants on our platform may take actions that disrupt the interoperability of our platform with their own products or services, or exert strong business influence on our ability to, and the terms on which we, operate and distribute our platform. As our platform evolves, we expect the types and levels of competition we face to increase. Should any of our competitors or merchants on our platform modify their technologies, standards, or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to our competitors' products or services, our platform, business, financial condition, and results of operations could be adversely affected.

We rely on mobile operating systems and application marketplaces to make our applications available to merchants, consumers, and Dashers. If our applications do not effectively operate with or receive favorable placements within such application marketplaces or if the mobile operating system providers make changes to their platforms that reduce the functionality of our platform or effectiveness of our advertising, our usage or brand recognition could decline and our business, financial condition, and results of operations could be adversely affected.

We depend in part on mobile operating systems, such as Android and iOS, and their respective application marketplaces to make our applications available to merchants, consumers, and Dashers that utilize our platform. If such mobile operating systems or application marketplaces limit or prohibit us from making our applications available to merchants, consumers, and Dashers, make changes that degrade the functionality of our applications, give preferential treatment to our competitors' applications, increase the cost of using our applications, impose terms of use unsatisfactory to us, or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of our applications, our user growth could slow.

As new mobile devices and mobile platforms are released, there is no guarantee that these new devices and platforms will continue to support our platform or that we will be able to maintain the same level of service on these devices and platforms. In order to deliver effective applications, we need to ensure that our platform is designed to work effectively with a range of mobile technologies, systems, networks, and standards. We may not be successful in developing or maintaining relationships with key participants in the mobile industry that enhance users' experience. If merchants, consumers, or Dashers that utilize our platform encounter any difficulty accessing or using our applications on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, we expect that our user growth and user engagement would be adversely affected.

In addition, mobile operating system and browser providers, such as Apple and Google, have announced changes as well as future plans to limit the ability of application developers like us to collect and use certain data about users of our platform, including merchants, consumers, and Dashers. For example, in 2021, Apple imposed requirements for consumer disclosures regarding privacy practices, and implemented an application tracking transparency framework that requires opt-in consent for certain types of tracking. In February 2022, Google announced it planned to adopt restrictions to restrict tracking activity across Android devices. These changes have, and we expect that these changes will continue to, negatively impact the effectiveness of our advertising and promotions. If we are unable to mitigate the effects of these developments, we could experience a decline in the growth of new users as well as order rates from existing consumers on our platform.

Internet search engines drive traffic to our platform and our new user growth could decline if we fail to appear prominently in search results.

Our success depends in part on our ability to attract consumers through unpaid Internet search results on search engines like Google. The number of consumers we attract to our platform from search engines is due in large part to how and where our websites rank in unpaid search results. These rankings can be affected by a number of factors, many of which are not under our direct control and may change frequently. For example, a search engine may change its ranking algorithms, terms of service, methodologies, or design layouts. As a result, links to our websites may not be prominent enough to drive traffic to our websites, and we may not know how or otherwise be in a position to influence the results. In some instances, search engine companies may change these rankings in a way that promotes their own competing products or services or the products or services of one or more of our competitors. Search engines may also adopt a more aggressive auction-pricing system for keywords that would cause us to incur higher advertising costs or reduce our market visibility to prospective consumers. Any reduction in the number of consumers directed to our platform could adversely affect our business, financial condition, and results of operations.

Certain estimates and information contained in this Quarterly Report on Form 10-Q are based on information from third-party sources and we do not independently verify the accuracy or completeness of the data contained in such sources or the methodologies for collecting such data, and any real or perceived inaccuracies in such estimates and information may harm our reputation and adversely affect our business.

Certain estimates and information contained in this Quarterly Report on Form 10-Q, including general expectations concerning our industry and the market in which we operate, category share, market opportunity, and market size, are based to some extent on information provided by third-party providers. This information involves a number of assumptions and limitations, and although we believe the information from such third-party sources is reliable, we have not independently verified the accuracy or completeness of the data contained in such third-party sources or the methodologies for collecting such data. If there are any limitations or errors with respect to such data or methodologies, or if investors do not perceive such data or methodologies to be accurate, or if we discover material inaccuracies with respect to such data or methodologies, we may lose the confidence of our investors and our reputation, financial condition, and results of operations could be adversely affected.

Risks Related to our Intellectual Property

Failure to adequately protect our intellectual property could adversely affect our business, financial condition, and results of operations.

Our business depends on our intellectual property, the protection of which is crucial to the success of our business. We rely on a combination of patent, trademark, trade secret, and copyright law and contractual restrictions to protect our intellectual property. In addition, we attempt to protect our intellectual property, technology, and confidential information by requiring our employees and consultants who develop intellectual property on our behalf to enter into confidentiality and invention assignment agreements, and third parties we share information with to enter into nondisclosure agreements. These agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property, or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or technology, or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our platform or other software, technology, and functionality or obtain and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavor, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate.

We have registered, among other trademarks, the term "DoorDash" in the United States, Canada, and other jurisdictions, and "Wolt" throughout the EU and in other countries in which Wolt operates. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others. Further, we may not timely or successfully apply for a patent or register our trademarks or otherwise secure our intellectual property. Our efforts to protect, maintain, or enforce our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition, and results of operations.

Intellectual property infringement assertions by third parties could result in significant costs and adversely affect our business, financial condition, results of operations, and reputation.

We operate in an industry with frequent intellectual property litigation. Other parties have asserted, and in the future may assert, that we have infringed their intellectual property rights. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing.

Further, we cannot predict whether other assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect our business, financial condition, and results of operations. The defense of these claims and any future infringement claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. Further, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees if we are found to have willfully infringed a party's patent or copyright rights, cease making, licensing, or using products that are alleged to incorporate the intellectual property of others, expend additional development resources to redesign our offerings, and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms acceptable to us, or at all. In any event, we may need to license intellectual property which would require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could adversely affect our business, reputation, financial condition, and results of operations.

We may be unable to continue to use the domain names that we use in our business or prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand, trademarks, or service marks.

We have registered domain names that we use in, or are related to, our business, such as www.doordash.com and www.wolt.com. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our offerings under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. We may not be able to obtain preferred domain names due to a variety of reasons. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting, maintaining, and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of resources, which could in turn adversely affect our business, financial condition, and results of operations.

Our platform contains third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our platform.

Our platform contains software modules licensed to us by third-party authors under "open source" licenses. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our platform.

Some open source licenses contain requirements that may, depending on how the licensed software is used or modified, require that we make available source code for modifications or derivative works we create based upon the licensed open source software, authorize further modification and redistribution of that source code, make that source code available at little or no cost, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could be required under certain open source licenses, be required to release the source code of our proprietary software under the terms of an open source software license. This could enable our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. To avoid the release of the affected portions of our source code, we could be required to purchase additional licenses, expend substantial time, and resources to re-engineer some or all of our software or cease use or distribution of some or all of our software until we can adequately address the concerns.

Although we have certain policies and procedures in place to monitor our use of open source software that are designed to avoid subjecting our platform to conditions we do not intend, those policies and procedures may not be effective to detect or address all such conditions. In addition, the terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated

conditions or restrictions on our ability to provide or distribute our platform. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their offerings. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our platform on terms that are not economically feasible, to re-engineer our platform, to discontinue or delay the provision of our platform if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition, and results of operations.

Risks Related to Our Indebtedness and Liquidity

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

Historically, we have financed our operations primarily through equity issuances and cash generated from our operations. To support our growing business and to effectively compete, we must have sufficient capital to continue to make significant investments in our platform. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new platform features and services or enhance and expand our existing platform, improve our operating infrastructure, acquire complementary businesses and technologies, or respond to challenging macroeconomic conditions. We believe our working capital will be sufficient to meet our anticipated operating cash needs for at least the next 12 months and beyond. From time to time, we may seek additional equity or debt financing to fund capital expenditures, strategic initiatives, or investments and our ongoing operations. If we raise additional funds through future issuances of equity, equity-linked securities, or convertible debt securities, our existing stockholders could suffer significant dilution, and any new securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, and operating performance and the condition of the capital markets at the time we seek financing. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired, and our business, financial condition, and results of operations may be adversely affected.

Our revolving credit facility contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations.

The terms of our revolving credit facility include a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, merge or consolidate with other companies or sell substantially all of our assets, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions, or engage in transactions with affiliates. The terms of our revolving credit facility may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy, including potential acquisitions, and compete against companies which are not subject to such restrictions.

A failure by us to comply with the covenants or payment requirements specified in our credit agreement could result in an event of default under the agreement, which would give the lenders the right to terminate their commitments to provide additional loans under our revolving credit facility and to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. If the debt under our revolving credit facility were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could immediately adversely affect our business, cash flows, results of operations, and financial condition. Even if we were able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. As of June 30, 2023, there were no revolving loans outstanding and \$99 million in aggregate face amount of letters of credit issued under our revolving credit facility.

Risks Related to Ownership of our Class A Common Stock

The multi-class structure of our common stock and the Voting Agreement between our Co-Founders has the effect of concentrating voting power with Tony Xu, our co-founder, Chief Executive Officer, and Chair of our board of directors, which will limit your ability to influence the outcome of matters submitted to our stockholders for approval.

Our Class A common stock has one vote per share, our Class B common stock has 20 votes per share, and our Class C common stock has no voting rights, except as otherwise required by law. Our Co-Founders together hold all of the issued and outstanding shares of our Class B common stock. As of June 30, 2023, Tony Xu, our co-founder, Chief Executive Officer, and Chair of our board of directors, Andy Fang, our co-founder, Head of Consumer Engineering, and a member of our board of directors, and Stanley Tang, our co-founder, Head of DoorDash Labs, and a member of our board of directors collectively held 60% of the voting power of our outstanding capital stock in aggregate, which voting power may increase over time as our Co-Founders exercise or vest in outstanding equity awards (including those equity awards granted to our Co-Founders prior to the IPO and subject to equity exchange right agreements whereby each of our Co-Founders has a right (but not an obligation) to require us to exchange any shares of Class A common stock received upon the exercise of options to purchase shares of Class A common stock or the vesting and settlement of RSUs related to shares of Class A common stock for an equivalent number of shares of Class B common stock). If all such equity awards held by our Co-Founders (including the CEO Performance Award) had been exercised or vested and exchanged for shares of Class B common stock as of June 30, 2023, our Co-Founders would collectively hold 71% of the voting power of our outstanding capital stock. Our Co-Founders have also entered into the Voting Agreement, whereby Mr. Xu will have the authority (and irrevocable proxy) to direct the vote and vote the shares of Class B common stock held by Messrs. Fang and Tang, and their respective permitted entities and permitted transferees, at his discretion on all matters to be voted upon by stockholders. As a result, Mr. Xu will be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction. Mr. Xu may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing, or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company, and might ultimately affect the market price of our Class A common stock. Further, the separation between voting power and economic interests could cause conflicts of interest between our Co-Founders and our other stockholders, which may result in Mr. Xu undertaking, or causing us to undertake, actions that would be desirable for himself or our Co-Founders but would not be desirable for our other stockholders.

Future transfers by the holders of Class B common stock will generally result in those shares automatically converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or other transfers among our Co-Founders and their family members. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the first date on which the number of shares of our capital stock, including Class A common stock, Class B common stock, and Class C common stock, and any shares of capital stock underlying equity securities or other convertible instruments, held by Mr. Xu and his permitted entities and permitted transferees is less than 35% of the Class B common stock held by Mr. Xu and his permitted entities as of immediately following the completion of our IPO, which we sometimes refer to herein as the "35% Ownership Threshold;" (ii) 12 months after the death or permanent and total disability of Mr. Xu, during which 12-month period the shares of our Class B common stock shall be voted as directed by a person designated by Mr. Xu and approved by our board of directors (or if there is no such person, then our secretary then in office); (iii) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date on which Mr. Xu is terminated for cause (as defined in our amended and restated certificate of incorporation); or (iv) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date upon which (A) Mr. Xu is no longer providing services to us as an officer, employee, or consultant and (B) Mr. Xu is no longer a member of our board of directors, either as a result of Mr. Xu's voluntary resignation or as a result of a request or agreement by Mr. Xu at a meeting of our stockholders for Mr. Xu not to be renominated as a member of our board of directors. We refer to the date on which such final conversion of all outstanding shares of Class B common stock pursuant to the terms of our amended and restated certificate of incorporation occurs as the "Final Conversion Date."

We have no current plans to issue shares of our Class C common stock, which entitle the holder to zero votes per share (except as otherwise required by law). These shares will be available to be used in the future to further strategic initiatives, such as financings or acquisitions, or issue future equity awards to our service providers. Over time the issuance of shares of Class A common stock will result in voting dilution to all of our stockholders and this dilution could eventually

result in our Co-Founders, in particular Mr. Xu, holding less than a majority of our total outstanding voting power. Once our Co-Founders own less than a majority of our total outstanding voting power, Mr. Xu would no longer have the unilateral ability to elect all of our directors and to determine the outcome of any matter submitted for a vote of our stockholders. Because the shares of Class C common stock would have no voting rights (except as required by law), the issuance of such shares will not result in further voting dilution, which would prolong the voting control of Mr. Xu. Further, the issuance of such shares of Class C common stock to Mr. Xu would also delay the final conversion of all of our outstanding Class B common stock because shares of Class C common stock issued to Mr. Xu would be counted when determining whether the 35% Ownership Threshold has been met. As a result, the issuance of shares of Class C common stock could prolong the duration of Mr. Xu's control of our voting power and his ability to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders. In addition, we could issue shares of Class C common stock to our Co-Founders and, in that event, they would be able to sell such shares of Class C common stock and achieve liquidity in their holdings without diminishing Mr. Xu's voting control. Any future issuances of shares of Class C common stock will not be subject to approval by our stockholders except as required by the listing standards of the NYSE.

Although we do not expect to rely on the “controlled company” exemption under the listing standards of the NYSE, we expect to have the right to use such exemption and therefore we could in the future avail ourselves of certain reduced corporate governance requirements.

As a result of our multi-class common stock structure and the Voting Agreement, our Co-Founders collectively hold a majority of the voting power of our outstanding capital stock as of December 31, 2022, and Mr. Xu will have the authority (and irrevocable proxy) to direct the vote and vote the shares of Class B common stock held by Messrs. Fang and Tang, and their respective permitted entities and permitted transferees, at his discretion on all matters to be voted upon by stockholders. Therefore, we are considered a “controlled company” as that term is set forth in the listing standards of the NYSE. Under these listing standards, a company in which over 50% of the voting power for the election of directors is held by an individual, a group, or another company is a “controlled company” and may elect not to comply with certain listing standards of the NYSE regarding corporate governance, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that its nominating or corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and an annual performance evaluation of the committee; and
- the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, an annual performance evaluation of the committee, and the rights and responsibilities of the committee relate to any compensation consultant, independent legal advisors, or any other advisor retained by the committee.

These requirements would not apply to us if, in the future, we choose to avail ourselves of the “controlled company” exemption. Although we qualify as a “controlled company,” we do not currently expect to rely on these exemptions and intend to fully comply with all corporate governance requirements under the listing standards of the NYSE. However, if we were to utilize some or all of these exemptions, we would not comply with certain of the corporate governance standards of the NYSE, which could adversely affect the protections for other stockholders.

We cannot predict the effect our multi-class structure may have on the market price of our Class A common stock.

We cannot predict whether our multi-class structure will result in a lower or more volatile market price of our Class A common stock, in adverse publicity, or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multi-class share structures in certain of their indices. In July 2017, FTSE Russell announced that it plans to require new constituencies of its indices to have greater than 5% of the company's voting rights in the hands of public stockholders, and S&P Dow Jones announced that it will no longer admit companies with multi-class share structures to certain of its indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Under such announced policies, the multi-class structure of our common stock makes us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to track those indices would not invest in our Class A common stock. It is unclear what effect, if any, these policies will have on the long-term valuations of publicly-traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds.

and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

The trading price of our Class A common stock may be volatile, and you could lose all or part of your investment.

The trading price of our Class A common stock may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders, as well as the perception that such sales could occur;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements by us or our competitors of new services or platform features;
- the public's reaction to our press releases, other public announcements, and filings with the SEC, or those of our competitors or others in our industry;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or security breaches or other incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management;
- general economic conditions, including the effects of increased inflation and interest rates, and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism, natural disasters, public health concerns or epidemics, such as the COVID-19 pandemic, or responses to these events.

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

Sale of substantial amounts of our Class A common stock, or the perception that such sales could occur, could depress the market price of our Class A common stock.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market, and the perception that these sales could occur may also depress the market price of our Class A common stock.

Certain stockholders are entitled, under our investors' rights agreement, to require us to register shares owned by them for public sale in the United States. In addition, we have previously registered shares for future issuance under our equity compensation plans. As a result, subject to the satisfaction of applicable exercise periods, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSU awards will be available for immediate resale in the United States in the open market.

Sales of our Class A common stock may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales could also cause the trading price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

We may not realize the anticipated long-term stockholder value of our share repurchase programs, and any failure to repurchase our Class A common stock after we have announced our intention to do so may negatively impact our stock price.

We have authorized share repurchase programs in the past and may authorize other share repurchase programs in the future. Under existing or any future share repurchase programs, we may make share repurchases through a variety of methods, including open share market purchases, block transactions, or privately negotiated transactions, in accordance with applicable federal securities laws. Our share repurchase programs may have no time limit, may not obligate us to repurchase any specific number of shares, and may be suspended at any time at our discretion and without prior notice. The timing and amount of repurchases, if any, will be subject to liquidity, stock price, market and economic conditions, compliance with applicable legal requirements, such as Delaware surplus and solvency tests, management discretion, and other relevant factors. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price.

The existence of these share repurchase programs could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Although these programs are intended to enhance long-term stockholder value, there is no assurance they will do so because the market price of our Class A common stock may decline below the levels at which we repurchased shares and short-term stock price fluctuations could reduce the effectiveness of our repurchase programs. Furthermore, there is no guarantee that our stock repurchases in the past or in the future will be able to successfully mitigate the dilutive effect of the equity awards we grant to our employees.

Repurchasing our Class A common stock will reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate requirements, and we may fail to realize the anticipated long-term stockholder value of these share repurchase programs.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- any amendments to our amended and restated certificate of incorporation require the approval of at least a majority of the voting power of the outstanding shares of our Class A common stock and Class B common stock;
- our amended and restated bylaws provide that approval of the holders of at least a majority of the voting power of the outstanding shares of our Class A common stock and Class B common stock voting as a single class is required for stockholders to amend or adopt any provision of our bylaws;
- our multi-class common stock structure and the Voting Agreement, which provide Tony Xu with the ability to determine or significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock, Class B common stock, and Class C common stock;
- our board of directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;

- until the first date on which the outstanding shares of our Class B common stock represent less than a majority of the total combined voting power of our Class A common stock and our Class B common stock (the "Voting Threshold Date"), our stockholders will only be able to take action by written consent if such action is first recommended or approved by our board of directors;
- after the Voting Threshold Date, our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter;
- our amended and restated certificate of incorporation does not provide for cumulative voting;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer, or a majority of our board of directors;
- certain litigation against us can only be brought in Delaware;
- our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our amended and restated bylaws designate a U.S. state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our amended and restated bylaws also provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action under the Securities Act of 1933, as amended (the "Securities Act"). Nothing in our amended and restated bylaws precludes stockholders that assert claims under the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. The enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, in December 2018, the Court of Chancery of the State of Delaware determined that a provision stating that U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Although this decision was reversed by the Delaware Supreme Court in March 2020, courts in other states may still find these provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provisions in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could adversely affect our results of operations.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business, or our market, or if they change their recommendation regarding our Class A common stock adversely, the market price and trading volume of our Class A common stock could decline.

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us, our business, our market, or our competitors. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If any of the analysts who cover us change their recommendation regarding our Class A common stock adversely, provide more favorable relative recommendations about our competitors, or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the price and trading volume of our Class A common stock to decline.

We do not expect to pay dividends in the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not anticipate declaring or paying any dividends to holders of our capital stock in the foreseeable future. In addition, our revolving credit facility contains restrictions on our ability to pay dividends. Consequently, stockholders must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes the share repurchase activity for the three months ended June 30, 2023:

Period	Total Number of Shares Purchased (in thousands) ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (in thousands) ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in millions) ⁽¹⁾
April 1 - 30	1,742	\$ 61.68	1,742	\$ 250
May 1 - 31	—	\$ —	—	\$ 250
June 1 - 30	2,699	\$ 71.52	2,699	\$ 57
Total	4,441		4,441	

(1) In February 2023, our board of directors authorized the repurchase of up to \$750 million of our Class A common stock. In connection with this authorization, we entered into Rule 10b5-1 plans to facilitate repurchases of \$693 million of our Class A common stock in open market transactions. Please refer to Note 9 of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, the following officers, as defined in Rule 16a-1(f), adopted a "Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408, as follows:

On June 7, 2023, Prabir Adarkar, our Chief Operating Officer and President, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 104,000 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until September 30, 2024, or earlier if all transactions under the trading arrangement are completed.

On June 7, 2023, Gordon Lee, our Chief Accounting Officer, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 4,000 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until August 13, 2024, or earlier if all transactions under the trading arrangement are completed.

Item 6. Exhibits

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q, or are incorporated herein by reference, in each case as indicated below.

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the registrant	10-K	001-39759	3.1	March 5, 2021
3.2	Certificate of Change of Registered Agent	10-K	001-39759	3.2	February 27, 2023
3.3	Amended and Restated Bylaws of the registrant	10-K	001-39759	3.3	February 27, 2023
31.1	Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2	Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1*	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101	The following financial information from DoorDash Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Loss, (iv) the Condensed Consolidated Statements of Redeemable Non-Controlling Interests and Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.				
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 has been formatted in Inline XBRL and contained in Exhibit 101				

* The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of DoorDash, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

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.

DOORDASH, INC.

Date: August 2, 2023

By: /s/ Tony Xu
Tony Xu
Chief Executive Officer
(Principal Executive Officer)

Date: August 2, 2023

By: /s/ Ravi Inukonda
Ravi Inukonda
Chief Financial Officer
(Principal Financial Officer)