

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 001-39778



Airbnb, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

26-3051428

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

888 Brannan Street

San Francisco, California 94103

(Address of Principal Executive Offices) (Zip Code)

(415) 728-0108

(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 \$0.0001 per share	ABNB	The Nasdaq Stock Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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

As of October 25, 2024, 432,876,590 shares of the registrant's Class A common stock were outstanding, 191,895,050 shares of the registrant's Class B common stock were outstanding, no shares of the registrant's Class C common stock were outstanding, and 9,200,000 shares of the registrant's Class H common stock were outstanding.

AIRBNB, INC.
Form 10-Q

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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 Private Securities Litigation Reform Act of 1995, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future financial condition, future operations, projected costs, prospects, plans, objectives of management, and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “shall,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “goal,” “objective,” “seeks,” 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:

- the effects of macroeconomic conditions, including inflation, slower growth or recession, higher interest rates, high unemployment, and foreign currency fluctuations, on the demand for travel or similar experiences;
- the effects of fluctuations in demand for host homes, including lower demand in certain areas or as a result of oversupply in others;
- the effects of supply constraints on availability of host homes;
- our ability to attract and retain hosts and guests;
- our ability to effectively manage our exposure to fluctuations in foreign currency exchange rates;
- the impact of the ongoing armed conflicts around the world on our business;
- our expectations regarding our financial performance, including our revenue, costs, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, and Free Cash Flow;
- our expectations regarding future operating performance, including Nights and Experiences Booked, Gross Booking Value (“GBV”), and Average Daily Rate;
- our ability to successfully compete in our industry;
- our expectations regarding the resilience of our model, including in areas such as domestic travel, short-distance travel, travel outside of top cities, and long-term stays;
- our expectations regarding lodging tax obligations and other non-income tax matters;
- our ability to stay in compliance with laws and regulations that currently apply or may become applicable to our business, both in the United States and internationally, and our expectations regarding various laws and restrictions that relate to our business;
- seasonality and the effects of seasonal trends on our results of operations;
- our expectations regarding the impact of our marketing strategy, and our ability to continue to attract guests and hosts to our platform through direct and unpaid channels;
- anticipated trends, developments, and challenges in our industry, business, and the highly competitive markets in which we operate;
- our ability to anticipate market needs or develop new or enhanced offerings and services to meet those needs;
- our ability to manage expansion into international markets and new businesses;
- laws, regulations, and rules that affect the short-term rental, long-term rental, and home sharing business that have limited and may continue to limit the ability or willingness of hosts to share their spaces over our platform and expose our hosts or us to significant fees or penalties;
- the impact on our income as a result of the release of valuation allowances on deferred tax assets;
- our expectations regarding our income tax liabilities, including anticipated increases in foreign taxes, and the adequacy of our reserves;
- our expectations regarding fluctuations in our effective tax rate, including changes to valuation allowances, and the adequacy of our reserves;
- our expectations regarding the adequacy of our reserves and settlement discussions related to tax audits;
- our expectations regarding the impact of the recently enacted Corporate Alternative Minimum Tax;
- our ability to effectively manage our growth and expand our infrastructure and our ability to maintain our corporate culture, and our employee initiatives;
- the safety, affordability, and convenience of our platform and our offerings;
- our ability to successfully defend litigation brought against us;
- the sufficiency of our cash, cash equivalents, and investments to meet our liquidity needs;
- our ability to maintain, protect, and enhance our intellectual property; and
- our ability to make required payments under our credit agreement and to comply with the various requirements of our indebtedness.

We caution you that the foregoing list does 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, estimates, forecasts, and projections about future events and trends that we believe may affect our business, results of operations, financial condition, and prospects. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors. Risks that contribute to the uncertain nature of the forward-looking statements include, among others, the Company’s ability to retain existing hosts and guests and add new hosts and guests; any decline or disruption in the travel and hospitality industries or economic downturn; the Company’s ability to compete successfully; changes to the laws and regulations that may limit hosts’ ability and willingness to provide their listings, and/or result in significant fines, liabilities, and penalties to the Company; the effect of extensive regulation and oversight, litigation, and other proceedings related to the Company’s business in a variety of areas; the effects of the COVID-19 pandemic on the Company’s business, including as a result of new strains or variants of the virus, the travel industry, travel trends, and the global economy generally; the Company’s ability to maintain its brand and reputation, and effectively drive traffic to its platform; the effectiveness of the Company’s strategy and business initiatives, including measures to improve trust and safety; the Company’s operations in international markets; the Company’s indebtedness; the Company’s final closing procedures, final adjustments, and other developments that may arise in the course of audit and review procedures; and changes in political, business, and economic conditions; as well as other risks listed or described from time to time in the Company’s filings with the Securities and Exchange Commission (the “SEC”),

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including our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Moreover, we operate in a highly 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. The results, events, and circumstances reflected in the forward-looking statements may not 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 available. 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 you are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this Quarterly Report on Form 10-Q by these cautionary statements.

PART I - FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements**

Airbnb, Inc.
Condensed Consolidated Balance Sheets
(in millions, except par value)
(unaudited)

	December 31, 2023	September 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,874	\$ 7,670
Short-term investments (including assets reported at fair value of \$2,507 and \$2,826, respectively)	3,197	3,583
Funds receivable and amounts held on behalf of customers	5,869	6,573
Prepays and other current assets (including customer receivables of \$249 and \$210 and allowances of \$44 and \$35, respectively)	569	493
Total current assets	16,509	18,319
Deferred tax assets, net	2,881	2,601
Goodwill and intangible assets, net	792	783
Other assets, noncurrent	463	469
Total assets	\$ 20,645	\$ 22,172
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued expenses, accounts payable, and other current liabilities	\$ 2,654	\$ 3,106
Funds payable and amounts payable to customers	5,869	6,573
Unearned fees	1,427	1,657
Total current liabilities	9,950	11,336
Long-term debt	1,991	1,994
Other liabilities, noncurrent	539	354
Total liabilities	12,480	13,684
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, \$0.0001 par value:		
Class A - authorized 2,000 shares; 438 and 435 shares issued & outstanding, respectively;		
Class B - authorized 710 shares; 200 and 192 shares issued & outstanding, respectively;		
Class C - authorized 2,000 shares; zero shares issued & outstanding, respectively; and		
Class H - authorized 26 shares; 9 shares issued and zero shares outstanding, respectively	—	—
Additional paid-in capital	11,639	12,378
Accumulated other comprehensive loss	(49)	(47)
Accumulated deficit	(3,425)	(3,843)
Total stockholders' equity	8,165	8,488
Total liabilities and stockholders' equity	\$ 20,645	\$ 22,172

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Revenue	\$ 3,397	\$ 3,732	\$ 7,699	\$ 8,622
Costs and expenses:				
Cost of revenue	459	465	1,319	1,451
Operations and support	316	369	915	992
Product development	419	524	1,290	1,518
Sales and marketing	403	514	1,339	1,601
General and administrative	304	335	822	937
Total costs and expenses	1,901	2,207	5,685	6,499
Income from operations	1,496	1,525	2,014	2,123
Interest income	192	207	529	635
Other income (expense), net	(9)	3	(58)	(49)
Income before income taxes	1,679	1,735	2,485	2,709
Provision for (benefit from) income taxes	(2,695)	367	(2,656)	522
Net income	\$ 4,374	\$ 1,368	\$ 5,141	\$ 2,187
Net income per share attributable to Class A and Class B common stockholders:				
Basic	\$ 6.83	\$ 2.17	\$ 8.08	\$ 3.45
Diluted	\$ 6.63	\$ 2.13	\$ 7.74	\$ 3.38
Weighted-average shares used in computing net income per share attributable to Class A and Class B common stockholders:				
Basic	640	631	636	634
Diluted	660	642	665	648

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

Airbnb, Inc.
Condensed Consolidated Statements of Comprehensive Income
(in millions)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Net income	\$ 4,374	\$ 1,368	\$ 5,141	\$ 2,187
Other comprehensive income (loss):				
Net unrealized gain (loss) on available-for-sale marketable securities, net of tax	(1)	13	(5)	8
Net unrealized gain (loss) on cash flow hedges, net of tax	37	(68)	35	(6)
Foreign currency translation adjustments	(8)	13	(3)	—
Other comprehensive income (loss)	28	(42)	27	2
Comprehensive income	\$ 4,402	\$ 1,326	\$ 5,168	\$ 2,189

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

Airbnb, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in millions)
(unaudited)

	Nine months ended September 30, 2023					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances as of December 31, 2022	631	\$ —	\$ 11,557	\$ (32)	\$ (5,965)	\$ 5,560
Net income	—	—	—	—	117	117
Other comprehensive income	—	—	—	2	—	2
Common stock and stock-based awards issued, net of shares withheld for employee taxes	3	—*	(138)	—	—	(138)
Stock-based compensation	—	—	243	—	—	243
Repurchases of common stock	(4)	—*	—	—	(493)	(493)
Balances as of March 31, 2023	630	—	11,662	(30)	(6,341)	5,291
Net income	—	—	—	—	650	650
Other comprehensive loss	—	—	—	(3)	—	(3)
Common stock and stock-based awards issued, net of shares withheld for employee taxes	8	—*	(714)	—	—	(714)
Issuance of common stock under employee stock purchase plan	—*	—*	31	—	—	31
Stock-based compensation	—	—	311	—	—	311
Repurchases of common stock	(4)	—*	—	—	(507)	(507)
Balances as of June 30, 2023	634	—	11,290	(33)	(6,198)	5,059
Net income	—	—	—	—	4,374	4,374
Other comprehensive income	—	—	—	28	—	28
Shares issued upon net settlement of warrants exercised	5	—*	—	—	—	—
Common stock and stock-based awards issued, net of shares withheld for employee taxes	4	—*	(131)	—	—	(131)
Stock-based compensation	—	—	293	—	—	293
Repurchases of common stock	(4)	—*	—	—	(500)	(500)
Balances as of September 30, 2023	639	\$ —	\$ 11,452	\$ (5)	\$ (2,324)	\$ 9,123

* Amounts round to zero and do not change rounded totals.

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

Airbnb, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in millions)
(unaudited)

Nine months ended September 30, 2024

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances as of December 31, 2023	638	\$ —	\$ 11,639	\$ (49)	\$ (3,425)	\$ 8,165
Net income	—	—	—	—	264	264
Other comprehensive income	—	—	—	40	—	40
Common stock and stock-based awards issued, net of shares withheld for employee taxes	3	—*	(122)	—	—	(122)
Stock-based compensation	—	—	302	—	—	302
Repurchases of common stock	(5)	—*	—	—	(753)	(753)
Balances as of March 31, 2024	636	—	11,819	(9)	(3,914)	7,896
Net income	—	—	—	—	555	555
Other comprehensive income	—	—	—	4	—	4
Shares issued upon net settlement of warrants exercised	1	—*	—	—	—	—
Common stock and stock-based awards issued, net of shares withheld for employee taxes	2	—*	(125)	—	—	(125)
Issuance of common stock under employee stock purchase plan	—*	—*	37	—	—	37
Stock-based compensation	—	—	385	—	—	385
Repurchases of common stock	(5)	—*	—	—	(750)	(750)
Balances as of June 30, 2024	634	—	12,116	(5)	(4,109)	8,002
Net income	—	—	—	—	1,368	1,368
Other comprehensive loss	—	—	—	(42)	—	(42)
Common stock and stock-based awards issued, net of shares withheld for employee taxes	1	—*	(103)	—	—	(103)
Stock-based compensation	—	—	365	—	—	365
Repurchases of common stock	(8)	—*	—	—	(1,102)	(1,102)
Balances as of September 30, 2024	627	\$ —	\$ 12,378	\$ (47)	\$ (3,843)	\$ 8,488

* Amounts round to zero and do not change rounded totals.

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

Airbnb, Inc.
Condensed Consolidated Statements of Cash Flows
(in millions)
(unaudited)

	Nine Months Ended September 30,	
	2023	2024
Cash flows from operating activities:		
Net income	\$ 5,141	\$ 2,187
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	28	43
Stock-based compensation expense	830	1,039
Deferred income taxes	(2,759)	304
Other, net	(9)	50
Changes in operating assets and liabilities:		
Prepays and other assets	(42)	(22)
Accrued expenses and other liabilities	348	218
Unearned fees	284	233
Net cash provided by operating activities	<u>3,821</u>	<u>4,052</u>
Cash flows from investing activities:		
Purchases of short-term investments	(2,365)	(2,449)
Sales and maturities of short-term investments	1,828	2,079
Other investing activities, net	(30)	(26)
Net cash used in investing activities	<u>(567)</u>	<u>(396)</u>
Cash flows from financing activities:		
Taxes paid related to net share settlement of equity awards	(1,023)	(422)
Proceeds from exercise of equity awards and employee stock purchase plan	68	107
Repurchases of common stock	(1,500)	(2,592)
Change in funds payable and amounts payable to customers	1,196	665
Net cash used in financing activities	<u>(1,259)</u>	<u>(2,242)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(10)	117
Net increase in cash, cash equivalents, and restricted cash	1,985	1,531
Cash, cash equivalents, and restricted cash, beginning of period	12,103	12,667
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 14,088</u>	<u>\$ 14,198</u>

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

Airbnb, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

Note 1. Description of Business

Airbnb, Inc. (the "Company" or "Airbnb") was incorporated in Delaware in June 2008 and is headquartered in San Francisco, California. The Company operates a global platform for unique stays and experiences. The Company's marketplace model connects hosts and guests (collectively referred to as "customers") online or through mobile devices to book spaces and experiences around the world.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") and the applicable rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial information. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K, filed with the SEC on February 16, 2024. The results for the interim periods are not necessarily indicative of results for the full year. Certain immaterial amounts in prior periods have been reclassified to conform with current period presentation.

In the opinion of management, these unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the unaudited condensed consolidated financial position, results of operations and cash flows for these interim periods.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries in accordance with consolidation accounting guidance. All intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the Company's unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. The Company regularly evaluates its estimates, including those related to bad debt reserves, fair value of investments, useful lives of long-lived assets and intangible assets, valuation of goodwill and intangible assets from acquisitions, contingent liabilities, insurance reserves, revenue recognition, valuation of common stock, stock-based compensation, and income and non-income taxes, among others. Actual results could differ materially from these estimates.

As the impact of the uncertain macroeconomic conditions, including inflation and rising interest rates, continues to evolve, estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require increased judgment. These estimates and assumptions may change in future periods and will be recognized in the unaudited condensed consolidated financial statements as new events occur and additional information becomes known. To the extent the Company's actual results differ materially from those estimates and assumptions, the Company's future unaudited condensed consolidated financial statements could be affected.

Recently Adopted Accounting Standards

In June 2022, the Financial Accounting Standards Board (the "FASB") issued guidance related to the fair value measurement of an equity security subject to contractual sale restrictions that prohibit the sale of the equity security. The new guidance also introduced new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value. The Company adopted the guidance effective January 1, 2024. There was no impact to the Company's unaudited condensed consolidated financial statements or disclosures upon adoption.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued an update to improve the disclosures about an entity's expenses, for both annual and interim periods in a tabular format in the footnotes to the financial statements, to include disaggregated information about specific categories underlying certain income statement expense line items. The update is effective for public companies on a prospective basis, with the option for retrospective application in fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its condensed consolidated financial statements.

In December 2023, the FASB issued an update which expands income tax disclosure in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update is effective for public companies in fiscal years beginning after December 15, 2024 on a prospective basis, with the option to apply the update retrospectively. Early adoption is permitted. The Company intends to adopt the new guidance on the effective date and does not expect the adoption to have a material impact on its unaudited condensed consolidated financial statements other than the expanded footnote disclosure.

In November 2023, the FASB issued an update to improve disclosure of reportable segments on an annual and interim basis, primarily through enhanced disclosures about significant segment expenses. The update is effective for public companies in fiscal years beginning after December 15, 2023, and for interim periods beginning after December 15, 2024, on a retrospective basis with early adoption.

Airbnb, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

permitted. The Company does not expect the adoption of the new guidance to have a material impact on its unaudited condensed consolidated financial statements other than the expanded footnote disclosure.

There are other new accounting pronouncements issued by the FASB that the Company has adopted or will adopt, as applicable, and the Company does not believe any of these accounting pronouncements have had, or will have, a material impact on its unaudited condensed consolidated financial statements or disclosures.

Note 3. Supplemental Financial Statement Information

Cash, Cash Equivalents, and Restricted Cash

The following table reconciles cash, cash equivalents, and restricted cash reported on the Company's unaudited condensed consolidated balance sheets to the total amount presented in the unaudited condensed consolidated statements of cash flows (in millions):

	December 31, 2023	September 30, 2024
Cash and cash equivalents	\$ 6,874	\$ 7,670
Cash and cash equivalents included in funds receivable and amounts held on behalf of customers	5,769	6,501
Restricted cash included in prepaids and other current assets	24	27
Total cash, cash equivalents, and restricted cash presented in the unaudited condensed consolidated statements of cash flows	\$ 12,667	\$ 14,198

Supplemental Disclosures of Cash Flow Information

Supplemental cash flow information consisted of the following (in millions):

	Nine Months Ended September 30,	
	2023	2024
Cash paid for income taxes, net of refunds	\$ 69	\$ 302
Non-cash financing activities:		
Net settlement of cashless stock options exercised	\$ 36	\$ —
Net settlement of cashless warrants exercised	\$ 171	\$ 22

Supplemental disclosures of balance sheet information

Supplemental balance sheet information consisted of the following (in millions):

	December 31, 2023	September 30, 2024
Other assets, noncurrent:		
Property and equipment, net	\$ 160	\$ 166
Operating lease right-of-use assets	119	96
Other	184	207
Other assets, noncurrent	\$ 463	\$ 469
Accrued expenses, accounts payable, and other current liabilities:		
Indirect taxes payable and estimated lodging and withholding tax liabilities	\$ 1,119	\$ 1,473
Compensation and employee benefits	436	469
Accounts payable	141	181
Operating lease liabilities, current	61	54
Other	897	929
Accrued expenses, accounts payable, and other current liabilities	\$ 2,654	\$ 3,106
Other liabilities, noncurrent:		
Operating lease liabilities, noncurrent	\$ 252	\$ 211
Other liabilities, noncurrent	287	143
Other liabilities, noncurrent	\$ 539	\$ 354

Airbnb, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

Payments to Customers

The Company makes payments to customers as part of its incentive programs (composed of referral programs and marketing promotions) and refund activities. The payments are generally in the form of coupon credits to be applied toward future bookings or as cash refunds.

The following table summarizes total payments made to customers (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Reductions to revenue	\$ 114	\$ 153	\$ 269	\$ 358
Charges to operations and support	29	43	75	93
Charges to sales and marketing expense	18	25	47	44
Total payments made to customers	\$ 161	\$ 221	\$ 391	\$ 495

Revenue Disaggregated by Geographic Region

The following table presents revenue disaggregated by listing location (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
North America	\$ 1,478	\$ 1,572	\$ 3,595	\$ 3,895
Europe, the Middle East, and Africa	1,533	1,726	2,932	3,341
Latin America	178	199	576	691
Asia Pacific	208	235	596	695
Total revenue disaggregated by geographic region	\$ 3,397	\$ 3,732	\$ 7,699	\$ 8,622

Note 4. Investments

The following tables summarize the Company's investments by major security type (in millions):

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
Short-term investments				
Debt securities:				
Certificates of deposit	\$ 172	\$ —	\$ —	\$ 172
Government bonds	332	1	—	333
Commercial paper	366	—	—	366
Corporate debt securities	1,490	4	(3)	1,491
Mortgage-backed and asset-backed securities	148	1	(4)	145
Total debt securities	2,508	6	(7)	2,507
Time deposits	690	—	—	690
Total short-term investments	\$ 3,198	\$ 6	\$ (7)	\$ 3,197
Long-term investments ⁽¹⁾				
Debt securities:				
Corporate debt securities	\$ 13	\$ —	\$ (9)	\$ 4

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Notes to Condensed Consolidated Financial Statements (unaudited)

	September 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
Short-term investments				
Debt securities:				
Certificates of deposit	\$ 10	\$ —	\$ —	10
Government bonds	300	1	—	301
Commercial paper	231	—	—	231
Corporate debt securities	1,925	10	(1)	1,934
Mortgage-backed and asset-backed securities	350	2	(2)	350
Total debt securities	2,816	13	(3)	2,826
Time deposits	757	—	—	757
Total short-term investments	\$ 3,573	\$ 13	\$ (3)	\$ 3,583
Long-term investments ⁽¹⁾				
Debt securities:				
Corporate debt securities	\$ 13	\$ —	\$ (9)	4

(1) Classified within other assets, noncurrent on the unaudited condensed consolidated balance sheets.

As of December 31, 2023 and September 30, 2024, the Company did not have any available-for-sale debt securities for which the Company recorded credit-related losses.

Unrealized gains and losses, net of tax before reclassifications from accumulated other comprehensive loss ("AOCI") to other income (expense), net, were not material for the three and nine months ended September 30, 2023 and 2024. Realized gains and losses reclassified from AOCI to other income (expense), net, were not material for the three and nine months ended September 30, 2023 and 2024.

Debt securities in an unrealized loss position had an estimated fair value of \$777 million and \$406 million, and unrealized losses of \$16 million and \$13 million as of December 31, 2023 and September 30, 2024, respectively. A total of \$283 million and \$202 million of these securities, with unrealized losses of \$14 million and \$12 million, were in a continuous unrealized loss position for more than twelve months as of December 31, 2023 and September 30, 2024, respectively.

The following table summarizes the contractual maturities of the Company's available-for-sale debt securities (in millions):

	September 30, 2024	
	Amortized Cost	Estimated Fair Value
Due within one year	\$ 1,860	\$ 1,863
Due after one year through five years	875	874
Due after five years	94	93
Total	\$ 2,829	\$ 2,830

Equity Investments Without Readily Determinable Fair Value

The Company holds investments in privately-held companies in the form of equity securities without readily determinable fair values and in which the Company does not have a controlling interest or significant influence. These investments had a net carrying value of \$83 million and \$38 million as of December 31, 2023 and September 30, 2024, respectively, and are classified within other assets, noncurrent on the unaudited condensed consolidated balance sheets.

For the nine months ended September 30, 2024, the Company recorded a non-cash impairment charge of \$45 million due to a downward adjustment for an observable price change. There were no upward or downward adjustments for observable price changes or impairment charges recorded for the three months ended September 30, 2024.

There were no upward or downward adjustments for observable price changes or impairment charges recorded for the three and nine months ended September 30, 2023.

As of September 30, 2024, the cumulative impairment and downward adjustments for observable price changes were \$101 million.

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Note 5. Fair Value Measurements and Financial Instruments

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis (in millions):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents:				
Money market funds	\$ 2,018	\$ —	\$ —	2,018
Certificates of deposit	—	1	—	1
Government bonds	—	115	—	115
Commercial paper	—	223	—	223
Corporate debt securities	—	12	—	12
	2,018	351	—	2,369
Short-term investments:				
Certificates of deposit	—	172	—	172
Government bonds	—	333	—	333
Commercial paper	—	366	—	366
Corporate debt securities	—	1,491	—	1,491
Mortgage-backed and asset-backed securities	—	145	—	145
	—	2,507	—	2,507
Funds receivable and amounts held on behalf of customers:				
Money market funds	1,360	—	—	1,360
Prepays and other current assets:				
Foreign exchange derivative assets	—	27	—	27
Other assets, noncurrent:				
Corporate debt securities	—	—	4	4
Total assets at fair value	\$ 3,378	\$ 2,885	\$ 4	\$ 6,267
Liabilities				
Accrued expenses, accounts payable, and other current liabilities:				
Foreign exchange derivative liabilities	\$ —	\$ 55	\$ —	55
Other liabilities, noncurrent:				
Foreign exchange derivative liabilities	—	5	—	5
Total liabilities at fair value	\$ —	\$ 60	\$ —	60

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	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents:				
Money market funds	\$ 1,273	\$ —	\$ —	\$ 1,273
Government bonds	—	47	—	47
Commercial paper	—	75	—	75
Corporate debt securities	—	23	—	23
	1,273	145	—	1,418
Short-term investments:				
Certificates of deposit	—	10	—	10
Government bonds	—	301	—	301
Commercial paper	—	231	—	231
Corporate debt securities	—	1,934	—	1,934
Mortgage-backed and asset-backed securities	—	350	—	350
	—	2,826	—	2,826
Funds receivable and amounts held on behalf of customers:				
Money market funds	1,640	—	—	1,640
Prepays and other current assets:				
Foreign exchange derivative assets	—	12	—	12
Other assets, noncurrent:				
Corporate debt securities	—	—	4	4
Total assets at fair value	\$ 2,913	\$ 2,983	\$ 4	\$ 5,900
Liabilities				
Accrued expenses, accounts payable and other current liabilities:				
Foreign exchange derivative liabilities	\$ —	\$ 72	\$ —	\$ 72
Other liabilities, noncurrent:				
Foreign exchange derivative liabilities	—	2	—	2
Total liabilities at fair value	\$ —	\$ 74	\$ —	\$ 74

There were no material changes in unrealized losses included in other comprehensive income (loss) relating to investments measured at fair value for which the Company has utilized Level 3 inputs to determine fair value during the nine months ended September 30, 2023 and 2024.

There were no transfers of financial instruments into or out of Level 3 during the nine months ended September 30, 2023 and 2024.

Note 6. Derivative Instruments and Hedging

The Company has a portion of its business denominated and transacted in foreign currencies, which subjects the Company to foreign exchange risk, and uses derivative instruments to manage financial exposures that occur in the normal course of business. The Company does not hold or issue derivatives for trading or speculative purposes.

The Company may elect to designate certain derivatives to partially offset its business exposure to foreign exchange risk. However, the Company may choose not to hedge certain exposures for a variety of reasons including accounting considerations or the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign exchange rates.

Foreign Exchange Risk

To protect revenue from fluctuations in foreign currency exchange rates, the Company may enter into forward contracts, option contracts, or other instruments, and may designate these instruments as cash flow hedges. The Company generally hedges portions of its forecasted foreign currency exposure associated with revenue, for up to 18 months.

The Company may also enter into derivative instruments that are not designated as accounting hedges to offset a portion of the foreign currency exchange gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies.

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Notes to Condensed Consolidated Financial Statements (unaudited)

The following table summarizes the effect of derivative instruments on the Company's unaudited condensed consolidated balance sheets (in millions):

	Derivative Assets ⁽¹⁾		
	Location	December 31, 2023	September 30, 2024
Derivatives designated as hedging instruments:			
Foreign exchange contracts (current)	Prepays and other current assets	\$ 4	\$ —
Derivatives not designated as hedging instruments:			
Foreign exchange contracts (current)	Prepays and other current assets	\$ 23	\$ 12
	Derivative Liabilities ⁽¹⁾		
	Location	December 31, 2023	September 30, 2024
Derivatives designated as hedging instruments:			
Foreign exchange contracts (current)	Accrued expenses, accounts payable, and other current liabilities	\$ 25	\$ 49
Foreign exchange contracts (noncurrent)	Other liabilities, noncurrent	5	2
Total derivatives designated as hedging instruments		\$ 30	\$ 51
Derivatives not designated as hedging instruments:			
Foreign exchange contracts (current)	Accrued expenses, accounts payable, and other current liabilities	\$ 30	\$ 23

(1) Derivative assets and derivatives liabilities are measured using Level 2 inputs.

To limit credit risk, the Company generally enters into master netting arrangements with the respective counterparties to the Company's derivative contracts, under which the Company is allowed to settle transactions with a single net amount payable by one party to the other. As of September 30, 2024, the potential effect of these rights of off-set associated with the Company's derivative contracts would be a reduction to both derivative assets and liabilities of \$12 million, resulting in net derivative liabilities of \$62 million.

The effect of derivative instruments designated as hedging instruments on the unaudited condensed consolidated statements of operations was not material for the three and nine months ended September 30, 2024.

Derivative instruments designated as hedging instruments on AOCI

The following table presents the impact of derivative instruments designated as cash flow hedges on AOCI, net of tax (in millions):

	Gain (Loss) Recognized in Other Comprehensive Income (Loss)				Gain (Loss) Reclassified from AOCI into Revenue			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024	2023	2024	2023	2024
Derivatives designated as cash flow hedges:								
Foreign exchange contracts	\$ 36	\$ (65)	\$ 34	\$ 6	\$ (1)	\$ 3	\$ (1)	\$ 12

As of September 30, 2024, cumulative unrealized losses recorded in AOCI, net of tax related to derivative instruments designated as hedging instruments were \$37 million.

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Derivative instruments not designated as hedging instruments

The following table presents the impact of activity of derivative instruments not designated as hedging instruments on the unaudited condensed consolidated statements of operations (in millions):

	Realized Loss on Derivatives				Unrealized Gain (Loss) on Derivatives				
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
	2023	2024	2023	2024	2023	2024	2023	2024	
Derivatives not designated as hedging instruments:									
Foreign exchange contracts	\$ (7)	\$ (15)	\$ (91)	\$ (34)	\$ 54	\$ (38)	\$ 66	\$ (4)	

The total notional amount of outstanding derivatives not designated as hedging instruments was \$2.4 billion and \$1.6 billion as of December 31, 2023 and September 30, 2024, respectively.

Cash flow hedges

The total notional amount of outstanding foreign currency derivatives designated as cash flow hedges was \$2.0 billion and \$2.2 billion as of December 31, 2023 and September 30, 2024, respectively.

As of September 30, 2024, approximately \$34 million of deferred net losses on both outstanding and matured derivatives in AOCI are expected to be reclassified to revenue during the next 12 months concurrent with the underlying hedged transactions which will be recorded in revenue. Actual amounts ultimately reclassified to revenue are dependent on the exchange rates in effect when derivative contracts currently outstanding mature.

Note 7. Debt

Convertible Senior Notes

In 2021, the Company issued \$2.0 billion aggregate principal amount of 0% convertible senior notes due 2026 (the "2026 Notes") pursuant to an indenture, dated March 8, 2021 (the "Indenture"), between the Company and U.S. Bank National Association, as trustee.

As of both December 31, 2023 and September 30, 2024, total outstanding debt, net of unamortized debt discount and debit issuance costs, was \$2.0 billion. Interest expense was immaterial for both the three and nine months ended September 30, 2023 and 2024.

As of September 30, 2024, the if-converted value of the 2026 Notes did not exceed the outstanding principal amount.

As of September 30, 2024, the total estimated fair value of the 2026 Notes was \$1.9 billion and was determined based on a market approach using actual bids and offers of the 2026 Notes in an over-the-counter market on the last trading day of the period, or Level 2 inputs.

2022 Credit Facility

In 2022, the Company entered into a five-year unsecured Revolving Credit Agreement, which provides for initial commitments by a group of lenders led by Morgan Stanley Senior Funding, Inc. of \$1.0 billion ("2022 Credit Facility"). The 2022 Credit Facility provides a \$200 million sub-limit for the issuance of letters of credit.

The 2022 Credit Facility contains customary events of default, affirmative and negative covenants, including restrictions on the Company's and certain of its subsidiaries' ability to incur debt and liens, undergo fundamental changes, as well as certain financial covenants. The Company was in compliance with all financial covenants as of September 30, 2024.

As of September 30, 2024, no amounts were drawn under the 2022 Credit Facility and outstanding letters of credit totaled \$25 million.

Note 8. Stock-Based Compensation

Stock-Based Compensation Expense

Stock-based compensation expense was \$286 million and \$362 million for the three months ended September 30, 2023 and 2024, respectively, and \$830 million and \$1.0 billion for the nine months ended September 30, 2023 and 2024, respectively.

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Stock Option and Restricted Stock Unit Activity

A summary of stock option and restricted stock unit ("RSU") activity under the Company's equity incentive plans was as follows (in millions, except per share amounts):

	Outstanding Stock Options			Outstanding RSUs	
	Shares Available for Grant	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Grant Date Fair Value
As of December 31, 2023	134	7 \$	71.76	30 \$	85.35
Granted	(12)	1	168.18	11	156.31
Increase in shares available for grant	13	—	—	—	—
Options exercised/RSUs vested ⁽¹⁾	3	(2)	41.38	(7)	127.68
Canceled	2	—	—	(2)	143.43
As of September 30, 2024	140	6 \$	88.11	32 \$	96.73

(1) RSUs vested are net of shares withheld for taxes.

In May 2023, 11.2 million stock options were exercised in cashless transactions pursuant to which the Company withheld and retired 5.7 million shares of common stock, valued at their fair market value on the exercise date, to cover the related \$567 million of employee withholding taxes and \$36 million of exercise cost.

The following table summarizes options outstanding and exercisable as of September 30, 2024 (in millions, except per share amounts and years):

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding	6 \$	88.11	5.48 \$	296
Options exercisable	5 \$	74.14	4.69 \$	286

Note 9. Commitments and Contingencies

Commitments

The Company has commitments including purchase obligations for web-hosting services and other commitments for brand marketing. As of September 30, 2024, there were no material changes outside the ordinary course of business to the Company's commitments, as disclosed in its Annual Report on Form 10-K for the year ended December 31, 2023.

On October 24, 2024, the Company entered into an eleventh amendment to the office lease agreement for the Company's headquarters located at 888 Brannan Street in San Francisco. The impact of this amendment is not included in the unaudited condensed consolidated balance sheets as of September 30, 2024. The terms of the amendment will impact the consolidated financial statements as of December 31, 2024.

Under the amendment, the Company extended the term of the lease to September 30, 2037. The contractually agreed upon lease payments are approximately \$178 million over the term of the lease extension. The Company will recognize the remeasurement of the right of use asset and liability in the consolidated balance sheets as of December 31, 2024.

Lodging Tax Obligations and Other Non-Income Tax Matters

Platform Related Taxes and Collection Obligations

Some states and localities in the United States and elsewhere in the world impose transient occupancy or lodging accommodations taxes ("Lodging Taxes") on the use or occupancy of lodging accommodations or other traveler services. As of September 30, 2024, the Company collects and remits Lodging Taxes in approximately 33,000 jurisdictions around the world on behalf of its hosts. Such Lodging Taxes are generally remitted to tax jurisdictions within a 30 to 90-day period following the end of each month.

As of December 31, 2023 and September 30, 2024, the Company had an obligation to remit Lodging Taxes collected from guests on bookings in these jurisdictions totaling \$274 million and \$442 million, respectively. These payables were recorded in accrued expenses, accounts payable, and other current liabilities on the unaudited condensed consolidated balance sheets.

In jurisdictions where the Company does not collect and remit Lodging Taxes, hosts are primarily responsible for such taxes. The Company

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has estimated Lodging Tax liabilities in a certain number of jurisdictions with respect to state, city, and local taxes where management believes it is probable that the Company can be held jointly liable with hosts for taxes and the related amounts can be reasonably estimated. As of December 31, 2023 and September 30, 2024, accrued obligations related to these estimated taxes, including estimated penalties and interest, totaled \$114 million and \$82 million, respectively. As of September 30, 2024, the Company estimates that the reasonably possible loss related to certain Lodging Taxes that can be determined in excess of the amounts accrued is between \$45 million to \$55 million; however, no assurance can be given as to the outcomes and the Company could be subject to significant additional tax liabilities. With respect to all other jurisdictions' Lodging Taxes for which a loss is probable or reasonably possible, the Company is unable to determine an estimate of the possible loss or range of loss beyond the amounts already accrued.

The Company's potential obligations with respect to Lodging Taxes could be affected by various factors, which include, but are not limited to, whether the Company determines or any tax authority asserts that the Company has a responsibility to collect lodging and related taxes on either historical or future transactions, or by the introduction of new ordinances and taxes that subject the Company's operations to such taxes. Accordingly, the ultimate resolution of Lodging Taxes may be greater or less than the liabilities that the Company has recorded.

The Company is currently involved in disputes brought by certain domestic and international states and localities involving the payment of Lodging Taxes. These jurisdictions are asserting that the Company is liable or jointly liable with hosts to collect and remit Lodging Taxes. These disputes are in various stages and the Company continues to vigorously defend these claims. The Company believes that the statutes at issue impose a Lodging Tax obligation on the person exercising the taxable privilege of providing accommodations, or the Company's hosts.

The imposition of such taxes on the Company could increase the cost of a guest booking and potentially cause a reduction in the volume of bookings on the Company's platform, which would adversely impact the Company's results of operations. The Company will continue to monitor the application and interpretation of lodging and related taxes and ordinances and will adjust accruals based on any new information or further developments.

The Company is under audit and inquiry by various domestic and foreign tax authorities with regard to non-income tax matters. The subject matter of these contingent liabilities primarily arises from the Company's transactions with its customers. Such disputes involve the applicability of transactional taxes (such as sales, value-added, business, digital service, and similar taxes) to services provided, as well as the applicability of withholding tax on payments made to hosts.

The Company has estimated transactional tax liabilities in a certain number of jurisdictions where management believes it is probable that the Company can be held liable for such taxes and the related amounts can be reasonably estimated. As of September 30, 2024, accrued obligations related to these estimated taxes, including estimated penalties and interest, totaled \$79 million. In addition, the Company has identified reasonably possible exposures related to transactional taxes and business taxes and has not accrued for these amounts since the likelihood of the contingent liability is less than probable. As of September 30, 2024, the Company estimates that the reasonably possible loss related to these matters in excess of the amounts accrued is between \$215 million and \$245 million; however, no assurance can be given as to the outcomes and the Company could be subject to significant additional tax liabilities.

As of December 31, 2023 and September 30, 2024, the Company accrued a total of \$521 million and \$445 million of estimated tax liabilities, including interest and penalties, related to hosts' withholding tax obligations, respectively. As of September 30, 2024, the Company estimates that the reasonably possible loss related to withholding income taxes that can be determined in excess of the amounts accrued is between \$150 million to \$160 million; however, no assurance can be given as to the outcomes and the Company could be subject to significant additional tax liabilities. Due to the inherent complexity and uncertainty of these matters and judicial processes in certain jurisdictions, the final outcomes may exceed the estimated liabilities recorded.

In 2017, Italy passed a law purporting to require short-term rental platforms that process payments to withhold and remit host income tax and collect and remit tourist tax, amongst other obligations ("2017 Law"). The Company challenged this law before the Italian courts and the Court of Justice of the European Union ("CJEU"). In December 2022, the CJEU found that European law does not prohibit member states from passing legislation requiring short-term rental platforms to withhold income taxes from their hosts, however a requirement to appoint a tax representative, on which the 2017 Law and the withholding obligations are based, is contrary to European Union ("EU") law. In October 2023, the Italian national court upheld the ruling of the CJEU. The subsidiary in Ireland continues to be subject to tax audits in Italy. It and other group subsidiaries, including the Italian subsidiary, could in the future be subject to further tax audits in Italy, including in relation to permanent establishment, transfer pricing, and withholding obligations.

In May 2023, the Guardia di Finanza de Milano ("GdF") issued a Tax Audit Report recommending to the Italian tax authorities a formal tax assessment of 779 million Euro on Airbnb's subsidiary in Ireland relating to the 2017 Law and associated withholding tax obligations. On December 13, 2023, without admitting any liability, Airbnb Ireland signed an agreement with the Italian Revenue Agency ("ITA") in settlement of the 2017-2021 audit period for an aggregate payment of 576 million Euro (\$621 million). Such agreement settles a dispute about Airbnb Ireland's obligations to withhold and remit host income tax, including taxes, interest, and penalties, for those relevant periods. The GdF conducted a withholding tax audit of Airbnb Ireland UC for the 2022 and 2023 tax years and issued a report to the ITA in March 2024. The Company has been in ongoing settlement discussions with the ITA since June 2024, which are expected to continue through the fourth quarter of 2024.

With respect to all other transactional taxes and withholding tax on payments made to hosts for which a loss is probable or reasonably possible, the Company is unable to determine an estimate of the possible loss or range of loss beyond the amounts already accrued.

Payroll Taxes

The Company is subject to regular payroll tax examinations by various international, state and local jurisdictions. Although management believes its tax withholding remittance practices are appropriate, the Company may be subject to additional tax liabilities, including interest

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and penalties, if any tax authority disagrees with the Company's withholding and remittance practices, or if there are changes in laws, regulations, administrative practices, principles or interpretations related to payroll tax withholding in the various international, state and local jurisdictions.

Legal and Regulatory Matters

The Company has been and is currently a party to various legal and regulatory matters arising in the normal course of business. Such proceedings and claims, even if not meritorious, can require significant financial and operational resources, including the diversion of management's attention from the Company's business objectives.

Regulatory Matters

The Company operates in a complex legal and regulatory environment and its operations are subject to various U.S. and foreign laws, rules, and regulations, including those related to: Internet activities; short-term rentals, long-term rentals and home sharing; real estate, property rights, housing and land use; travel and hospitality; privacy and data protection; intellectual property; competition; health and safety; protection of minors; consumer protection; employment; payments, money transmission, economic and trade sanctions, anti-corruption and anti-bribery; taxation; and others. In addition, the nature of the Company's business exposes it to inquiries and potential claims related to the compliance of the business with applicable law and regulations. In some instances, applicable laws and regulations do not yet exist or are being applied, interpreted or implemented to address aspects of the Company's business, and such adoption or interpretation could further alter or impact the Company's business.

In certain instances, the Company has been party to litigation with municipalities relating to or arising out of certain regulations. In addition, the implementation and enforcement of regulation can have an impact on the Company's business.

Intellectual Property

The Company has been and is currently subject to claims relating to intellectual property, including alleged patent infringement. Adverse results in such lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or orders preventing the Company from offering certain features, functionalities, products, or services, and may also cause the Company to change its business practices or require development of non-infringing products or technologies, which could result in a loss of revenue or otherwise harm its business. To date, the Company has not incurred any material costs as a result of such cases and has not recorded any material liabilities in its consolidated financial statements related to such matters.

Litigation and Other Legal Proceedings

The Company is currently involved in, and may in the future be involved in, legal proceedings, claims, and government investigations in the ordinary course of business. These include proceedings, claims, and investigations relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, consumer rights, personal injury, and property rights.

Depending on the nature of the proceeding, claim, or investigation, the Company may be subject to monetary damage awards, fines, penalties, and/or injunctive orders. Furthermore, the outcome of these matters could materially adversely affect the Company's business, results of operations, and financial condition. The outcomes of legal proceedings, claims, and government investigations are inherently unpredictable and subject to significant judgment to determine the likelihood and amount of loss related to such matters. While it is not possible to determine the outcomes, the Company believes based on its current knowledge that the resolution of all such pending matters will not, either individually or in the aggregate, have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows.

The Company establishes an accrued liability for loss contingencies related to legal matters when a loss is both probable and reasonably estimable. These accruals represent management's best estimate of probable losses. Such currently accrued amounts are not material to the Company's unaudited condensed consolidated financial statements. However, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Until the final resolution of legal matters, there may be an exposure to losses in excess of the amounts accrued. With respect to outstanding legal matters, based on current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows. Legal fees are expensed as incurred.

Host Protections

The Company offers AirCover coverage, which includes but is not limited to, the Company's Host Damage Protection program that provides protection of up to \$3 million for direct physical loss or damage to a host's covered property caused by guests during a confirmed booking and when the host and guest are unable to resolve the dispute. The Company retains risk and also maintains insurance from third parties on a per claim basis to protect the Company's financial exposure under this program. In addition, through third-party insurers and self-insurance mechanisms, including a wholly-owned captive insurance subsidiary, the Company provides insurance coverage for third-party bodily injury or property damage liability claims that occur during a stay. The Company's Host Liability Insurance and Experiences Liability Insurance consists of a commercial general liability policy, with hosts and the Company as named insureds and landlords of hosts as additional insureds. The Host Liability Insurance and Experiences Liability Insurance provides primary coverage for up to \$1 million per occurrence, subject to a \$1 million cap per listing location, and includes various market standard conditions, limitations, and exclusions.

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Indemnifications

The Company has entered into indemnification agreements with certain of its employees, officers and directors. The indemnification agreements and the Company's Amended and Restated Bylaws (the "Bylaws") require the Company to indemnify its directors and officers and those employees who have entered into indemnification agreements to the fullest extent not prohibited by Delaware law. Subject to certain limitations, the indemnification agreements and Bylaws also require the Company to advance expenses incurred by its directors and officers and those employees who have entered into indemnification agreements. No demands have been made upon the Company to provide indemnification or advancement under the indemnification agreements or the Bylaws, and thus, there are no indemnification or advancement claims that the Company is aware of that could have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows.

In the ordinary course of business, the Company has included limited indemnification provisions in certain agreements with parties with whom the Company has commercial relations, which provisions are of varying scope and terms with respect to indemnification of certain matters, which may include losses arising out of the Company's breach of such agreements or out of intellectual property infringement claims made by third parties. It is not possible to determine the maximum potential loss under these indemnification provisions due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, no significant costs have been incurred, either individually or collectively, in connection with the Company's indemnification provisions.

Note 10. Income Taxes

The Company's tax provision for interim periods is determined by using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter, the Company updates the estimated annual effective tax rate and makes a year-to-date adjustment to the provision. The estimated annual effective tax rate is subject to significant volatility due to several factors, including accurately predicting the Company's pre-tax and taxable income and the mix of jurisdictions to which they relate, intercompany transactions, audit-related developments, and changes in statutes, regulations, case law, and administrative actions.

The Company recorded income tax benefit of \$2.7 billion for both the three and nine months ended September 30, 2023. The income tax benefit was primarily due to the release of the valuation allowance of certain U.S. federal and state deferred tax assets during the three months ended September 30, 2023. The Company recorded income tax expense of \$367 million and \$522 million for the three and nine months ended September 30, 2024, respectively, which primarily related to current and deferred tax on U.S. and foreign earnings, net of the income tax benefit from excess tax benefits on stock-based compensation. The increase in tax expense was primarily driven by deferred tax expense on the utilization of U.S. deferred tax assets due to the lack of a valuation allowance in the current period.

The Company regularly assesses the need for a valuation allowance against its deferred tax assets each quarter. In making that assessment, the Company considers both positive and negative evidence in the various jurisdictions in which it operates related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized. As of September 30, 2023, based on all available positive and negative evidence, having demonstrated sustained profitability which is objective and verifiable, and taking into account anticipated future earnings, the Company concluded that it is more likely than not that its U.S. federal and state deferred tax assets will be realizable, with the exception of California research and development credits, capital loss carryovers, and certain losses subject to the dual consolidated loss rules. As of September 30, 2024, the Company continues to maintain a valuation allowance against its California research and development credit deferred tax assets due to the uncertainty regarding realizability of these deferred tax assets as they have not met the "more likely than not" realization criteria, particularly as the Company expects research and development tax credit generation to exceed its ability to use the credits in future years. When a change in valuation allowance is recognized during an interim period, the change in valuation allowance resulting from current year income is included in the annual effective tax rate and the release of valuation allowance supported by projections of future taxable income is recorded as a discrete tax benefit in the interim period. The Company will continue to monitor the need for a valuation allowance against its deferred tax assets on a quarterly basis.

The Company's significant tax jurisdictions include the United States, California, and Ireland. The Company is currently under examination for income taxes by the Internal Revenue Service ("IRS") for the 2013, 2016, 2017, and 2018 tax years. The primary issue under examination in the 2013 audit is the valuation of the Company's international intellectual property which was sold to a subsidiary in 2013. In December 2020, the Company received a Notice of Proposed Adjustment ("NOPA") from the IRS which proposed an increase to the Company's U.S. taxable income that could result in additional income tax expense and cash liability of \$1.3 billion, plus penalties and interest, which exceeds the reserve recorded in its consolidated financial statements by more than \$1.0 billion. The Company strongly disagrees with the proposed adjustment and continues to vigorously contest it. In February 2021, the Company submitted a protest to the IRS describing its disagreement with the proposed adjustment and requesting the case be transferred to the IRS Independent Office of Appeals ("IRS Appeals"). In December 2021, the Company received a rebuttal from the IRS with the same proposed adjustments that were in the NOPA. In January 2022, the Company entered into an administrative dispute process with IRS Appeals. An acceptable outcome was not reached with IRS Appeals, and in May 2024, the Company received a Statutory Notice of Deficiency ("Notice") from the IRS related to the aforementioned valuation of its international intellectual property. The Notice claims that the Company owes \$1.3 billion in tax, plus penalties and interest. The Company will continue to pursue all available remedies to resolve this dispute. In July 2024, the Company petitioned the U.S. Tax Court ("Tax Court") for redetermination, and if necessary, the Company will appeal the Tax Court's decision to the appropriate appellate court. The Company believes that adequate amounts have been reserved for any adjustments that may ultimately result from these examinations. If the IRS prevails in the assessment of additional tax due based on its position and such tax and related interest and penalties, if any, exceeds the Company's current reserves, such outcome could have a material adverse impact on the Company's financial position and results of operations, and any assessment of additional tax could require a significant cash payment and have a material adverse impact on the Company's unaudited condensed consolidated statements of cash flow.

Airbnb, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

On August 16, 2022, the Inflation Reduction Act was signed into law, with tax provisions primarily focused on implementing a 15% minimum tax known as the Corporate Alternative Minimum Tax ("CAMT") on global adjusted financial statement income and a 1% excise tax on net share repurchases. The Inflation Reduction Act became effective beginning in fiscal year 2023. The Company anticipates paying a material amount of additional federal taxes in 2024 due to the CAMT. The additional CAMT will result in tax credits that are expected to offset the Company's federal tax in subsequent years, thus there is no impact to the overall tax provision.

Note 11. Net Income per Share

The following table sets forth the computation of basic and diluted net income per share attributable to common stockholders for the periods indicated (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Net income	\$ 4,374	\$ 1,368	\$ 5,141	\$ 2,187
Add: convertible notes interest expense, net of tax	1	1	2	2
Net income - diluted	\$ 4,375	\$ 1,369	\$ 5,143	\$ 2,189
Weighted-average shares in computing net income per share attributable to Class A and Class B common stockholders:				
Basic	640	631	636	634
Effect of dilutive securities	20	11	29	14
Diluted	660	642	665	648
Net income per share attributable to Class A and Class B common stockholders:				
Basic	\$ 6.83	\$ 2.17	\$ 8.08	\$ 3.45
Diluted	\$ 6.63	\$ 2.13	\$ 7.74	\$ 3.38

As of both September 30, 2023 and 2024, 9.6 million shares of RSUs were excluded from earning per share because they are subject to market and performance conditions that were not achieved as of such date.

Additionally, the following securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Stock options	2	2	2	2
RSUs	5	11	5	8
Total	7	13	7	10

Share Repurchase Program

In May 2023 and February 2024, the Company announced that its board of directors approved share repurchase programs to purchase up to \$2.5 billion and \$6.0 billion of the Company's Class A common stock, respectively.

Share repurchases under these share repurchase programs may be made through a variety of methods, such as open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions or by any combination of such methods. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. These share repurchase programs do not obligate the Company to repurchase any specific number of shares and may be modified, suspended or terminated at any time at the Company's discretion.

During the three and nine months ended September 30, 2024, the Company repurchased and subsequently retired 8.7 million and 18.3 million shares of Class A common stock for \$1.1 billion and \$2.6 billion, respectively. The Company completed the repurchases authorized under the share repurchase program announced in May 2023 during the first quarter of 2024. As of September 30, 2024, the Company had \$4.2 billion available to repurchase shares of Class A common stock under its share repurchase program.

Class A Common Stock Warrants

As of December 31, 2023, the Company had warrants outstanding to purchase 0.8 million shares of Class A common stock with an exercise price of \$28.355 per share, subject to adjustment upon the occurrence of certain specified events. During the three months ended June 30, 2024, the warrants were exercised to purchase 0.8 million shares of Class A common stock. The warrants were exercised on a cashless basis, resulting in the issuance of 0.7 million shares of the Class A common stock. As of September 30, 2024, there were no outstanding warrants.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “2023 Annual Report”). This discussion contains forward-looking statements based upon current expectations 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 those set forth under the section titled “Risk Factors” of our 2023 Annual Report. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

We are a community based on connection and belonging—a community that was born in 2007 when two hosts welcomed three guests to their San Francisco home, and has since grown to over 5 million hosts who have welcomed over 2 billion guest arrivals in almost every country and region across the globe. Every day, hosts offer unique stays and experiences that make it possible for guests to connect with communities in a more authentic way.

We have five stakeholders and we have designed our Company with all of them in mind. Along with employees and shareholders, we serve hosts, guests, and the communities in which they live. We intend to make long-term decisions considering all of our stakeholders because their collective success is key for our business to thrive.

Third Quarter Financial Highlights

For the three months ended September 30, 2024, revenue grew by 10% to \$3.7 billion, compared to the same period in the prior year. The increase was primarily due to an increase in the number of check-ins relating to Nights and Experiences Booked and a modest increase in Average Daily Rate (“ADR”).

Net income for the three months ended September 30, 2024 decreased by 69% to \$1.4 billion, compared to the same period in the prior year, driven by an increase in income tax expense of \$3.1 billion, primarily due to the prior year’s valuation allowance release of our U.S. deferred tax assets of \$2.8 billion, and the recognition of deferred tax expense related to the utilization of some of those assets in the current year.

Adjusted EBITDA¹ for the three months ended September 30, 2024 increased 7% to \$2.0 billion, compared to the same period in the prior year, driven by growth in the number of check-ins relating to Nights and Experiences Booked and a modest increase in ADR.

Cash provided by operating activities was \$1.1 billion for the three months ended September 30, 2024, compared to \$1.3 billion, in the same period in the prior year. We generated Free Cash Flow¹ of \$1.1 billion for the three months ended September 30, 2024, compared to \$1.3 billion, in the same period in the prior year.

During the three months ended September 30, 2024, we repurchased 8.7 million shares of Class A common stock for \$1.1 billion, leaving \$4.2 billion available to repurchase under our share repurchase program.

Key Business Metrics and Non-GAAP Financial Measures

We track the following key business metrics and financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) (“non-GAAP financial measures”) to evaluate our operating performance, identify trends, formulate financial projections, and make strategic decisions. Accordingly, we believe that these key business metrics and non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management team. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance, and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their U.S. GAAP results.

These key business metrics and non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with U.S. GAAP, and may be different from similarly titled metrics or measures presented by other companies. A reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP is provided under the subsection titled “— Adjusted EBITDA Reconciliation” and “— Free Cash Flow Reconciliation” below. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures.

¹ A reconciliation of non-GAAP financial measures to the most comparable U.S. GAAP financial measures is provided under the subsection titled “Key Business Metrics and Non-GAAP Financial Measures— Adjusted EBITDA Reconciliation” and “— Free Cash Flow Reconciliation” below.

[Table of Contents](#)**Nights and Experiences Booked**

Nights and Experiences Booked is a key measure of the scale of our platform, which in turn drives our financial performance. Nights and Experiences Booked on our platform in a period represents the sum of the total number of nights booked for stays and the total number of seats booked for experiences, net of cancellations and alterations that occurred in that period. For example, a booking made on February 15 would be reflected in Nights and Experiences Booked for our quarter ended March 31. If, in the example, the booking were canceled on May 15, Nights and Experiences Booked would be reduced by the cancellation for our quarter ended June 30. A night can include one or more guests and can be for a listing with one or more bedrooms. Nights and Experiences Booked grows as we attract new customers to our platform and as repeat guests increase their activity on our platform. A seat is booked for each participant in an experience. Substantially all of the bookings on our platform to date have come from nights. We believe Nights and Experiences Booked is a key business metric to help investors and others understand and evaluate our results of operations in the same manner as our management team, as it represents a single unit of transaction on our platform.

For the three months ended September 30, 2024, we had 122.8 million Nights and Experiences Booked, an 8% increase from 113.2 million for the same period in the prior year. For the nine months ended September 30, 2024, we had 380.5 million Nights and Experiences Booked, a 9% increase from 349.4 million for the same period in the prior year. The increase was driven by growth across all regions, with the strongest growth percentages in Asia Pacific and Latin America, as we continue to focus on international expansion.

Gross Booking Value

GBV represents the dollar value of bookings on our platform in a period and is inclusive of host earnings, service fees, cleaning fees, and taxes, net of cancellations and alterations that occurred during that period. The timing of recording GBV and any related cancellations is similar to that described in the subsection titled “— Key Business Metrics and Non-GAAP Financial Measures — Nights and Experiences Booked” above. Revenue from the booking is recognized upon check-in; accordingly, GBV is a leading indicator of revenue. The entire amount of a booking is reflected in GBV during the quarter in which booking occurs, whether the guest pays the entire amount of the booking upfront or elects to use our Pay Less Upfront program. Growth in GBV reflects our ability to attract and retain customers and reflects growth in Nights and Experiences Booked.

For the three months ended September 30, 2024, our GBV was \$20.1 billion, a 10% increase from \$18.3 billion for the same period in the prior year. For the nine months ended September 30, 2024, our GBV was \$64.2 billion, an 11% increase from \$57.8 billion for the same period in the prior year. The increase was primarily due to an increase in Nights and Experiences Booked, combined with a modest increase in ADR. We saw GBV growth across all regions, with the strongest growth percentages in Asia Pacific and EMEA.

Non-GAAP Financial Measures

Our non-GAAP financial measures include Adjusted EBITDA and Free Cash Flow, which are described below. A reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP is provided below. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures. Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income and our other U.S. GAAP results. Free Cash Flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of other U.S. GAAP financial measures, such as net cash provided by operating activities. Free Cash Flow does not reflect our ability to meet future contractual commitments and may be calculated differently by other companies in our industry, limiting its usefulness as a comparative measure.

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure
Adjusted EBITDA & Adjusted EBITDA Margin	<p><i>Adjusted EBITDA</i>: Net income adjusted for:</p> <ul style="list-style-type: none"> • provision for (benefit from) income taxes, • other income (expense), net, • interest income, • depreciation and amortization, • stock-based compensation expense, • acquisition-related impacts consisting of gains (losses) recognized on changes in the fair value of contingent consideration arrangements, and • lodging taxes for which we may have joint and several liability with hosts for collecting and remitting such taxes, withholding taxes on payments made to such hosts, and any related settlements and transactional taxes where there is significant ambiguity as to how the taxes apply to our platform. <p><i>Adjusted EBITDA Margin</i>: Adjusted EBITDA divided by revenue.</p>	<ul style="list-style-type: none"> • Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. • Used by management to make operating decisions such as evaluating performance, performing strategic planning, and budgeting.
Free Cash Flow	Net cash provided by operating activities less purchases of property and equipment.	<ul style="list-style-type: none"> • Indicator of liquidity that provides information to our management and investors about the amount of cash generated from operations, after purchases of property and equipment, that can be used for strategic initiatives.

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The following table summarizes our non-GAAP financial measures, along with the most directly comparable U.S. GAAP measure, for each period presented below (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Net income	\$ 4,374	\$ 1,368	\$ 5,141	\$ 2,187
Net income as a percentage of revenue	129 %	37 %	67 %	25 %
Adjusted EBITDA	\$ 1,834	\$ 1,958	\$ 2,915	\$ 3,276
Adjusted EBITDA as a percentage of revenue	54 %	52 %	38 %	38 %
Net cash provided by operating activities	\$ 1,325	\$ 1,078	\$ 3,821	\$ 4,052
Net cash provided by operating activities as a percentage of revenue	39 %	29 %	50 %	47 %
Free Cash Flow	\$ 1,310	\$ 1,074	\$ 3,791	\$ 4,026
Free Cash Flow as a percentage of revenue	39 %	29 %	49 %	47 %

Adjusted EBITDA Reconciliation

The following is a reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP measure, net income (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Revenue	\$ 3,397	\$ 3,732	\$ 7,699	\$ 8,622
Net income	\$ 4,374	\$ 1,368	\$ 5,141	\$ 2,187
Adjusted to exclude the following:				
Provision for (benefit from) income taxes	(2,695)	367	(2,656)	522
Other (income) expense, net	9	(3)	58	49
Interest income	(192)	(207)	(529)	(635)
Depreciation and amortization	8	15	28	43
Stock-based compensation expense ⁽¹⁾	286	362	830	1,039
Acquisition-related impacts	3	(2)	—	5
Lodging taxes, host withholding taxes, and transactional taxes, net	41	58	43	66
Adjusted EBITDA	\$ 1,834	\$ 1,958	\$ 2,915	\$ 3,276
Adjusted EBITDA as a percentage of revenue	54 %	52 %	38 %	38 %

(1) Stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.

The above items are excluded from our Adjusted EBITDA measure because they are non-cash in nature, or because the amount and timing of these items are unpredictable, not driven by core results of operations, and renders comparisons with prior periods and competitors less meaningful.

Adjusted EBITDA increased by \$124 million to \$2.0 billion while Adjusted EBITDA Margin decreased slightly to 52% from 54% for the three months ended September 30, 2024, compared to the same period in the prior year. The increase in Adjusted EBITDA was primarily driven by growth in the number of check-ins relating to Nights and Experiences Booked and a modest increase in ADR.

Adjusted EBITDA increased by \$361 million to \$3.3 billion while Adjusted EBITDA margin remained consistent at 38% for the nine months ended September 30, 2024, compared to the same period in the prior year. The improvements in Adjusted EBITDA were primarily driven by growth in the number of check-ins relating to Nights and Experiences Booked and a modest increase in ADR.

During the three months ended September 2023, we released \$2.8 billion of our valuation allowance related to our U.S. deferred tax assets (see Note 10, *Income Taxes* to our unaudited condensed consolidated financial statements included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q for further details).

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Free Cash Flow Reconciliation

The following is a reconciliation of Free Cash Flow to the most comparable U.S. GAAP cash flow measure, net cash provided by operating activities (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Revenue	\$ 3,397	\$ 3,732	\$ 7,699	\$ 8,622
Net cash provided by operating activities	\$ 1,325	\$ 1,078	\$ 3,821	\$ 4,052
Purchases of property and equipment	(15)	(4)	(30)	(26)
Free Cash Flow	\$ 1,310	\$ 1,074	\$ 3,791	\$ 4,026
Free Cash Flow as a percentage of revenue	39 %	29 %	49 %	47 %

Our Free Cash Flow is impacted by the timing of GBV because we collect our service fees at the time of booking, which is generally before a stay or experience occurs. Funds held on behalf of our customers and amounts payable to our customers do not impact Free Cash Flow, except interest earned on these funds. The decrease in Free Cash Flow for the three and nine months ended September 30, 2024, compared to the same periods in the prior year, was primarily driven by the decrease in net cash provided by operating activities.

Seasonality

Our business is seasonal, reflecting typical travel behavior patterns over the course of the calendar year. In a typical year, the first, second, and third quarters have higher Nights and Experiences Booked than the fourth quarter, as guests plan for travel during the peak travel season, which is in the third quarter for North America and EMEA.

Our key business metrics, including GBV and Adjusted EBITDA, can also be impacted by the timing of holidays and other events. We experience seasonality in our GBV that is generally consistent with the seasonality of Nights and Experiences Booked. Revenue and Adjusted EBITDA have historically been, and are expected to continue to be, highest in the third quarter when we have the most check-ins, which is the point at which we recognize revenue. Seasonal trends in our GBV impact Free Cash Flow for any given quarter. A significant portion of our costs are relatively fixed across quarters or vary in line with the volume of transactions, and we historically achieve our highest GBV in the first and second quarters of the year with comparatively lower check-ins. As a result, increases in unearned fees typically make our Free Cash Flow and Free Cash Flow as a percentage of revenue the highest in the first two quarters of the year. We typically see a slight decline in GBV and a peak in check-ins in the third quarter, which results in a decrease in unearned fees, a lower sequential decrease in Free Cash Flow, and a greater decline in GBV in the fourth quarter, where Free Cash Flow is typically lower.

Results of Operations

The following table sets forth our results of operations for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Revenue	\$ 3,397	\$ 3,732	\$ 7,699	\$ 8,622
Costs and expenses:				
Cost of revenue	459	465	1,319	1,451
Operations and support ⁽¹⁾	316	369	915	992
Product development ⁽¹⁾	419	524	1,290	1,518
Sales and marketing ⁽¹⁾	403	514	1,339	1,601
General and administrative ⁽¹⁾	304	335	822	937
Total costs and expenses	1,901	2,207	5,685	6,499
Income from operations	1,496	1,525	2,014	2,123
Interest income	192	207	529	635
Other income (expense), net	(9)	3	(58)	(49)
Income before income taxes	1,679	1,735	2,485	2,709
Provision for (benefit from) income taxes	(2,695)	367	(2,656)	522
Net income	\$ 4,374	\$ 1,368	\$ 5,141	\$ 2,187

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(1) Includes stock-based compensation expense as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Operations and support	\$ 17	\$ 22	\$ 51	\$ 65
Product development	175	230	515	654
Sales and marketing	33	43	97	124
General and administrative	61	67	167	196
Stock-based compensation expense	\$ 286	\$ 362	\$ 830	\$ 1,039

The following table sets forth the components of our unaudited condensed consolidated statements of operations for each of the periods presented as a percentage of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Revenue	100 %	100 %	100 %	100 %
Costs and expenses:				
Cost of revenue	14	12	17	16
Operations and support	9	10	12	12
Product development	12	14	17	18
Sales and marketing	12	14	17	19
General and administrative	9	9	11	11
Total costs and expenses	56	59	74	76
Income from operations	44	41	26	24
Interest income	6	6	7	7
Other income (expense), net	—	—	—	—
Income before income taxes	50	47	33	31
Provision for (benefit from) income taxes	(79)	10	(34)	6
Net income	129 %	37 %	67 %	25 %

Comparison of the Three and Nine Months Ended September 30, 2024 with the Same Periods in 2023

Revenue

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Revenue	\$ 3,397	\$ 3,732	10 %	\$ 7,699	\$ 8,622	12 %

Three months ended September 30, 2024 Compared with the Same Period in 2023

Revenue increased \$335 million, or 10%, for the three months ended September 30, 2024, compared to the same period in the prior year, primarily due to an increase in the number of check-ins relating to Nights and Experiences Booked and a modest increase in ADR.

Nine months ended September 30, 2024 Compared with the Same Period in 2023

Revenue increased \$923 million, or 12%, for the nine months ended September 30, 2024, compared to the same period in the prior year, primarily due to an increase in the number of check-ins relating to Nights and Experiences Booked and a modest increase in ADR.

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Cost of Revenue

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Cost of revenue	\$ 459	\$ 465	1 %	\$ 1,319	\$ 1,451	10 %
Percentage of revenue	14 %	12 %		17 %	16 %	

Three months ended September 30, 2024 Compared with the Same Period in 2023

Cost of revenue increased \$6 million, or 1%, for the three months ended September 30, 2024, compared to the same period in the prior year, primarily due to an increase in merchant fees of \$15 million, largely due to an increase in pay-in volumes, partially offset by a reduction in chargebacks of \$11 million.

Nine Months Ended September 30, 2024 Compared with the Same Period in 2023

Cost of revenue increased \$132 million, or 10%, for the nine months ended September 30, 2024, compared to the same period in the prior year, primarily due to an increase in merchant fees of \$137 million, due to an increase in pay-in volumes and the impact of certain one-time incentives in 2023, and an increase in cloud computing costs of \$21 million, due to increased server and data storage usage. These increases were partially offset by a reduction in chargebacks of \$31 million.

Operations and Support

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Operations and support	\$ 316	\$ 369	17 %	\$ 915	\$ 992	8 %
Percentage of revenue	9 %	10 %		12 %	12 %	

Three months ended September 30, 2024 Compared with the Same Period in 2023

Operations and support expense increased \$53 million, or 17%, for the three months ended September 30, 2024, compared to the same period in the prior year, primarily due to an increase in customer relations costs of \$17 million, which resulted from increased make good losses associated with higher nights booked, an increase in third-party customer service costs of \$12 million, driven by the busy summer travel season, which included the Olympics and Paralympics, and an increase in insurance costs of \$10 million, due to higher premiums as a result of higher nights booked.

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Nine Months Ended September 30, 2024 Compared with the Same Period in 2023

Operations and support expense increased \$77 million, or 8%, for the nine months ended September 30, 2024, compared to the same period in the prior year, primarily due to an increase in customer relations costs of \$21 million, mainly due to higher nights booked, an increase in insurance costs of \$15 million, due to higher premiums as a result of higher nights booked, and a \$27 million increase in payroll-related expenses.

Product Development

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Product development	\$ 419	\$ 524	25 %	\$ 1,290	\$ 1,518	18 %
Percentage of revenue	12 %	14 %		17 %	18 %	

Three months ended September 30, 2024 Compared with the Same Period in 2023

Product development expense increased \$105 million, or 25%, for the three months ended September 30, 2024, compared to the same period in the prior year, primarily due to a \$93 million increase in payroll-related expenses.

Nine Months Ended September 30, 2024 Compared with the Same Period in 2023

Product development expense increased \$228 million, or 18%, for the nine months ended September 30, 2024, compared to the same period in the prior year, primarily due to a \$202 million increase in payroll-related expenses.

Sales and Marketing

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Brand and performance marketing	\$ 264	\$ 332	26 %	\$ 932	\$ 1,086	17 %
Field operations and policy	139	182	31 %	407	515	27 %
Total sales and marketing	\$ 403	\$ 514	28 %	\$ 1,339	\$ 1,601	20 %
Percentage of revenue	12 %	14 %		17 %	19 %	

Three months ended September 30, 2024 Compared with the Same Period in 2023

Sales and marketing expense increased \$111 million, or 28%, for the three months ended September 30, 2024, compared to the same period in the prior year. The increase was primarily due to a \$83 million increase in marketing activities associated with ongoing marketing campaigns and search engine marketing, and a \$14 million increase in payroll-related expenses.

Nine Months Ended September 30, 2024 Compared with the Same Period in 2023

Sales and marketing expense increased \$262 million, or 20%, for the nine months ended September 30, 2024, compared to the same period in the prior year. The increase was primarily due to a \$200 million increase in marketing activities associated with ongoing marketing campaigns and search engine marketing, and a \$40 million increase in payroll-related expenses.

General and Administrative

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
General and administrative	\$ 304	\$ 335	10 %	\$ 822	\$ 937	14 %
Percentage of revenue	9 %	9 %		11 %	11 %	

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Three months ended September 30, 2024 Compared with the Same Period in 2023

General and administrative expense increased \$31 million, or 10%, for the three months ended September 30, 2024, compared to the same period in the prior year, primarily due to higher non-income taxes and payroll-related expenses. Non-income taxes increased \$22 million along with an increase in payroll-related expenses of \$13 million.

Nine Months Ended September 30, 2024 Compared with the Same Period in 2023

General and administrative expense increased \$115 million, or 14%, for the nine months ended September 30, 2024, compared to the same period in the prior year, primarily due to higher non-income taxes and payroll-related expenses. Non-income taxes increased \$98 million along with an increase in payroll-related expenses of \$28 million.

Interest Income

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Interest income	\$ 192	\$ 207	8 %	\$ 529	\$ 635	20 %

Three and Nine Months Ended September 30, 2024 Compared with the Same Periods in 2023

Interest income increased \$15 million, or 8%, for the three months ended September 30, 2024, and \$106 million, or 20%, for the nine months ended September 30, 2024, compared to the same periods in the prior year, primarily due to higher cash and investment balances.

Other Income (Expense), Net

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Other income (expense), net	\$ (9)	\$ 3	133 %	\$ (58)	\$ (49)	16 %

Three months ended September 30, 2024 Compared with the Same Period in 2023

Other income (expense), net increased \$12 million, or 133% for the three months ended September 30, 2024, compared to the same period in the prior year, primarily due to foreign exchange gains.

Nine months ended September 30, 2024 Compared with the Same Period in 2023

Other income (expense), net increased \$9 million, or 16% for the nine months ended September 30, 2024, compared to the same period in the prior year, primarily due to an impairment charge on an investment in a privately-held company of \$45 million, partially offset by foreign exchange gains.

Provision for (Benefit from) Income Taxes

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2024	% Change	2023	2024	% Change
	(in millions, except percentages)					
Provision for (benefit from) income taxes	\$ (2,695)	\$ 367	114 %	\$ (2,656)	\$ 522	120 %

Three and Nine Months Ended September 30, 2024 Compared with the Same Periods in 2023

The provision for income taxes during the three and nine months ended September 30, 2024 was driven by current tax on U.S. and foreign earnings and deferred tax expense resulting from last year's valuation allowance release on our U.S. deferred tax assets and the utilization of some of those assets in the current year. The income tax benefit for the three and nine months ended September 30, 2023, was primarily due to the release of \$2.8 billion of our valuation allowance related to certain of our U.S. deferred tax assets, as a discrete tax benefit during the three months ended September 30, 2023.

In 2021, the Organization for Economic Co-operation and Development ("OECD") established an inclusive framework on base erosion and profit shifting and agreed on a two-pillar solution to global taxation, focusing on global profit allocation, known to as Pillar One and a 15% global minimum effective tax rate, known as Pillar Two. On December 15, 2022, the EU member states agreed to implement the OECD's global minimum tax rate of 15%. The OECD issued Pillar Two model rules and continues to release guidance on these rules. The inclusive framework calls for tax law changes by participating countries to take effect in 2024 and 2025. Various countries have enacted or have

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announced plans to enact new tax laws to implement the global minimum tax. We considered the applicable tax law changes on Pillar Two implementation in the relevant countries, and concluded there was no material impact to our tax provision for the three and nine months ended September 30, 2024. We will continue to evaluate the impact of these tax law changes on future reporting periods.

Liquidity and Capital Resources

Sources and Conditions of Liquidity

As of September 30, 2024, our principal sources of liquidity were cash, cash equivalents and short-term investments totaling \$11.3 billion. As of September 30, 2024, cash and cash equivalents totaled \$7.7 billion, which included \$2.2 billion held by our foreign subsidiaries. Cash and cash equivalents consist of checking and interest-bearing accounts and highly-liquid securities with an original maturity of 90 days or less. As of September 30, 2024, short-term investments totaled \$3.6 billion. Short-term investments primarily consist of highly-liquid investment grade corporate debt securities, time deposits, commercial paper, certificates of deposit, U.S. government and government agency debt securities ("government bonds"), and mortgage-backed and asset-backed securities. These amounts do not include funds of \$6.6 billion as of September 30, 2024, that we held for bookings in advance of guests completing check-ins that we record separately on our unaudited condensed consolidated balance sheet in funds receivable and amounts held on behalf of customers with corresponding liability in funds payable and amounts payable to customers.

Our cash and cash equivalents are generally held at large global systemically important banks (or "G-SIBs") which are subject to high capital requirements and are required to regularly perform stringent stress tests related to their ability to absorb capital losses. Our cash, cash equivalents, and short-term investments held outside the United States may be repatriated, subject to certain limitations, and would be available to be used to fund our domestic operations. However, repatriation of such funds may result in additional tax liabilities. We believe that our existing cash, cash equivalents, and short-term investments balances in the United States are sufficient to fund our working capital needs in the United States.

We have access to \$1.0 billion of commitments and a \$200 million sub-limit for the issuance of letters of credit under the 2022 Credit Facility. As of September 30, 2024, no amounts were drawn under the 2022 Credit Facility and outstanding letters of credit totaled \$25 million. See Note 7, *Debt*, to our unaudited condensed consolidated financial statements included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q additional information.

Material Cash Requirements

As of September 30, 2024, we had outstanding \$2.0 billion in aggregate principal amount of indebtedness of our 0% convertible senior notes due in 2026. On March 3, 2021, in connection with the pricing of the 2026 Notes, we entered into privately negotiated capped call transactions (the "Capped Calls") with certain of the initial purchasers and other financial institutions (the "option counterparties") at a cost of approximately \$100 million. The cap price of the Capped Calls was \$360.80 per share of Class A common stock, which represented a premium of 100% over the last reported sale price of the Class A common stock of \$180.40 per share on March 3, 2021, subject to certain customary adjustments under the terms of the Capped Call Transactions.

In February 2024, our board of directors approved an additional share repurchase program to purchase up to \$6.0 billion of our Class A common stock. During the three and nine months ended September 30, 2024, we repurchased an aggregate of 8.7 million and 18.3 million shares of Class A common stock for \$1.1 billion and \$2.6 billion, respectively through our share repurchase programs. As of September 30, 2024, we had \$4.2 billion available to repurchase shares of Class A common stock under our share repurchase program.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in millions):

	Nine Months Ended September 30,	
	2023	2024
Net cash provided by operating activities	\$ 3,821	\$ 4,052
Net cash used in investing activities	(567)	(396)
Net cash used in financing activities	(1,259)	(2,242)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(10)	117
Net increase in cash, cash equivalents, and restricted cash	\$ 1,985	\$ 1,531

Net cash provided by operating activities for the nine months ended September 30, 2024 was \$4.1 billion, which was primarily due to net income of \$2.2 billion, additional cash provided by unearned fees of \$233 million, resulting from growth in bookings, and an increase in accrued expenses and other liabilities of \$218 million, which is net of a \$163 million tax payment to the IRS related to a 2013 matter under examination. Additionally, we had adjustments for non-cash charges, primarily consisting of \$1.0 billion of stock-based compensation expense.

Net cash used in investing activities for the nine months ended September 30, 2024 was \$396 million, which was primarily due to purchases of short-term investments, partially offset by proceeds resulting from sales and maturities of short-term investments.

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Net cash used in financing activities for the nine months ended September 30, 2024 was \$2.2 billion, primarily due to share repurchases of \$2.6 billion and an increase in taxes paid related to net share settlement of equity awards of \$422 million, partially offset by an increase in funds payable and amounts payable to customers of \$665 million.

The effect of exchange rate changes on cash, cash equivalents, and restricted cash on our consolidated statements of cash flows relates to certain of our assets, principally cash balances held on behalf of customers, that are denominated in currencies other than the functional currency of certain of our subsidiaries. For the nine months ended September 30, 2024, we recorded a decrease of \$117 million in cash, cash equivalents, and restricted cash, primarily due to the strengthening of the U.S. dollar. The impact of exchange rate changes on cash balances can serve as a natural hedge for the effect of exchange rates on our liabilities to our hosts and guests.

We assess our liquidity in terms of our ability to generate cash to fund our short and long-term cash requirements. As such, we believe that the cash flows generated from operating activities will meet our anticipated cash requirements in the short-term. In addition to normal working capital requirements, we anticipate that our short- and long-term cash requirements will include share repurchases, introduction of new products and offerings, timing and extent of spending to support our efforts to develop our platform, debt repayments, and expansion of sales and marketing activities. Our future capital requirements, however, will depend on many factors, including, but not limited to our growth, headcount, and ability to attract and retain customers on our platform. Additionally, we may in the future raise additional capital or incur additional indebtedness to continue to fund our strategic initiatives. On a long-term basis, we would rely on either our access to the capital markets or our credit facility for any long-term funding not provided by operating cash flows and cash on hand. In the event that additional financing is required from outside sources, we may seek to raise additional funds at any time through equity, equity-linked arrangements, and/or debt, which may not be available on favorable terms, or at all. If we are unable to raise additional capital when desired and at reasonable rates, our business, results of operations, and financial condition could be materially adversely affected. Our liquidity is subject to various risks including the risks identified in the section titled "Quantitative and Qualitative Disclosures about Market Risk" in Item 3.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 Annual Report for a discussion of the assumptions and judgments involved in our critical accounting estimates. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

Recent Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies*, to our unaudited condensed consolidated financial statements included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk during the three and nine months ended September 30, 2024. For additional information, see Part II, Item 7A. "*Quantitative and Qualitative Disclosures About Market Risk*" in our Annual Report on Form 10-K for the year ended December 31, 2023.

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, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2024, the end of the period covered by this Quarterly Report on Form 10-Q, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended September 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their desired objectives. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are currently involved in, and may in the future be involved in, legal proceedings, claims, and government investigations in the ordinary course of business. These include proceedings, claims, and investigations relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, consumer rights, personal injury, and property rights. See Note 9, *Commitments and Contingencies*, to our unaudited condensed consolidated financial statements included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q.

Depending on the nature of the proceeding, claim, or investigation, we may be subject to monetary damage awards, fines, penalties, or injunctive orders. Furthermore, the outcome of these matters could materially adversely affect our business, results of operations, and financial condition. The outcomes of legal proceedings, claims, and government investigations are inherently unpredictable and subject to significant judgment to determine the likelihood and amount of loss related to such matters. While it is not possible to determine the outcomes, we believe based on our current knowledge that the resolution of all such pending matters will not, either individually or in the aggregate, have a material adverse effect on our business, results of operations, cash flows, or financial condition.

Item 1A. Risk Factors

There have been no material changes from the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "Annual Report"). Our business, operations, and financial results are subject to various risks and uncertainties that could materially adversely affect our business, results of operations, financial condition, and the trading price of our Class A common stock. You should carefully read and consider the risks and uncertainties included in the Annual Report, together with all of the other information in the Annual Report and this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated financial statements and related notes, and other documents that we file with the U.S. Securities and Exchange Commission. The risks and uncertainties described in these reports may not be the only ones we face. The factors discussed in these reports, among others, could cause our actual results to differ materially from historical results and those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral statements.

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

Issuer Purchases of Equity Securities

The following table sets forth information relating to repurchases of our equity securities during the three months ended September 30, 2024 (in millions, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs ⁽²⁾
July 1 -31	1.9	\$ 147.54	1.9	\$ 4,967
August 1 - 31	3.7	\$ 118.93	3.7	\$ 4,529
September 1 -30	3.1	\$ 120.47	3.1	\$ 4,158
Total	8.7	\$ 125.82	8.7	

(1) Includes broker commissions.

(2) On February 13, 2024, we announced that our board of directors approved a share repurchase program with authorization to purchase up to \$6.0 billion of our Class A common stock at management's discretion. The share repurchase program does not have an expiration date, does not obligate us to repurchase any specific number of shares, and may be modified, suspended or terminated at any time at our discretion.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

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Item 5. Other Information

Director and Officer 10b5-1 Trading Plans (“10b5-1 Plans”)

The following table sets forth the material terms of 10b5-1 Plans intended to satisfy the affirmative defense conditions of Rule 10b5–1(c) that were adopted, terminated, or modified by our directors and officers during the three months ended September 30, 2024:

Name and Title of Director or Officer	Action	Date	Expiration Date	Maximum Number of Shares to be Sold Under the Plan
Aristotle Balogh, Chief Technology Officer	Adopt	8/30/2024	4/30/2025	128,799
Brian Chesky, Chief Executive Officer and Director	Adopt	8/22/2024	5/23/2025	1,135,300
Joseph Gebbia, Director	Adopt	8/20/2024	5/22/2025	3,086,102

There were no “non-Rule 10b5-1 trading arrangements,” as defined in Item 408(c) of Regulation S-K, adopted, terminated, or modified by our directors or officers during the three months ended September 30, 2024.

Item 6. Exhibits

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are incorporated herein by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated herein (numbered in accordance with Item 601 of Regulation S-K).

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File Number	Date	Number	
3.1	Restated Certificate of Incorporation of the Registrant	8-K	001-39778	6/7/2024	3.1	
3.2	Amended and Restated Bylaws of the Registrant	8-K	001-39778	12/14/2020	3.2	
10.1	Eleventh Amendment to Office Lease Agreement, dated October 24, 2024, by and among the Registrant and T-C 888 Brannan Owner					X
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following financial statements from the Company’s 10-Q, formatted as Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations (iii), Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Stockholders’ Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

* 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 Airbnb, 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.

AIRBNB, INC.

By: /s/ Brian Chesky
Brian Chesky
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2024

By: /s/ Elinor Mertz
Elinor Mertz
Chief Financial Officer
(Principal Financial Officer)

Date: November 7, 2024

ELEVENTH AMENDMENT TO OFFICE LEASE

This ELEVENTH AMENDMENT TO OFFICE LEASE (“**Eleventh Amendment**”) is made as of the 24th day of October, 2024 (the “**Eleventh Amendment Effective Date**”), by and between T-C 888 BRANNAN OWNER LLC, a Delaware limited liability company (“**Landlord**”), and AIRBNB, INC., a Delaware corporation (“**Tenant**”).

RECITALS

A. Landlord (as successor-in-interest to 888 Brannan LP) is the landlord and Tenant is the tenant under that certain Office Lease dated April 26, 2012 (the “**Initial Lease**”), as amended by that certain First Amendment to Lease dated as of December 10, 2013 (the “**First Amendment**”), Second Amendment to Office Lease dated May 29, 2014 (the “**Second Amendment**”), Letter Agreements dated April 26, 2012, November 7, 2012 and October 16, 2014, Third Amendment to Office Lease dated February 24, 2015 (the “**Third Amendment**”), Fourth Amendment to Lease dated May 13, 2015 (the “**Fourth Amendment**”), Fifth Lease Amendment executed by Tenant on June 14, 2017 (the “**Fifth Amendment**”), Sixth Amendment to Office Lease dated September 26, 2019 (the “**Sixth Amendment**”), Seventh Amendment to Office Lease dated October 8, 2020 (the “**Seventh Amendment**”), Eighth Amendment to Office Lease dated September 28, 2021 (the “**Eighth Amendment**”), Ninth Amendment to Office Lease dated October 18, 2022 (the “**Ninth Amendment**”), and Tenth Amendment to Office Lease dated October 18, 2023 (the “**Tenth Amendment**”) for certain premises (the “**Existing Premises**”) in the building known as 888 Brannan (comprised of those two adjoining buildings commonly known as 850 Brannan [the “**850 Building**”] and 870 Brannan [the “**870 Building**”] (the 850 Building and 870 Building are collectively referred to as the “**Building**”), all as more fully described in the Initial Lease as amended by the amendments referenced above. The Existing Premises is comprised of (i) 36,490 square feet of Rentable Area (“**RSF**”) on the ground floor of the 850 Building and 35,048 RSF on the 3rd floor of the 850 Building (collectively, the “**850 Premises**”); and (ii) the following premises located within the 870 Building (collectively, the “**Existing 870 Premises**”): approximately 24,100 RSF (including mezzanine space) on the 1st floor (which was referred to as the First Floor Expansion Premises in the Sixth Amendment), 59,349 RSF on the 2nd floor (which includes 2,309 RSF of common area corridor space), 62,459 RSF on the 3rd floor, 59,098 RSF on the 4th floor, and 12,933 RSF on the 5th floor. As used herein the term “**Amended Lease**” shall mean the Initial Lease amended as described above and the term “**Lease**” shall mean the Amended Lease as further amended by this Eleventh Amendment.

B. The Term of the Amended Lease is currently scheduled to expire on December 31, 2026 (“**Current Expiration Date**” and such current Term, the “**Term**”).

C. The parties desire to amend the Amended Lease to: (i) extend the Term; (ii) modify the “Premises” to be comprised of an aggregate of 250,903 RSF in the 870 Building, comprised as follows:

- (a) 51,949 RSF on the 1st floor of the 870 Building (which includes the “Expansion Space,” as defined below);
 - (b) 61,524 RSF on the 2nd floor of the 870 Building;
 - (c) 62,494 RSF on the 3rd floor of the 870 Building;
 - (d) 61,475 RSF on the 4th floor of the 870 Building; and
-

(e) 13,460 RSF on the 5th floor of the 870 Building; (iii) confirm that the Amended Lease will expire with respect to the 850 Premises as of the Current Expiration Date and provide for the surrender of the 850 Premises on or before the Current Expiration Date; and (iv) make certain other modifications, all as more fully set forth below. As used herein, the term “**Expansion Space**” means the 28,190 RSF on the 1st floor of the 870 Building as depicted on Exhibit A attached hereto.

D. Except as otherwise specifically defined herein all capitalized terms shall have the meanings assigned in the Amended Lease.

AGREEMENT

In furtherance of the Recitals set forth above, which are incorporated herein by reference, and in consideration of the mutual promises and covenants set forth below, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties acknowledge and agree to the following:

1. **Expansion.** Effective as of July 1, 2025 (the “**Target Expansion Effective Date**”), the combined Existing Premises and the Expansion Space, shall be deemed the “Premises”, as defined in the Amended Lease (the date upon which the Expansion Space is so added to the “Premises” is referred to herein as the “**Expansion Effective Date**”). Tenant’s leasing of the Expansion Space shall commence on the Expansion Effective Date and end on the Extended Term Expiration Date (as hereinafter defined); provided, however, if Landlord, for any reason whatsoever, cannot deliver possession of the Expansion Space to Tenant in the condition required hereunder (i.e., broom clean and free of Landlord’s or any prior occupant’s property) by the Target Expansion Effective Date, this Eleventh Amendment will not be void or voidable and Landlord will not be liable to Tenant for any resulting loss or damage, but (a) the “Premises” will not be deemed to include the Expansion Space, and the Expansion Effective Date will not be deemed to occur, until Landlord delivers the Expansion Space to Tenant in the condition required hereunder and (b) if for any reason other than due to the acts or omissions of Tenant Landlord fails to deliver the Expansion Space to Tenant in the condition required hereunder by August 1, 2025 (the “**Outside Expansion Space Delivery Date**”), then Tenant will be entitled to a day-for-day abatement of Base Rent payable for the Expansion Space for each day after the Outside Expansion Space Delivery Date that Landlord fails to so deliver possession of the Expansion Space to Tenant; said abatement to be applied immediately following the Expansion Space free rent period described in Section 4(b) below. Tenant’s leasing of the Expansion Space shall be subject to all the terms and conditions of the Amended Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Existing Premises unless such concessions are expressly provided for herein with respect to the Expansion Space.

2. **850 Premises.** Tenant shall vacate and surrender the 850 Premises to Landlord in accordance with the terms of the Amended Lease on or prior to the Extended Term Commencement Date (as defined below) (the Extended Term Commencement Date being also referred to herein as the “**Reduction Effective Date**”), and Tenant shall fully comply with all obligations under the Amended Lease respecting the 850 Premises up to the Reduction Effective Date, including those provisions relating to maintaining the condition of the 850 Premises and removal of Tenant’s property therefrom. The “Non-Standard Tenant Improvements or Alterations” (as defined in the Initial Lease) to be removed by Tenant from the 850 Premises by the Extended Term Commencement Date are identified in Exhibit C attached hereto. As of the Reduction Effective Date, the Amended Lease shall be deemed terminated with respect to the 850 Premises, and the “Premises”, as defined in the Amended Lease, shall be deemed to mean the Existing Premises, excluding the 850 Premises. Accordingly, effective as of the Reduction Effective Date, after the expansion and reduction provided in Section 1 above and this Section 2, the “Premises” shall consist of the following spaces located within the 870 Building:

- (i) 51,949 RSF on the 1st floor,
- (ii) 61,524 RSF on the 2nd floor,
- (iii) 62,494 RSF on the 3rd floor,
- (iv) 61,475 RSF on the 4th floor, and
- (v) 13,460 RSF on the fifth floor.

If Tenant holds over in the 850 Premises beyond the Reduction Effective Date, Tenant shall be liable for Base Rent, Additional Rent and other charges respecting the 850 Premises equal to the holdover rate provided under the Amended Lease prorated on a per RSF basis for the 850 Premises. Such holdover amount shall not be in limitation of Tenant’s liability for consequential or other damages arising from Tenant’s holding over nor shall it be deemed permission for Tenant to holdover in the 850 Premises.

3. Extension.

a. The Term for Tenant’s leasing of the Premises (as expanded and reduced as described herein) shall be extended for the one hundred twenty-nine (129) full calendar month period (the “**Extended Term**”) commencing on January 1, 2027 (the “**Extended Term Commencement Date**”) and expiring on September 30, 2037 (the “**Extended Term Expiration Date**”) unless extended further as provided in the Lease. No such extension shall operate to release Tenant from liability for any amounts owed or defaults which exist under the Lease prior to the Extended Term Commencement Date.

b. The Storage Term (as defined in Section 1 of the Seventh Amendment) is hereby extended so as to expire on the Current Expiration Date. Tenant’s Storage Use (as defined in the Seventh Amendment) shall continue to be governed by the terms of the Seventh Amendment and will continue to the end of the Storage Term, as amended as described above.

4. Base Rent.

a. Prior to the Expansion Effective Date, Tenant shall continue to pay Base Rent and Additional Rent pursuant to the terms of the Amended Lease with respect to the Existing Premises.

b. Tenant shall not be obligated to pay Base Rent for the Expansion Space for the period following the Expansion Effective Date through the Current Expiration Date.

c. Commencing on the Extended Term Commencement Date and continuing for the duration of the Extended Term, Tenant shall pay Base Rent for the Premises (as configured following the reduction and expansion described above) according to the following schedule:

Period of Extended Term	Approx. Annual Base Rent per RSF (NNN)	Monthly Base Rent based on 250,903 RSF
*1/1/27 - 9/30/27	\$58.00	\$1,212,697.83
*10/1/27 - 9/30/28	\$58.00	\$1,212,697.83
10/1/28 - 9/30/29	\$59.74	\$1,249,078.77
10/1/29 - 9/30/30	\$61.53	\$1,286,551.13

10/1/30 - 9/30/31	\$63.38	\$1,325,147.67
10/1/31 - 9/30/32	\$65.28	\$1,364,902.10
10/1/32 - 9/30/33	\$67.24	\$1,405,849.16
10/1/33 - 9/30/34	\$69.26	\$1,448,024.63
10/1/34 - 9/30/35	\$71.33	\$1,491,465.37
10/1/35 - 9/30/36	\$73.47	\$1,536,209.33
10/1/36 - 9/30/37	\$75.68	\$1,582,295.61

All such monthly Base Rent shall be payable by Tenant in accordance with the terms of the Lease. **Notwithstanding the foregoing or anything in the Lease to the contrary, commencing as of the Extended Term Commencement Date, Base Rent shall be paid to Landlord net of all costs and expenses, as provided in Section 5 below.** Sections 3.4(a) and (b) of the Initial Lease will not be applicable to the obligation to pay Base Rent during the Extended Term and, effective as of the Extension Date, will be deemed deleted and deemed null, void and of no further force or effect.

*Notwithstanding the foregoing, provided there is no Event of Default under the Lease, Landlord hereby agrees to abate Tenant's obligation to pay Base Rent and Tenant's Percentage Share of Operating Expenses and Property Taxes during: (a) the first (1st) through the ninth (9th) full calendar months, inclusive, of the Extended Term (i.e., January 2027 through September 2027, inclusive) (the "**Construction Period**") (such amount of abated Rent during the Construction Period being referred to herein as the "**Construction Period Abated Amount**"), and (b) the tenth (10th) through the nineteenth (19th) full calendar months, inclusive, of the Extended Term (i.e., October 2027 through July 2028, inclusive) (the "**Abatement Period**") (such amount of abated Rent during the Abatement Period being referred to herein as the "**Abated Rent**") (the Construction Period Abated Amount and the Abated Rent are collectively referred to herein as the "**Abated Amount**"). During the Construction Period and the Abatement Period, Tenant will still be responsible for the payment of all other monetary obligations under the Lease, including, without limitation, the cost of utilities supplied to the Premises, any After Hours HVAC charges, the cost of janitorial services provided to the Premises, charges for Parking Privileges, and other gross income tax or excise tax levied by any taxing authority or adopted by any voter initiative or ballot measure with respect to the receipt of the rental payable under the Lease, including, without limitation, the San Francisco Commercial Rent Tax for Childcare and Early Education (June 2018 Proposition C), the Early Education Homelessness Gross Receipts Tax (November 2018 Proposition C), and the San Francisco Gross Receipts Tax and Business Registration Fees Ordinance (2012 Proposition E). Tenant acknowledges that any Event of Default will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being extremely difficult and impracticable to ascertain. Therefore, should there be an Event of Default at any time during the Construction Period or the Abatement Period, then the right to the abatement of any then-remaining Abated Amount shall be suspended from the date of such Event of Default until the date, if at all, that Tenant cures such Event of Default, at which point Tenant will be once again afforded the benefit of abating the then-remaining Abated Amount at the monthly amounts originally contemplated above, regardless of what the then-current monthly Rent payable is under the Lease (i.e., if the then-scheduled monthly Base Rent, Operating Expenses and Property Taxes exceed the originally scheduled monthly amount of the Abated Amount, then Tenant will only be entitled to the abatement of the originally scheduled monthly Abated Amount and will be obligated to pay any differential between the two sums). Additionally if, at any point during either or both of the Construction Period or the Abatement Period, Tenant is entitled to an abatement of Rent pursuant to the provisions of Articles 12 or 13 of the Initial

Lease, then the abatement of Rent described above with respect to the Construction Period or the Abatement Period, as applicable, will be suspended during the pendency of any such Casualty or Taking, and reinstated immediately following the expiration of any such Casualty or Taking related abatement of Rent (at the rates applicable to the originally scheduled periods, as described above). Tenant acknowledges and agrees that nothing in this paragraph is intended to limit any other remedies available to Landlord at law or in equity under applicable law (including, without limitation, the remedies under Civil Code Section 1951.2 and/or 1951.4 and any successor statutes or similar laws), in the event Tenant defaults under the Lease beyond any applicable cure period.

5. **Tenant's Percentage Share of Operating Expenses and Property Taxes.** Notwithstanding anything in the Amended Lease to the contrary, commencing as of the Extended Term Commencement Date, Tenant shall pay Tenant's Percentage of Operating Expenses and Property Taxes on a "net" basis, without taking into account any Base Year, and the "Rent" shall be absolutely net to Landlord. Commencing as of the Extended Term Commencement Date and continuing for the duration of the Extended Term, Tenant shall pay Tenant's Percentage Share of Operating Expenses and Property Taxes for the Premises pursuant to the terms of the Lease (i.e., Tenant will no longer be obligated to pay only the excess thereof above the Base Year). For the purposes of determining Tenant's Percentage Share of Operating Expenses and Property Taxes, Tenant's Percentage Share shall be 68.17%, based on the Premises containing 250,903 RSF and the Building (excluding the basement/below-grade areas of the Building) containing 368,042 RSF. Notwithstanding the foregoing, provided there is no Event of Default under the Lease, Landlord shall abate Tenant's obligation to pay Tenant's Percentage Share of Operating Expenses and Property Taxes during the Construction Period and the Abatement Period, as provided above.

6. **Condition of Existing Premises and Expansion Space.**

a. Tenant acknowledges and agrees that Landlord shall not be obligated to refurbish or improve the Existing Premises, or, except as set forth in the Work Letter attached hereto as Exhibit B (the "**Eleventh Amendment Work Letter**") to otherwise fund improvements for the Existing Premises in any manner whatsoever in conjunction with this Eleventh Amendment, and Tenant hereby agrees to accept the Existing Premises on the Extension Date in its "AS-IS" condition, subject to Landlord's maintenance obligations under the Lease. Landlord plans to perform certain repairs to the roof and skylight(s) of the 850 Building, as described in the capital expenditure plan for fiscal year 2025 provided to Tenant prior to the Eleventh Amendment Effective Date (collectively, "**Roof Repairs**"). Landlord will complete the Roof Repairs on or before December 31, 2026, subject to extension for "Force Majeure" (as defined in the Initial Lease). In addition, promptly following the Eleventh Amendment Effective Date, Landlord and Tenant will meet and confer to discuss water leaks and agree upon a plan for testing the roof of the Building for water leaks. Thereafter, Landlord will use commercially reasonable, good faith diligent efforts to promptly make any necessary repairs.

b. Tenant hereby agrees that Landlord shall deliver to Tenant and Tenant shall accept the Expansion Space from Landlord in its then "AS-IS" condition (but broom clean and free of Landlord's or any prior occupant's property) on delivery by Landlord, without any representation or warranty as to their condition or the suitability thereof for the conduct of Tenant's business, and the acceptance of possession of the Expansion Space by Tenant (i.e., the failure of Tenant to promptly notify Landlord of any cleaning or property removal which Landlord failed to perform with respect to the Expansion Space) shall establish that the Expansion Space is at such time in the condition required for delivery to Tenant.

c. Provided there is no then-current Event of Default under the Lease, commencing as of January 1, 2027, Landlord shall provide Tenant with an allowance of \$122.50 per RSF of the Premises (i.e., \$30,735,617.50, based on the Premises containing 250,903 RSF) (the "**Allowance**"), plus a space planning allowance to pay for preparation of a space plan (copies of which shall be provided to Landlord in

CAD and PDF formats) of \$0.15 per RSF of the Premises (i.e., \$37,635.45, based on the Premises containing 250,903 RSF) (the “**Space Planning Allowance**”). The Allowance and Space Planning Allowance shall be used and disbursed pursuant to the terms of the Eleventh Amendment Work Letter; provided, however, that Landlord will not be required to disburse any portion of the Allowance or the Space Planning Allowance during any period that an Event of Default exists. Notwithstanding anything herein to the contrary, any portion of the Allowance and/or Space Planning Allowance not used and requested as provided in the Work Letter as of January 1, 2030 (the “**Outside Allowance Date**”) shall be deemed waived and forfeited by Tenant, and Landlord shall have no obligation to pay or credit such unused portion of the Allowance and/or Space Planning Allowance to Tenant. The Outside Allowance Date will be delayed on a day-for-day basis for each day that Tenant’s design and/or permitting and/or construction of the Eleventh Amendment Tenant Improvements (defined in the Eleventh Amendment Work Letter) is delayed by Force Majeure Delay or Landlord Delay (as such terms are defined in the Eleventh Amendment Work Letter), as more particularly described in the Eleventh Amendment Work Letter.

d. Subject to the terms of this Section 6.d., Landlord, shall perform the following improvements to the Common Areas using new, first-class materials, finishes and specifications selected by Landlord at Landlord’s sole cost and expense (the “**Landlord’s Work**”):

- (i.) Reconfigure the existing restrooms on the south side of the existing 870 Building lobby and construct a corridor so that such restrooms are only accessible from the space currently occupied by Bellota (the “**Restaurant**”), eliminating access from the Restaurant into the 870 Building’s Atrium;
- (ii.) create an alternative ingress/egress to Suite 210-220 of the Existing Premises, eliminating access through the “Atrium” (defined below); and
- (iii.) construct certain demising walls in the general locations shown in Exhibit D attached hereto, provided that the specific locations of such demising walls will be determined by Landlord and its architect as part of the design and permitting process (but in all events, Tenant will continue to have access to the common freight elevator serving the Building).

Tenant acknowledges that completion of the Landlord’s Work is not required for the Reduction Effective Date, the Expansion Effective Date, and/or the Extended Term Commencement Date, and agrees that the Landlord’s Work may be conducted, at Landlord’s discretion, while Tenant is in occupancy of the Premises and paying Rent under the Lease. Landlord agrees to use good faith, commercially reasonable efforts to conduct the performance of the Landlord’s Work in a manner which minimizes disturbance to Tenant’s business operations within the affected areas of the Premises to the extent practicable. Tenant agrees to cooperate with Landlord and to make the Premises, the Building and the Project reasonably available to Landlord and its contractors for the performance of such work. Tenant acknowledges that some interruptions and/or interference with Tenant’s business may occur during the course of the Landlord’s Work, but agrees that no interruptions or inconveniences to Tenant or its business suffered as a result of the Landlord’s Work shall constitute an eviction of Tenant from the Premises, whether constructive or otherwise, and Tenant shall in no event, be excused from paying any Rent that it is scheduled to pay pursuant to the terms of the Lease. Landlord may or may not perform the Landlord’s Work during normal business hours. If the Landlord’s Work is performed after Tenant’s business hours at Tenant’s request, Tenant shall pay to Landlord the additional third party costs, if any, actually incurred by Landlord to perform the Landlord’s Work after business hours. Landlord and Tenant shall in good faith cooperate and cause their respective employees, agents and contractors to cooperate with the other during the period in which Landlord is constructing the Landlord’s Work in an effort to expedite completion of the Landlord’s Work as well as to minimize any interference with Tenant’s business operations in the Premises.

For so long as Landlord is T-C 888 BRANNAN OWNER, LLC, a Delaware limited liability company, Landlord will submit applications for building permits for any work to be performed by Landlord under the address 888 Brannan; provided, however, that nothing in the foregoing will prohibit or restrict Landlord from submitting or revising permit applications to be under 850 Brannan and/or 870 Brannan after the City has required Landlord to do so.

7. **Atrium.** The Atrium area of the 870 Building is depicted in Exhibit E attached hereto (“**Atrium**”). Following the completion of Landlord’s Work (which Landlord currently plans to commence in the first calendar quarter of 2025), Tenant will have the exclusive right to use the Atrium and, so long as the Atrium area remains configured as an atrium, Tenant may make “Alterations” (as defined in the Amended Lease) thereto subject to the terms of the Amended Lease (including, without limitation, Sections 10.1 through 10.5 of the Initial Lease), provided that Landlord, its agents, employees will have the right to (a) use the Atrium to access the Project management office located in the 870 Building (Tenant agrees to provide access devices to permit such access at all times), and (b) enter the Atrium under the same terms as are applicable to Landlord’s entry into the Premises under the Amended Lease. With respect to Alterations to the Atrium, notwithstanding anything to the contrary in Section 10.5 of the Lease, Landlord may designate any of the following improvements or Alterations to or within the Atrium as improvements or Alterations to be removed and restored upon the expiration or termination of the Lease (i) any improvements or Alterations which are not consistent with the use of the Atrium or any portion thereof as an atrium and/or (ii) any improvements or Alterations unique to Tenant (e.g., items containing Tenant’s name, logo or the like). Following the completion of Landlord’s Work, the provisions of Section 5 of the Third Amendment and Sections 11 and 12 of the Fourth Amendment will no longer be applicable (because the Atrium will part of the Premises), although Tenant will continue to provide Landlord with evidence that any vendors of Tenant using or operating within the Atrium have liability insurance naming Landlord and its property manager as additional insureds reasonably satisfactory to Landlord prior to using the Atrium for any events. For the avoidance of doubt, nothing in this Section 7 shall be construed to grant Tenant any right to use the Common Area courtyard.

8. **Decatur Alley and Parking Lot.** At Tenant’s option, Tenant, at its sole cost and expense, may petition the City of San Francisco to convert Decatur alley into a non-vehicle street so long as Landlord will not incur any obligations or liabilities in connection therewith, provided that (a) such petition will be subject to Landlord’s prior written approval in its reasonable discretion, which approval will not be unreasonably delayed and (b) in no event will any conditions of approval or requirements associated therewith be binding on Landlord or the Building unless approved by Landlord in advance in its sole discretion. The “Decatur Parking Lot” presently provides monthly parking only and can accommodate an additional 25 to 30 vehicles as of the Eleventh Amendment Effective Date. Parking spaces are non-exclusive and provided on a first-come, first-serve basis. Tenant may utilize the Decatur Parking Lot during the Extended Term at market rates in effect from time to time so long as Landlord remains the ground lessee of the Decatur Parking Lot.

9. **Emergency Power Generator.** Subject to (i) the terms and conditions set forth in this Section 9 and in Article 10 of the Initial Lease, and (ii) Tenant obtaining all necessary governmental permits and approvals, and so long as Tenant shall not adversely impact any Building Systems, Tenant shall have the right to install, operate and maintain, at Tenant’s sole cost and expense, a maximum 400 kilowatt back-up electrical generator at the Building to supply Tenant with back-up power (“**Tenant’s Generator**”). Initially, Tenant’s Generator will consist of the existing Generac diesel generator at the Project (“**Initial Generator**”), and Landlord grants Tenant the right to use the Initial Generator on the terms set forth below. Tenant shall not be obligated to pay any rental or other charges with respect to the area designated for Tenant’s Generator. Landlord shall have the right, in accordance with the provisions of Article 10 of the Initial Lease, to review and approve, such review and approval not to be unreasonably withheld or delayed, Tenant’s plans and specifications for the proposed equipment to be installed in connection with and

inclusive of Tenant's Generator (provided that Landlord hereby approves the Initial Generator), including, without limitation, the size, method of installation and visibility of such equipment. The location of Tenant's Generator shall be limited to the area determined by Landlord in its sole discretion, provided that Landlord agrees to reasonably cooperate with Tenant in determining the most suitable location for the placement of Tenant's Generator. Notwithstanding the foregoing, in no event may the installation of Tenant's Generator involve the installation of an underground storage tank. The above-ground storage tank associated with Tenant's Generator (the "AST") shall not exceed 750 gallons in capacity, shall be double walled in thickness, shall contain diesel fuel or liquid propane only (to power Tenant's Generator only), and shall employ at a minimum for a diesel powered generator, a double containment system whereby if the first containment system fails, a second containment system shall be present to prevent releases of Hazardous Materials, all in accordance with applicable Laws and environmental regulations. For these purposes, a sealed, uncracked concrete slab containment area without drains shall be sufficient (but shall not be the exclusive method) to constitute the second containment system, provided it is large enough to completely contain a release of the maximum volume of Hazardous Materials which could be present in the first containment system. All handling, use, storage and disposal of Hazardous Materials relating to the AST or Tenant's Generator shall be accomplished by Tenant at its sole cost and expense in accordance with this Section 9 and the terms and conditions of Section 7.3 of the Initial Lease. If Tenant desires to install a generator other than the Initial Generator, Tenant may do so on the terms set forth in this Section 9 provided that Tenant surrenders the Initial Generator to Landlord in good operating condition and repair, removes all equipment and improvements installed by or for Tenant in order for the Initial Generator to serve the Premises and restores all areas affected thereby as reasonably required by Landlord.

Subject to Landlord's prior approval of Tenant's plans and specifications, Tenant shall have the right to install an emergency generator connection on the outside of the Building for the purpose of connecting the Initial Generator or any subsequent Tenant's Generator to the Premises and an appurtenant electrical grounding system. Furthermore, Tenant shall have the right to install conduits from the Initial Generator or any subsequent Tenant's Generator to the Premises, provided, however, that such conduits are installed below grade to Landlord's reasonable satisfaction in accordance with the design and architectural standards for the Building.

If Tenant installs a generator other than the Initial Generator, then prior to or within sixty (60) days following the expiration or earlier termination of the Extended Term (as the same may be further extended), Tenant agrees upon Landlord's request to (i) promptly remove from the Project, at its sole cost and expense, the AST (including, at Landlord's request, the slab), if any, and Tenant's Generator and all Hazardous Materials which are brought upon, stored, used, generated or released upon, in, under or about the Premises, the Project or any portion thereof by Tenant or any Tenant Parties in connection with Tenant's Generator or AST, and (ii) return the Premises and the balance of the Building and Project which were affected by the installation and operation of Tenant's Generator, the AST and all associated equipment to substantially the condition existing prior to Tenant's installation of Tenant's Generator and AST.

Tenant shall be solely responsible for complying with any and all Environmental Laws relating to the AST, Tenant's Generator and all Hazardous Materials associated with either of the same, including, without limitation, all permitting and tank installations, monitoring and removal/closure obligations. For purposes of all Environmental Laws, Tenant shall be the owner and operator of the AST. Tenant shall be responsible for ensuring compliance by all Tenant Parties with all Environmental Laws relating to the AST and Tenant's Generator. Any acknowledgment, consent or approval by Landlord of Tenant's use or handling of Hazardous Materials shall not constitute an assumption of risk respecting the same nor a warranty or certification by Landlord that Tenant's proposed use and handling of Hazardous Materials is safe or reasonable or in compliance with Environmental Laws.

From time to time during the Extended Term (as the same may hereafter be extended) and for up to one hundred eighty (180) days thereafter, if required by any government agency, or in the event Landlord has actual knowledge of a Hazardous Materials release at the Premises which resulted from a fuel leak relating to the AST, Landlord may, and upon Landlord's request, Tenant shall, retain a registered environmental consultant ("**Consultant**") reasonably acceptable to Landlord to conduct an environmental investigation of the Project ("**Environmental Assessment**") (i) for Hazardous Materials contamination in, about or beneath the Project relative to the AST or Tenant's Generator, and (ii) to assess the activities of Tenant and all Tenant Parties with respect to Tenant's Generator and the AST for compliance with all Environmental Laws and to recommend the use of procedures intended to reasonably reduce the risk of a release of Hazardous Materials. If the Environmental Assessment discloses any material breach of Environmental Laws by Tenant or any Tenant Parties, then the cost thereof shall be the sole responsibility of Tenant, payable as Additional Rent under the Lease. Otherwise, the costs of the Environmental Assessment shall be the responsibility of Landlord. If Landlord so requires, Tenant shall comply, at its sole cost and expense, with all reasonable recommendations contained in the Environmental Assessment, including any reasonable recommendations with respect to precautions which should be taken with respect to Tenant's or Tenant Parties' activities at the Project relative to the AST or Tenant's Generator or any recommendations for additional testing and studies to detect the presence of Hazardous Materials relative to the AST or Tenant's Generator. Tenant covenants to reasonably cooperate with the Consultant and to allow entry and reasonable access to the AST and Tenant's Generator for the purpose of the Consultant's investigations.

If any cleanup or monitoring procedure is required by any applicable governmental authorities in or about the Project as a consequence of any Hazardous Materials contamination by Tenant or any of Tenant's Parties arising out of Tenant's Generator or AST use, and the procedure for cleanup is not completed (to the satisfaction of all applicable governmental authorities) prior to the expiration or earlier termination of the Term, as extended hereby and as the same may be further extended (referred to herein as "**Tenant's Failure to Clean-Up**"), then, without limiting any of Landlord's other rights and remedies contained in the Lease (including, without limitation, any indemnity and restoration obligations of Tenant contained in the Lease), Tenant will additionally be liable for any rental revenue of Landlord can reasonably demonstrate that it has lost as a consequence of, and to the extent, that Landlord is precluded from re-leasing the Premises or any other portion of the Project as a result of such contamination.

Subject to Tenant obtaining all necessary governmental permits and approvals, Tenant shall have the right, at Tenant's sole cost and expense, to test Tenant's Generator pursuant to the manufacturer's recommendations, but in no event more than once a week during the Term at a time after normal business hours mutually agreed upon by Landlord and Tenant. Tenant's intended use of Tenant's Generator shall be to provide back-up power should there be for any reason, any interruption in electrical service to the Project, the Building and/or the Premises.

Subject to the provisions of Section 11.5 of the Initial Lease, Tenant shall indemnify, protect and hold Landlord harmless from any and all liability, losses, damages, actions or causes of action, judgments, costs and expenses arising in any way from Tenant's installation, operation, maintenance and removal of Tenant's Generator and the AST, or any breach of Tenant's obligations under this Lease with respect to Tenant's Generator and the AST, except to the extent that the same may arise out of the negligence or willful misconduct of Landlord or any Landlord Party. The representations, warranties and agreements of the Tenant set forth in this Section 9 shall survive the expiration of the Term or the earlier termination of the Lease for any reason.

If Tenant installs a generator other than the Initial Generator, Tenant's Generator shall be installed in a weatherproof, walk-around type, sound attenuating enclosure which shall limit the sound to no more than 85 dba as measured at ten (10) feet from outside of any side, top or bottom of the enclosure, under all

operating conditions. Tenant shall be responsible for all insulation for magnetic or electrical interference from operation of Tenant's Generator as necessary to prevent interference of any kind with equipment or systems operated by other occupants of the Project.

If Tenant's Generator is visible from outside of the Building (including from any areas adjacent to the Building (or from other buildings now or hereafter constructed within the Project)), Tenant shall cause Tenant's Generator to be screened from view in a manner reasonably acceptable to Landlord and comparable and compatible with the improvements and/or landscaping contiguous to such improvements (such as by way of example only with appropriate metal and/or fabric screening, concrete masonry unit block wall fencing or landscaping screening to match adjacent landscaping). Landlord hereby approves the screening of the Initial Generator. All such screening and visible improvements shall be of first class quality and shall be consistent in quality and design with similar improvements and screening in comparable quality office/warehouse projects in the vicinity of the Project. If the use of any parking spaces is lost as a result of the placement of Tenant's Generator in the Common Areas, Tenant's allocation of parking spaces shall be deemed reduced by the number of parking spaces lost as a result of the location of Tenant's Generator and Landlord shall have no liability to Tenant whatsoever for such reduction.

To the extent that the installation of Tenant's Generator or any related equipment or facilities requires modifications to the shell, foundation, or other structural portions of the Building (including, without limitation, the installation of Tenant's Generator upon the roof of the Building), such modifications shall be subject to Landlord's reasonable approval and Tenant shall pay to Landlord within thirty (30) days after demand therefor accompanied by reasonably detailed back up documentation, all third-party costs and expenses reasonably incurred by Landlord in conjunction with such structural modifications.

10. **Letter of Credit.** Landlord and Tenant acknowledge that Landlord is currently holding a LC in the LC Stated Amount of One Million Nine Hundred Nineteen Thousand Eight and 53/100 Dollars (\$1,919,008.53), as set forth in Section 12 of the Sixth Amendment. Concurrently with or at any time following the Eleventh Amendment Effective Date, Tenant shall have the right to provide Landlord with a replacement LC in the form attached as Exhibit E to the Initial Lease (or an alternate form approved in advance by Landlord, in Landlord's reasonable good faith discretion, or an amendment to the existing LC adjusting the face amount of same), in the LC Stated Amount of One Million Five Hundred Eighty-Two Thousand Three Hundred Sixty-One and 59/100 Dollars (\$1,582,361.59) (the "**Replacement LC**"). Notwithstanding the terms of the Amended Lease to the contrary, the Replacement LC shall be issued by Wells Fargo Bank, JP Morgan, Morgan Stanley or Bank of America. Section 6(b) of the Initial Lease, Sections 13.1 and 13.2 of the Second Amendment, and Sections 15.1 and 15.2 of the Fourth Amendment are hereby deleted and deemed null, void and of no further force or effect.

11. **Financial Statements.** Notwithstanding anything to the contrary in Section 14 of the Second Amendment, Tenant will not be required to deliver financial statements to Landlord as provided in Section 14 of the Second Amendment so long as Tenant is a publicly traded corporation on a nationally recognized stock exchange.

12. **Bicycle Parking.** Subject to Tenant's compliance with applicable Laws and the rules and regulations for the Building and the Project, Tenant shall have exclusive use of the existing bicycle parking in the existing bicycle storage area serving the 870 Building for Tenant's employees.

13. **HVAC Hours.** Notwithstanding the terms of the Amended Lease to the contrary, as of the Extended Term Commencement Date, the "Business Hours" for purposes of providing HVAC service to the Premises shall be 8:00 a.m. to 8:00 p.m., Monday through Friday, except for Holidays, and Landlord shall not be required to automatically provide HVAC services during any other time, including on Saturday.

14. **Options.** Tenant acknowledges and agrees that except as expressly set forth below in this Section 14 with respect to the Renewal Options, the Right of First Offer, and Right of First Offer to Purchase, Tenant has no options and/or rights of first refusal and/or rights of first offer to lease additional space, to purchase the Building, to terminate the Extended Term early, and/or to extend the Extended Term.

a. **Renewal Options.** During the Extended Term, Tenant shall continue to have the Renewal Options granted under Section 2.4 of the Initial Lease; provided, Section 2.4 is hereby amended, as follows: (i) the Renewal Options are exercisable only as to the entire Premises then being leased by Tenant, (ii) the following language is hereby deleted: “Fifty-Two and 90/100 Dollars (\$52.90)” and replaced with “Seventy-Five and 68/100 Dollars (\$75.68)”, (iii) the following language is hereby deleted: “initial Term of this Lease” and replaced with “Extended Term”, and (iv) the following language is hereby deleted from Section 2.4(d): “During each Renewal Term, Tenant shall pay Additional Rent in accordance with the provisions of Article 4, but with a base year determined in connection with the determination of the Fair Market Rental Rate”, and replaced with “During each Renewal Term, Tenant shall pay Additional Rent on a net basis, in accordance with the provisions of Article 4 of the Initial Lease, as amended by Section 5 of the Eleventh Amendment.”

b. **Right of First Offer.** During the Extended Term, Tenant shall continue to have the Right of First Offer granted under Article 31 of the Initial Lease; provided, Article 31 of the Initial Lease is hereby amended, as follows: (i) Tenant will not be required to satisfy the “ROFO Financial Standard” (as defined in Exhibit H of the Initial Lease) so long as Tenant is Original Tenant; (ii) the last sentence of Section 31(c) of the Initial Lease is deleted and deemed null, void and of no further force or effect; and (iii) the First Right Space will include the approximately 5,826 rentable square feet of space within the 870 Building depicted in Exhibit A-2 hereto (“**Additional ROFO Space**”), provided that the Right of First Offer with respect to the Additional ROFO Space is subject and subordinate to the rights of the existing tenant thereof.

c. **Right of First Offer to Purchase.** From and after the Eleventh Amendment Effective date and continuing through the Extended Term, Landlord grants to Tenant a “Right of First Offer to Purchase,” as provided in Addendum No. 1 attached hereto and made a part hereof.

d. **Additional Expansion Space.** Subject to the terms of this Section 14.d, Landlord hereby grants to Tenant the option to expand (“**Expansion Option**”) into that certain space within the 870 Building consisting of 1,574 rentable square feet and which currently used as the management office for the Project and which is depicted on Exhibit A-1 attached hereto (“**Additional Expansion Space**”). Tenant must exercise the Expansion Option, if at all, by delivering written notice (“**Additional Expansion Notice**”) of its election to exercise the Expansion Option to Landlord on or before December 31, 2026. Tenant will reimburse Landlord, within thirty (30) days following Landlord’s delivery of a statement therefor, for all costs incurred by Landlord to construct a new management office in a location selected by Landlord at the Project (but not within the Premises) and to relocate personal property and equipment in connection therewith. The new management office will be approximately the same size as the existing management office and will be improved with improvements of comparable quality to those within the existing management office, with comparable quality finishes, and will contain approximately the same number of work stations, offices, conference rooms, breakrooms and other areas. The Base Rent for the Additional Expansion Space will be at the same rate per rentable square foot, including subsequent adjustments, that Tenant is then paying from time to time for the remainder of the Premises, Tenant’s Percentage Share will be increased to 68.6%, and the Allowance will be increased by the amount of One Hundred Ninety-Two Thousand Eight Hundred Fifteen Dollars (\$192,815.00), and the Space Planning Allowance will be increased by the amount of Two Hundred Thirty-Six and 10/100 Dollars (\$236.10). Tenant’s leasing of the Additional Expansion Space will otherwise be on all of the terms of the Lease applicable to the Premises except that the term of the term of the Lease with respect to the Additional

Expansion Space will commence on the date Landlord has completed the relocation of the management office and tendered possession of the Additional Expansion Space to Tenant. Tenant agrees to accept possession of the Additional Expansion Space in its then as-is state and condition (but broom clean and free of Landlord's or any prior occupant's property). Landlord will use commercially reasonable efforts to complete the relocation of the management office within twelve (12) months after Tenant's delivery of the Additional Expansion Notice. Upon Landlord's request, Landlord and Tenant will execute an amendment to the Lease setting forth the commencement date and Base Rent schedule for the Additional Expansion Space.

15. **[Intentionally Omitted].**

16. **Certified Access Specialist.** This Section 16 is intended to comply with the terms of California Civil Code Section 1938 which requires a commercial property owner or lessor to state the following on every lease or rental agreement executed on or after January 1, 2017:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CAS inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises."

Pursuant to California Civil Code Section 1938, Landlord hereby advises Tenant that the Premises has not undergone an inspection by a CASp. In accordance with the foregoing, Landlord and Tenant agree that if Tenant requests a CASp inspection of the Premises, then Tenant shall pay (i) the fee for such inspection, and (ii) the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

17. **OFAC Compliance.** Section 15 (OFAC Compliance) of the Sixth Amendment is incorporated herein by this reference as if set forth in full herein, and Tenant hereby reaffirms the provisions of such Section 15 of the Sixth Amendment. Landlord acknowledges that the representations by Tenant set forth in said Section 15 (as incorporated herein) are inapplicable to shareholders or equity owners who, directly or indirectly, own shares or equity in Tenant by purchase on a nationally recognized securities exchange.

18. **Brokers.** Tenant warrants to Landlord that Tenant has not dealt with any broker or agent in connection with the negotiation or execution of this Eleventh Amendment other than CBRE, Inc., representing Tenant ("**Tenant's Broker**") and Newmark, representing Landlord ("**Landlord's Broker**"). Tenant shall indemnify, defend and hold Landlord harmless from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent other than Tenant's Broker claiming the same by, through, or under Tenant. Landlord shall indemnify, defend and hold Tenant harmless from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent other than Landlord's Broker claiming the same by, through, or under Landlord.

19. **Lender.** Landlord represents that the Building is not subject to any deed of trust or mortgage as of the Eleventh Amendment Effective Date.

20. **Entire Agreement.** This Eleventh Amendment and the Amended Lease constitute the entire agreement between Landlord and Tenant with respect to the subject matter of this Eleventh Amendment.

21. **Full Force and Effect.** Except as specifically set forth herein, the Amended Lease is and remains in full force and effect and binding on the parties. Tenant confirms that Landlord is not now and has not in the past been in default under the Lease, and Tenant has no claim against Landlord for damages or offset of any type.

22. **Authority.** Each party acknowledges that it has all necessary right, title and authority to enter into and perform its obligations under this Eleventh Amendment, that this Eleventh Amendment is a binding obligation of such party and has been authorized by all requisite action under the party's governing instruments, that the individuals executing this Eleventh Amendment on behalf of such party are duly authorized and designated to do so, and that no other signatories are required to bind such party.

23. **Counterparts.** This Eleventh Amendment may be executed in one or more facsimile or pdf counterparts, each of which shall be deemed the original, but which together shall constitute one and the same instrument. The parties agree that electronic signatures, including those signed through the electronic signature system known as "DocuSign", shall have the same effect as originals. All parties to this Eleventh Amendment waive any and all rights to object to the enforceability of this Eleventh Amendment based on the form or delivery of signature.

[Remainder of page intentionally left blank; signatures appear on following page.]

IN WITNESS WHEREOF, the parties have executed this Eleventh Amendment as of the Eleventh Amendment Effective Date.

LANDLORD:

T-C 888 BRANNAN OWNER LLC,
a Delaware limited liability company

By: /s/ Mark Meehan
Name: Mark Meehan
Title: Authorized Signatory

Date: 10/24/2024

TENANT:

AIRBNB, INC.,
a Delaware corporation

By: /s/ Elinor Mertz
Name: Elinor Mertz
Title: Chief Financial Officer

Date: 10/24/2024

EXHIBIT A
EXPANSION SPACE

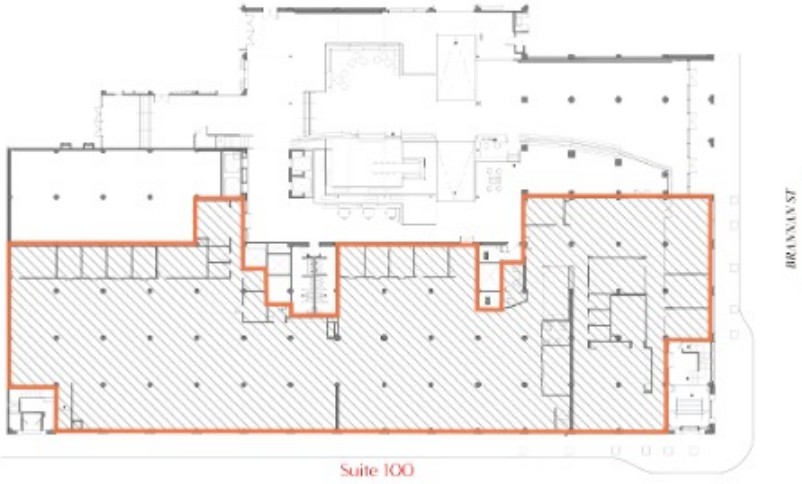


EXHIBIT A-1

ADDITIONAL EXPANSION SPACE

The “Additional Expansion Space” is the area on the first floor of the 870 Building identified as 491 and outlined in red in the diagram below.



EXHIBIT A-1

EXHIBIT A-2

ADDITIONAL ROFO SPACE

The Additional ROFO Space is depicted in green below.



EXHIBIT B

WORK LETTER

This Work Letter supplements the Eleventh Amendment to Office Lease (the “**Eleventh Amendment**”) by and between **T-C 888 BRANNAN OWNER, LLC**, a Delaware limited liability company (“**Landlord**”), and **AIRBNB, INC.**, a Delaware corporation (“**Tenant**”) pertaining to certain Premises described in the Eleventh Amendment. Terms capitalized, but not otherwise defined herein, shall have the meanings ascribed to them in the “Lease” (as defined in the Eleventh Amendment).

The parties hereby agree as follows:

1. **Landlord’s Work**. Landlord will, at its sole cost and expense, complete “Landlord’s Work” as provided in Section 6.d of the Eleventh Amendment.

2. **Tenant’s Plans and Specifications**. “**Eleventh Amendment Tenant Improvements**” means the improvements to the Premises shown on the “Final Plans” (as defined below). Tenant may construct the Eleventh Amendment Tenant Improvements in several phases. Accordingly, the provisions set forth below will apply to each respective phase of the Eleventh Amendment Tenant Improvements as the context may require.

2.1. **Submission of Plans and Specifications**.

(a) **Preliminary TI Plan**. Tenant shall submit to Landlord for approval, in pdf format, a conceptual construction plan (“**Preliminary TI Plan**”) for construction of the Eleventh Amendment Tenant Improvements prepared by a reputable architect reasonably approved by Landlord (“**Tenant’s Architect**”) which shall include, without limitation, the general location of doors, corridors, entrances, exits, partitions, heavy floor loads and other special requirements, and the location of all offices and the Specialized Uses. Landlord agrees to cooperate with Tenant and its design representatives in connection with the preparation of the Preliminary TI Plan. Within ten (10) business days after receipt by Landlord of the Preliminary TI Plan, Landlord shall (i) give its written approval with respect thereto, or (ii) notify Tenant in writing of its disapproval and state with specificity the Design Problem(s) (as defined in Section 10.1 of the Lease and modified by Section 2.2 below) that is/are the basis for such disapproval and the reasonable revisions or modifications necessary in order for Landlord to give its approval. In the event of a disapproval by Landlord, Tenant shall submit to Landlord for approval the revisions or modifications requested by Landlord to correct any Design Problem(s), with no other changes to the Preliminary TI Plan. Within five (5) business days following receipt by Landlord of such revisions or modifications, Landlord shall give its written approval with respect thereto (and the scope of Landlord’s review shall be limited to Tenant’s correction of the Design Problem(s) to which Landlord had previously objected in writing), or shall request other revisions or modifications therein (but relating only to the extent Tenant has failed to comply with Landlord’s earlier requests). The preceding sentence shall be implemented repeatedly until Landlord gives its approval to the Preliminary TI Plan. Landlord acknowledges that Tenant may perform its mechanical, electrical and plumbing work on a design-build basis. Notwithstanding anything to the contrary in this Section 2.1(a) or Section 2.1(b) below, Landlord will have an additional seven (7) business days to review any submission which Landlord reasonably determines requires the review and approval or comment of any third-party engineer or other consultant, provided that Landlord notifies Tenant of the need for third party review within the initial ten (10)

business day review period or within the seven (7) business day period provided for in Section 2.3 below.

(b) **Final TI Plan.** After approval by Landlord of the Preliminary TI Plan, Tenant shall submit to Landlord for approval, in pdf format, fully completed and engineered working drawings and specifications suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the entire Premises (including, without limitation, all areas pertaining to the Specialized Uses) consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans, showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, window coverings, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections) and Title 24 energy calculations, wall finishes, floor coverings, millwork and other Eleventh Amendment Tenant Improvements required by Tenant (collectively, "**Final TI Plan**"). Within ten (10) business days after receipt by Landlord of the Final TI Plan, Landlord shall (i) give its written approval with respect thereto, or (ii) notify Tenant in writing of its disapproval and state with specificity the Design Problem(s) that is/are the basis for such disapproval and the reasonable revisions or modifications necessary in order for Landlord to give its approval. In the event of a disapproval by Landlord, Tenant shall submit to Landlord for approval the revisions or modifications requested by Landlord to correct any Design Problem, with no other changes to the Final TI Plan. Within five (5) business days following receipt by Landlord of such revisions or modifications, Landlord shall give its written approval with respect thereto (and the scope of Landlord's review shall be limited to Tenant's correction of the Design Problem(s) to which Landlord had previously objected in writing) or shall request other revisions or modifications therein (but relating only to the extent Tenant has failed to comply with Landlord's earlier requests). The preceding sentence shall be implemented repeatedly until Landlord gives its approval of the Final TI Plan. The Final TI Plan as approved by Landlord shall be referred to as the "**Final Plans**." The parties acknowledge that the Preliminary TI Plan and/or the Final TI Plans may be submitted in more than one delivery (i.e., for example, in separate phases based upon the improvement of different floors and/or different disciplines).

(c) **Engineering of Plans.** The plans and specifications prepared by Tenant hereunder (i.e., the Preliminary TI Plan and the Final Plans) are referred to herein collectively as the "**Construction Drawings**." Landlord shall have no responsibility for any of the engineering of the Construction Drawings, which shall be at Tenant's expense, subject to Article 3 below. The Construction Drawings shall be prepared and/or coordinated by Tenant's Architect, shall comply with all applicable Laws, shall be sufficient for Tenant to secure the approval of governmental authorities with jurisdiction over the approval thereof and shall be in a form meeting Landlord's reasonable requirements. Without limiting the generality of the foregoing, the Construction Drawings shall provide for the build-out of the entire Premises to at least the Building Standard (as defined in Section 3.2 below). All information on the Construction Drawings shall be clearly and neatly specified, dimensioned and detailed per industry standards.

2.2. **Landlord's Standard of Approval.** Whenever Landlord has the right to approve Tenant's Construction Drawings under this Article 2, Landlord shall not unreasonably withhold its

EXHIBIT B

approval unless and to the extent that improvements shown on the plans create a Design Problem, as defined in Section 10.1 of the Lease; provided that for purposes of this Work Letter, a “Design Problem” shall also exist if the Construction Drawings do not provide for the entire Rentable Area of the Premises to be built-out to at least the Building Standard (as defined in Section 3.2 below). Landlord shall not be obligated to modify the base Building to accommodate improvements shown on the Construction Drawings to avoid the existence of a Design Problem. In connection with Landlord’s review and approval of Construction Drawings, Landlord may as a condition to its approval of any Non-Standard Tenant Improvement or Alteration (and as a condition to Landlord’s right to require Tenant to remove the same) require in writing that Tenant remove the same on the expiration or termination of the Lease and repair any damage resulting from such removal as described in Section 10.5 of the Initial Lease; absent any such notice, Tenant will not be required to remove the subject Non-Standard Tenant Improvement or Alteration. Tenant and Tenant’s Architect shall verify, in the field, the dimensions of the Premises and the conditions at the Premises. Landlord’s review of the Construction Drawings is for Landlord’s sole benefit and Landlord shall have no liability to Tenant arising out of or based on Landlord’s review. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its contractor, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord’s contractor, architect, engineers and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors arising therefrom.

2.3. **Deemed Approval.** If Landlord fails to notify Tenant of Landlord’s approval or disapproval of the Preliminary TI Plan or any Construction Drawings or proposed Change Order (defined in Section 6 below) within the applicable time period set forth herein, Tenant shall have the right to provide Landlord with a second (2nd) written request for approval (a “**Second Request**”) that specifically identifies the applicable drawings and contains the following statement in bold and capital letters: **“THIS IS A SECOND REQUEST FOR APPROVAL PURSUANT TO THE PROVISIONS OF SECTION 2.3 OF THE WORK LETTER. IF LANDLORD FAILS TO RESPOND WITHIN SEVEN (7) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THEN LANDLORD SHALL BE DEEMED TO HAVE APPROVED THE DRAWINGS DESCRIBED HEREIN.”** If Landlord fails to respond to such Second Request within seven (7) business days after Landlord’s receipt thereof, the proposed Preliminary TI Plan, Construction Drawings or Change Order, as applicable, shall be deemed approved by Landlord.

2.4. **Permits.** Following Landlord’s approval (or deemed approval) of the Final Plans, Tenant shall cause the Final Plans to be submitted to the appropriate governmental authorities in order to obtain all approvals and permits required by the governmental authorities having jurisdiction over the Eleventh Amendment Tenant Improvements. Neither Landlord nor Landlord’s consultants shall be responsible for obtaining any permits with respect to the Eleventh Amendment Tenant Improvements or a temporary certificate of occupancy (or its equivalent) for the Premises, and obtaining the same shall be Tenant’s sole responsibility; provided, however, that Landlord shall reasonably cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permits or temporary certificate of occupancy (or its equivalent) and shall use commercially reasonable efforts to assist Tenant in obtaining such permits and temporary certificate of occupancy (or its equivalent), as requested from time to time. In no event shall Tenant or its representatives submit any Construction Drawings to governmental authorities for permitting until the Final Plans have been approved by Landlord.

2.5. **Space Planning.** All design and programming, space planning and interior decorating services such as selection of wall paint colors and/or wall coverings, furniture, fixtures,

carpeting and any or all other decorator selection efforts required by Tenant shall be provided by Tenant at Tenant's expense, subject to Article 3 hereof.

3. **Eleventh Amendment Tenant Improvement Allowance.**

3.1. **Allowance.**

(a) Subject to the improvement allowance provisions of this Article 3 and any other provisions of this Work Letter to the contrary, the Eleventh Amendment Tenant Improvements shall be constructed at Tenant's sole cost and expense. Landlord shall provide Tenant an allowance of up to \$122.50 per RSF of the Premises (i.e., up to \$30,735,617.50, based on the Premises containing 250,903 RSF) (the "**Eleventh Amendment Tenant Improvement Allowance**") for the cost of design (subject to the limitations set forth in this Section 3.1), permitting and construction of the Eleventh Amendment Tenant Improvements, plus a space planning allowance to pay for preparation of a space plan (copies of which shall be provided to Landlord in pdf format) of up to \$0.15 per RSF of the Premises (i.e., up to \$37,635.45, based on the Premises containing 250,903 RSF) (the "**Space Planning Allowance**"); provided, however, in no event will Landlord be required to disburse any portion of the Eleventh Amendment Tenant Improvement Allowance or the Space Planning Allowance prior to the Extended Term Commencement Date. The Eleventh Amendment Tenant Improvement Allowance shall be used for the design, including architectural and engineering plans and specifications, purchase, installation and construction (including project management fees and costs) of the Eleventh Amendment Tenant Improvements which constitute permanent improvements to the Premises and the cost of all permits associated therewith (collectively, the "**Eleventh Amendment Tenant Improvement Costs**"). Landlord hereby acknowledges and agrees that costs of governmental permits and the Alteration Operations Fee (as defined below) shall be costs to which the Eleventh Amendment Tenant Improvement Allowance may be applied. In no event shall the Eleventh Amendment Tenant Improvement Allowance be used for the cost of the purchase of furniture, fixtures, moveable equipment, phones or other personal property.

(b) Subject to the foregoing Paragraph 3.1(a), portions of the Eleventh Amendment Tenant Improvement Allowance shall be advanced to Tenant periodically on a monthly basis after the Extended Term Commencement Date and following the commencement of the design of the Eleventh Amendment Tenant Improvements by Tenant and after Tenant has delivered to Landlord (i) a request for payment of the Contractor (as defined below), approved by Tenant, on AIA forms G702 and G703 (or comparable forms reasonably approved by Landlord), showing the schedule, by trade, of percentage of completion of the Eleventh Amendment Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed, and demonstrating that the relationship between the cost of the work completed and the cost of the work to be completed complies with the terms of the "Construction Budget," as that term is defined in Article 4 of this Work Letter (as the same may be modified from time to time by Change Order); (ii) invoices or similar documentation from all of "Tenant's Agents", as that term is defined in Section 5.1(a) of this Work Letter, for labor rendered and materials delivered to the Premises; (iii) executed lien releases from all of Tenant's Agents who have statutory lien rights which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 8424 (or any successor statute); and (iv) all other information reasonably requested by Landlord. Tenant may require Landlord to make one or more of such payments directly to those who are entitled to such payment

EXHIBIT B

because they provided materials or products or performed services in connection with the Eleventh Amendment Tenant Improvements and references “to Tenant” shall also include those designated by Tenant, and any such payment shall be treated as the disbursement by Landlord of the Eleventh Amendment Tenant Improvement Allowance and have the effect of reducing Landlord’s obligation with respect to the Eleventh Amendment Tenant Improvement Allowance by the amount so disbursed. Disbursements of the Eleventh Amendment Tenant Improvement Allowance shall be made by Landlord on or before the 25th day of each month with respect to complete payment requests made by Tenant on or before the 25th day of the prior month. If the cost of the Eleventh Amendment Tenant Improvements as reflected in the Construction Budget is greater than the Eleventh Amendment Tenant Improvement Allowance, each monthly disbursement made by Landlord shall be an amount equal to the cost of the Eleventh Amendment Tenant Improvements that are subject to the monthly payment request multiplied by a fraction, the numerator of which is the Eleventh Amendment Tenant Improvement Allowance and the denominator of which is the total cost of the Eleventh Amendment Tenant Improvements as reflected in the Construction Budget. In all events, ten percent (10%) of the amount of the Eleventh Amendment Tenant Improvement Allowance requested by Tenant in any given month (the “**Retention Amount**”) may be withheld by Landlord until all Eleventh Amendment Tenant Improvements for which Tenant may request reimbursement have been completed and Tenant has provided the following for all such Eleventh Amendment Tenant Improvements: (X) unconditional lien releases with respect to all work performed on the Eleventh Amendment Tenant Improvements, (Y) copies of job cards for all building permits obtained to complete the Eleventh Amendment Tenant Improvements signed off by all inspectors for the lawful occupancy of the Eleventh Amendment Tenant Improvements, and (Z) certificates in the form of AIA Form G-704, or another format approved by Landlord in its reasonable discretion, executed by Tenant’s Architect and Contractor. Notwithstanding anything to the contrary contained in this Work Letter, Landlord shall not be obligated to make any disbursement of the Eleventh Amendment Tenant Improvement Allowance during the pendency of any of the following: (A) Landlord has received written notice of any unpaid claims relating to any portion of the Eleventh Amendment Tenant Improvements or materials in connection therewith, other than claims which will be paid in full from such disbursement, (B) there is an unbonded lien outstanding against the Building or the Premises or Tenant’s interest therein by reason of work done, or claimed to have been done, or materials supplied or specifically fabricated, claimed to have been supplied or specifically fabricated, to or for Tenant or the Premises, or (C) an Event of Default by Tenant exists. If Landlord disputes any item in a request for payment, Landlord shall deliver a written objection to such item within ten (10) business days following Tenant’s submission of such request for payment, setting forth with reasonable specificity Landlord’s reasons for its dispute (a “**Draw Dispute Notice**”), and Landlord may deduct the amount of such disputed item from the payment. Landlord and Tenant shall, in good faith, endeavor to diligently and promptly resolve any such dispute. If and to the extent that Landlord timely delivers any Draw Dispute Notice, Landlord shall nevertheless be obligated to fund the portion of the disbursement requested by Tenant, if any, which Landlord is required to fund pursuant to this Section 3.1 and Landlord has not duly disputed. Landlord shall not be required to pay more than the Eleventh Amendment Tenant Improvement Allowance toward all costs, expenses and charges related to the Eleventh Amendment Tenant Improvement Costs. Landlord shall have no obligation to disburse any Eleventh Amendment Tenant Improvement Allowance after the Outside Allowance Date (as the same may be delayed as described herein and in the Eleventh Amendment), and in no event shall any unused Eleventh Amendment Tenant Improvement Allowance be credited towards rent.

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(c) If and to the extent Landlord fails to fund any disbursement of the Eleventh Amendment Tenant Improvement Allowance which is required to be funded by Landlord pursuant to Section 3.1 above, within thirty (30) days following Tenant's submission to Landlord of a request for payment conforming to the provisions of Section 3.1, and provided Tenant is obligated to and does pay to third parties such amount which was required to be paid by the Eleventh Amendment Tenant Improvement Allowance, then Tenant shall have the right to offset any such amount paid by Tenant to such third parties against the Rent next due and payable by Tenant under the Lease, provided that Tenant will concurrently deliver notice to Landlord of the amount offset by Tenant. Any such offset made by Tenant shall be credited against Landlord's obligations with respect to the Eleventh Amendment Tenant Improvement Allowance.

(d) Tenant will reimburse Landlord for Landlord's actual out-of-pocket third party costs incurred by Landlord in connection with the design, permitting and construction of the Eleventh Amendment Tenant Improvements (collectively, the "**Alteration Operations Fee**"), including, without limitation, Landlord's review of the Construction Drawings; provided, however, in no event will the Alterations Operations Fee exceed one percent (1%) of the aggregate hard and soft costs of the Eleventh Amendment Tenant Improvements. Notwithstanding anything to the contrary above, at the time Landlord makes any disbursement of the Eleventh Amendment Tenant Improvement Allowance for application to the cost of the Eleventh Amendment Tenant Improvements, Landlord shall retain from the Eleventh Amendment Tenant Improvement Allowance, as a partial payment of the Alteration Operations Fee, the Alteration Operations Fee then owing to Landlord. At such time as the Eleventh Amendment Tenant Improvement Allowance has been entirely disbursed, Tenant shall, within thirty (30) days following written demand accompanied by reasonably detailed back up documentation and calculations, pay to Landlord the remainder, if any, of the Alteration Operations Fee not yet paid to Landlord.

3.2. **Building Standard.** As used in this Work Letter, "**Building Standard**" means Eleventh Amendment Tenant Improvements designed and constructed in compliance with all applicable Laws including, without limitation, applicable San Francisco building, electrical, mechanical and plumbing codes, and with new, first-class materials. All items described herein shall be included in the Construction Drawings.

4. **Cost of and Payment of Eleventh Amendment Tenant Improvements.** Tenant shall retain a licensed, reputable general contractor reasonably approved by Landlord (such approval to be granted or withheld within ten (10) business days following Tenant's notice to Landlord of its selection of the Contractor) to construct the Eleventh Amendment Tenant Improvements (the "**Contractor**"). Promptly following Tenant's execution of the construction contract(s) with Contractor (individually and collectively referred to herein as the "**Contract**") and in any event before the disbursement of any of the Eleventh Amendment Tenant Improvement Allowance for items other than soft costs, Tenant shall submit the Contract to Landlord for its records. The Contract must provide that the Contract is assignable to Landlord and Landlord's lender following an Event of Default by Tenant under the Lease. Prior to the commencement of the construction of the Eleventh Amendment Tenant Improvements, and after Tenant has accepted all bids for the Eleventh Amendment Tenant Improvements, Tenant shall provide Landlord with (i) a detailed breakdown, by trade, for all of Tenant's Agents, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Eleventh Amendment Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (which costs form a basis for the amount of the Contract) (the "**Final Costs**") and (ii) a construction budget (the "**Construction Budget**"), the amount of which Construction Budget shall be equal to (1) the Final Costs plus (2) the other costs of design and construction of the Premises (to the extent not already included in the Final Costs),

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which costs shall include, but not be limited to, the costs of the Architect, engineering fees, consultant fees and other soft costs. Tenant shall promptly pay when due all costs incurred in connection with the Eleventh Amendment Tenant Improvements and shall not permit the filing of any mechanic's lien or other lien in connection with any Eleventh Amendment Tenant Improvements. If a mechanic's lien or other lien is filed against the Building or Project arising out of the construction of the Eleventh Amendment Tenant Improvements, Tenant shall post a statutory release bond or discharge or cause to be discharged such lien within ten (10) business days after Tenant receives notice of the filing thereof.

5. **Construction of Eleventh Amendment Tenant Improvements.**

5.1. **Performance.** Construction of the Eleventh Amendment Tenant Improvements shall be subject to the following terms and conditions:

(a) The Eleventh Amendment Tenant Improvements shall be constructed by Contractor. All subcontractors, laborers, materialmen, and suppliers ("**Tenant's Agents**") used by Tenant shall be union affiliated and shall be properly licensed in the State of California (to the extent the foregoing requirements are applicable to the specific type of Tenant's Agent) and shall be experienced in performing the work they have agreed to perform, in buildings similar to the Building and shall have been approved by Landlord in its reasonable discretion (such approval to be granted or withheld, or deemed granted if Landlord fails to timely respond, within five (5) business days following notice to Landlord of the identity of any proposed Tenant's Agent); provided, however, that Tenant will use the following subcontractors: Sunbelt (for mechanical and building systems); Pyro-comm for fire protection; RCM for sprinklers; and Holzmuller for lighting controls. Tenant shall submit a written list of all of Tenant's Agents to Landlord's property manager prior to commencing construction of the Eleventh Amendment Tenant Improvements. Tenant shall immediately cease using any of Tenant's Agents that Landlord reasonably and in good faith determines are not suitable for the Project, whether because of quality of the work or because of any potential or actual adverse impact of such contractor on the Project or on the labor relations between Landlord and any trade unions (including picketing or otherwise disrupting tenants or operations at the Project);

(b) All work shall be performed in conformity with a valid building permit when required, a copy of which shall be furnished to Landlord prior to the commencement of the work;

(c) All work shall be performed in accordance with the reasonable, non-discriminatory rules and regulations of Landlord from time-to-time; a copy of Landlord's construction rules and regulations as currently in effect are set forth in Schedule 2 hereto;

(d) The Contractor's and Tenants Agents' construction material, tools, equipment, and debris shall be stored on or within the Premises, or in areas of the Project designated for that purpose by Landlord. Tenant will be responsible for all clean up with respect to the Eleventh Amendment Tenant Improvements, whether in the Premises themselves or in other areas utilized by Tenant or its contractors, and agrees to reimburse Landlord for any and all actual expenses incurred by Landlord by reason of substandard Eleventh Amendment Tenant Improvement work performed by the Contractor or Tenant's Agents (as reasonably determined by Landlord) or as a result of inadequate clean up in the Staging Area (as hereinafter defined) or in other areas outside the Premises;

(e) Construction of the Eleventh Amendment Tenant Improvements shall comply with the Final Plans (as the same may be amended by one or more Change Orders) and all applicable Laws, and shall be subject to the general inspection of Landlord pursuant to the terms of Section 5.5 below; and

(f) Notwithstanding anything to the contrary in the Lease, if any Tenant Improvements or any permit application therefor triggers the requirement for any structural alterations or seismic assessment under San Francisco Building Code Sections 503.11.1 and 304.4 or any successor code provisions, Tenant will be solely responsible for all costs of compliance with such code provisions, including but not limited to, the cost of any required seismic assessment and all work required as a result thereof.

5.2. **Indemnity; Warranty.** Tenant's indemnification set forth in the Lease shall also apply with respect to any and all damages, cost, loss or expense (including reasonable attorneys' fees) resulting from any act or omission of Tenant or the Contractor, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Eleventh Amendment Tenant Improvements (except to the extent relating to nonpayment or any delay in payment by Landlord of amounts required to be paid or contributed by Landlord pursuant to the terms hereof). Contractor (on behalf of itself and the Tenant's Agents) shall warrant to Tenant and for the benefit of Landlord that the Eleventh Amendment Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date the Eleventh Amendment Tenant Improvements are substantially completed. The correction of any defective work shall include, without additional charge, all additional expenses and damages incurred in connection with the removal or replacement of all or any part of the Eleventh Amendment Tenant Improvements, and/or any other building improvements that may be damaged or disturbed thereby. Such warranty shall be contained in the Contract and shall inure to the benefit of both Landlord and Tenant. Tenant covenants to give to Landlord any assignment or other assurances as may be requested by Landlord to effect such right of direct enforcement.

5.3. **Insurance Requirements.** Tenant shall cause the Contractor to comply with the provisions of Schedule 1 attached hereto. Tenant shall carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord (but in no event greater than 100% of the completed insurable value of the Eleventh Amendment Tenant Improvements) covering the construction of the Eleventh Amendment Tenant Improvements (or Tenant shall cause the Contractor to carry such Builder's All Risk insurance), and such other insurance as required to be carried by Tenant under the Lease and Schedule 1 attached hereto, it being understood and agreed that the Eleventh Amendment Tenant Improvements shall be insured by Tenant pursuant to Article 11 of the Lease immediately upon completion thereof

5.4. **[Intentionally Omitted].**

5.5. **Inspection by Landlord.** Landlord shall have the right to inspect the Eleventh Amendment Tenant Improvements at all reasonable times and upon reasonable advance notice to Tenant (which may be given by electronic mail to Tenant's construction representative identified in Section 12 below) provided however, that Landlord shall not unreasonably interfere with the construction of the Eleventh Amendment Tenant Improvements and Landlord's inspection of the Eleventh Amendment Tenant Improvements shall not constitute Landlord's approval of the Eleventh Amendment Tenant Improvements. Should Landlord reasonably disapprove any portion of the Eleventh Amendment Tenant Improvements because they are not in compliance with the Final Plans (as the same may be amended by one or more Change Orders), Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved and the reasons for

its disapproval. Any defects in the Eleventh Amendment Tenant Improvements shall be rectified by Tenant at no expense to Landlord (provided that the Eleventh Amendment Improvement Allowance may be applied to the cost of any such work).

5.6. **Notice of Non-Responsibility.** Not less than five (5) days prior to the date Tenant intends to first commence construction of the Eleventh Amendment Tenant Improvements, Tenant shall provide Landlord with written notice of its intention to commence construction. Landlord shall have the right from time to time to post notices of non-responsibility at the Premises.

5.7. **Notice of Completion; Copy of Record Set of Plans.** Within ten (10) days after completion of construction of the Eleventh Amendment Tenant Improvements, as a condition to Landlord's disbursement of the Retention Amount, Tenant shall cause a Notice of Completion to be recorded in the county in which the Premises are located or such other instrument(s) as may be required by applicable Laws, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenants sole cost and expense (provided that the Eleventh Amendment Improvement Allowance may be applied to such cost). At the conclusion of construction, and, at the election of Landlord, as a condition to Landlord's final disbursement of the Eleventh Amendment Tenant Improvement Allowance, Tenant shall cause Tenant's Architect and/or Contractor (i) to update the Final Plans as necessary to reflect all changes made to the Final Plans during the course of construction, (ii) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct and (iii) to deliver to Landlord two (2) sets of copies of such record set of drawings and one (1) set in electronic format. At Landlord's request, Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the Eleventh Amendment Tenant Improvements.

6. **Changes, Additions or Alterations.** If Tenant shall require or desire any change, addition, deletion or alteration in the Final Plans (each a "Change Order"), Tenant shall prepare and submit to Landlord reasonably detailed plans and specifications with respect to each Change Order which is reasonably budgeted to cost less than a total of \$75,000, and Landlord will either approve such Change Order, or disapprove such Change Order due to a Design Problem, within five (5) business days. With respect to Change Orders which are reasonably budgeted to cost \$75,000 or more, Tenant shall prepare and submit to Landlord Construction Drawings for Landlord approval in accordance with the provisions of Article 2 above.

7. **[Intentionally Omitted].**

8. **Default.** Any default by Tenant under the terms of this Work Letter shall constitute an Event of Default, after notice has been given and lapse of any applicable cure period under the Lease, and shall entitle Landlord to exercise all remedies set forth in the Lease and, in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Eleventh Amendment Tenant Improvement Allowance, and all other obligations of Landlord under the terms of this Work Letter shall be suspended until such time as such Event of Default is cured pursuant to the terms of the Lease.

9. **Reasonable Diligence.** Both Landlord and Tenant agree to reasonably cooperate and use reasonable diligence in performing all of their respective obligations and duties under this Work Letter for the construction and completion of the Eleventh Amendment Tenant Improvements.

10. **Limited Liability.** The provisions of Section 24.1 of the Lease are incorporated herein as if set forth in their entirety.

EXHIBIT B

11. **Delays Affecting Outside Allowance Date.** The Outside Allowance Date shall be delayed by one (1) day for each day Tenant's design or construction of the Eleventh Amendment Tenant Improvements is actually delayed due to a "Landlord Delay" or "Force Majeure Delay," as those terms are defined below. As used herein, "Force Majeure Delay" shall mean acts of God, casualties, natural disasters, strikes, war, terrorist attacks, lockouts, labor disputes, pandemics or civil commotion. As used herein, "Landlord Delay" shall mean an actual delay in the design, design approval or performance of the Eleventh Amendment Tenant Improvements resulting from (i) failure of Landlord to timely approve or disapprove any plans or drawings (inclusive of Change Orders) as required pursuant to this Work Letter; (ii) unreasonable and material interference (when judged in accordance with industry custom and practice) by Landlord, its employees, agents or contractors with the completion of the Eleventh Amendment Tenant Improvements except as otherwise authorized in this Work Letter (including the impairment of Contractors' or Tenant's vendors' or employees' access to the Premises, failure to provide reasonable access to the Building's loading docks or other facilities necessary for the construction of the Eleventh Amendment Tenant Improvements and/or the movement of materials and personnel to the Premises for such purpose), where such failure is due to the result of Landlord failing to provide access to loading docks or freight elevators at scheduled times because of the competing needs of other tenants, or Landlord, or the performance of the Landlord Work, or otherwise; provided that it shall not be deemed unreasonable and material interference to the extent the allocation of such resources is equitable amongst the tenants needing to use such resources; and (iii) delays due to the acts or failures to act of Landlord, its agents or contractors with respect to payment of the Eleventh Amendment Improvement Allowance as and when required under this Work Letter. If Tenant contends that a Force Majeure Delay or a Landlord Delay has occurred, Tenant shall notify Landlord in writing (the "Delay Notice") of the event which constitutes such Force Majeure Delay or Landlord Delay, as applicable; such notice may, for the purposes of this Section 11, be via electronic mail to Landlord's construction representative described in Section 13 below. If the actions or inactions or circumstances described in the Delay Notice qualify as a Force Majeure Delay or a Landlord Delay, as applicable, and are not cured by Landlord within two (2) business days after Landlord's receipt of the Delay Notice, then a Force Majeure Delay or Landlord Delay, as applicable, shall be deemed to have occurred commencing as of the expiration of the two (2) business days period and continuing until such Force Majeure Delay or Landlord Delay, as applicable, has ended or been cured. Tenant will use reasonable efforts to mitigate the effects of any Landlord Delay through the re-sequencing or re-scheduling of work, if feasible, but this sentence will not be deemed to require Tenant to incur overtime or after-hours costs unless Landlord agrees in writing to bear such costs. notwithstanding the foregoing, if, solely as a result of a Landlord Delay, and notwithstanding Tenant's mitigation efforts described above, the date of substantial completion of the Eleventh Amendment Tenant Improvements is delayed for a longer period than the actual length of the Landlord Delay (due to the need to reschedule subcontractors or suppliers and/or re-sequence elements of work, or to other reasons arising as a result of such Landlord Delay to the extent each such reason was specifically described in the Delay Notice), then, for the purposes of determining the delay in the Outside Allowance Date resulting from such Landlord Delay, the Landlord Delay will be deemed to be the number of days Tenant's substantial completion of the Eleventh Amendment Tenant Improvements is delayed as a result of such Landlord Delay. Notwithstanding anything to the contrary in the foregoing, in no event will be Outside Allowance Date be extended by more than twelve (12) months as a result of Force Majeure Delays.

12. **Tenant's Representative.** Tenant has designated Tim Clark, whose electronic mail address is [***] as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

13. **Landlord's Representative.** Landlord has designated Kari Aycock, whose electronic mail address is [***], as its sole representative with respect to the matters set forth in this Work Letter, who,

until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

14. **Building Pre-Stocked Materials**. Tenant and Contractor will not be required to purchase, either from Landlord or from third parties, or to use any pre-stocked "Building standard" materials. If Tenant elects to use materials in its construction which Landlord has pre--stocked, Landlord shall charge Tenant for any pre-stocked items utilized by Contractor in constructing the Eleventh Amendment Tenant Improvements at Landlord's actual cost (purchase price plus tax and shipping charges to the Building only, and no other charges, fees or costs), without profit or overhead to Landlord.

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EXHIBIT B

-11-

SCHEDULE 1

TO

**ELEVENTH AMENDMENT WORK LETTER
CONTRACTOR'S INSURANCE**

(a) The Contractor shall at its sole cost and expense, carry and maintain insurance with a company or companies acceptable to Landlord and licensed to do business in the state in which the Project is located with a rating of not less than A-VIII, as rated in the most currently available "Best's Insurance Guide," providing the Contractor with the following insurance coverage: (i) Commercial General Liability Insurance on an "occurrence" basis with contractual liability assumed by the Contractor under the Contract included in such coverage, with a limit of not less than One Million Dollars (\$1,000,000) for bodily injury, death and property damage. Such Commercial General Liability Insurance shall include products/completed operations liability coverage with a separate aggregate limit of not less than \$1,000,000 and coverage for owner's and contractor's protective liability to cover Landlord's liability arising out of work performed by the Contractor and its subcontractors pursuant to the Contract; (ii) Worker's Compensation Insurance to provide statutory worker's compensation benefits as required by the laws of the state of California provided under the Contract and Employer's Liability Insurance with a limit of not less than \$1,000,000; and (iii) Commercial Automobile Liability Insurance with a limit of not less than \$1,000,000 per occurrence providing coverage against bodily injury liability and property damage liability arising out of the use by or on behalf of the Contractor, its agents and employees, while performing the work pursuant to the Contract, of any owned, non-owned or hired motor vehicle or automotive equipment; and (iv) "Umbrella" Excess Liability Insurance on an "occurrence" basis with a limit of not less than Five Million Dollars (\$5,000,000) per occurrence and in the aggregate with aggregates where applicable as outlined in the underlying primary coverages; provided, however, that such limit will be Ten Million Dollars (\$10,000,000) in lieu of Five Million Dollars (\$5,000,000) with respect to contracts involving any of the following: (1) contracts for work over Five Million Dollars (\$5,000,000), (2) asbestos abatement and removal, (3) blasting, (4) concrete – structural repairs related to building foundations or projects over \$50,000, (5) crane operations, (6) curtain wall – installation, (7) high risk electrical installation and repair, (8) elevators, escalators – design and installation, (9) fire system/sprinklers installation, (10) roofing/ sheet metal - installation and repair, (11) scaffolding, stages, bosun chair, (12) site work – demolition, excavation, and/or (13) structural steel installation and repair.

(b) The Contractor shall require any and all subcontractors engaged or employed by the Contractor in connection with the performance of the Eleventh Amendment Tenant Improvements to carry and maintain, at all times while engaged in the performance of such services, insurance with limits and coverages that are customary for subcontractors performing similar work, and to furnish Landlord such evidence thereof as Landlord may reasonably request. All insurance required hereunder shall be carried and maintained with a responsible company or companies licensed to do business in the state in which the Project is located with a rating of not less than as rated in the most currently available "Best's Insurance Guide."

(c) All architects, engineers and other design professionals providing services in connection with the Eleventh Amendment Tenant Improvements (including pursuant to design /build contracts) shall carry Professional Liability Insurance covering professional errors and omissions, professional negligence or wrongful acts. The limits of coverage required shall be (i) Two Million Dollars (\$2,000,000) with respect to Tenant's Architect, and (ii) One Million Dollars (\$1,000,000) with respect to each other architect, engineer or other licensed professional rendering services in connection with design or construction of the

SCHEDULE 1

Eleventh Amendment Tenant Improvements (including pursuant to design/build contracts). Such insurance shall include contractual liability and coverage for prior acts and shall be maintained for a period of at least five (5) years following completion of the Eleventh Amendment Tenant Improvements.

(d) With the exception of the Worker's Compensation Insurance referred to in Paragraph (a)(ii) above and the professional liability insurance referred to in Paragraph (b) above, all policies of insurance required under the terms of this Schedule 1 shall name Tenant, Landlord, Landlord's lender, Landlord's property manager, Landlord's designated general contractor and their respective partners, members, managers, officers, agents, employees, successors and assignees as additional insureds and shall contain a waiver of subrogation in favor of such additional insureds. All policies of insurance required under the terms of this Schedule 1 shall have reasonable and customary deductible amounts, provided that in no event shall such deductible amounts exceed \$10,000 per occurrence unless approved by Landlord in writing in its reasonable discretion. Cost(s) of defense shall not be included in any of the limits of liability required by this Schedule 1. In addition, all policies shall be primary and non-contributing, and shall contain an agreement on the part of the insurers that in the event of cancellation of the policy, the insurer shall endeavor to give not less than thirty (30) days advance written notice to Landlord. Tenant shall cause the Contractor to maintain Completed Operations Coverage, if available, until the expiration of any applicable statute of limitations, but in any event for a period of not less than five (5) years following completion by the Contractor of all its Eleventh Amendment Tenant Improvement services.

(e) Certificates for all insurance required to be carded pursuant to Section 5.3 of the Work Letter and this Schedule 1 for Tenant, the Contractor, the professionals and each of Tenant's vendors shall be delivered to Landlord before such parties commence work or any of their equipment is moved onto the Project. Upon renewal of any such insurance that expires before the completion of the Contractor's Eleventh Amendment Tenant Improvement services or before the expiration of the Contractor's obligation to carry insurance hereunder, Landlord shall be provided with renewal certificates or binders not less than fifteen (15) days prior to such expiration together with evidence of the payment of premiums thereon.

(f) Should the Contractor at any time neglect or refuse to provide the insurance required herein, or should such insurance be canceled, Landlord shall have the right, but not the duty, following notice to Tenant and Tenant's failure, within two (2) business days after such notice, to cure the same (whether by causing the Contractor to procure the coverage in question or by obtaining the required coverage itself) to procure the same and the cost thereof shall be deducted from the Eleventh Amendment Tenant Improvement Allowance.

(g) It shall be the responsibility of the Contractor not to violate nor knowingly permit to be violated any condition of the policies required by this Schedule 1, and it shall be the Contractor's duty and responsibility to impose upon each subcontractor and have each subcontractor impose upon each sub-subcontractor the same responsibilities and obligations imposed upon the Contractor under this Schedule 1.

(h) All insurance maintained by the Contractor and any subcontractor or sub-subcontractor pursuant to this Schedule 1 shall include a prior release clause and clauses providing that each underwriter shall waive its rights of subrogation against Tenant, Landlord and Landlord's lender, partners, officers, agents and employees.

SCHEDULE 1

SCHEDULE 2
TO
ELEVENTH AMENDMENT WORK LETTER
LANDLORD'S CONSTRUCTION RULES AND REGULATIONS

Project: T-C 888 Brannan Owner LLC

Contractor / Sub-Contractors, Suppliers, Material Men, etc., shall be advised of the following building rules and regulations concerning their proper conduct within the building. All referenced material, labor, services, taxes, after hour costs, shipping, permits, fees, or construction and/ or other reference processes performed by Contractor, shall be hereinafter referred to as "Work." When AIA Document A 107 is the contract, the "Owner," "Landlord", and "Building Management" may be one and the same.

It is the General Contractor's responsibility to ensure everyone reads and understands these rules and regulations. Ignorance of same is not a waiver of liability or responsibility. Failure to comply with any of these rules may result in your contract being canceled and/ or your people being asked to leave the job site. The General Contractor is ultimately responsible for the conduct of his Sub-Contractors. The signature block on the last page of this Agreement shall act as the written approval and a representative of the Building Management has executed acceptance of all requirements after it.

Building Engineers on site are:

Nate Zander [***] Jose Vasquez [***] Wilson Chen [***]

1. It is the intent of these Rules and Regulations to encompass all applicable labor material and equipment necessary to completely finish the Work described by Building Management in a workmanlike manner.

Where the Contractor wishes to make substitutions for items specifically called out on drawings, specifications, etc., Contractor shall submit in writing to the architect and/ or Building Management: samples, technical data, performance data, etc., as required. Such material shall be submitted far enough in advance to allow time for review and written approval without causing delay in the Work. Any substitutions used without written approval shall be subject to rejection and replacement at Contractor's expense. The entire system to which the substitution applies and all Work installed in connection with the substitution must function as a unit as originally intended.

Contractor shall pay for cost of any change in Work due to improper checking and coordination by Contractor. Contractor shall also be responsible for all additional costs in the re-coordination of trades and replacement of material.

2. If the Contractor defaults or persistently fails and/ or neglects to carry out the Work and / or correct any Work rejected by the Building Management, in accordance with the Contract

SCHEDULE 2

Documents and/ or Building Rules and Regulations Agreement, the Owner, after twenty-four (24) hours written notice to the Contractor, without prejudice to any other remedy he may have, may make good such deficiencies. Owner may terminate the Contract and take possession of the site and of all materials, equipment, tools, construction equipment and machinery thereon owned by the Contractor and finish the Work by whatever method he deems expedient. If the remaining balance of the Contract Sum is greater than the expense of finishing the Work, the excess shall be paid to the Contractor. If the remaining balance is less than the expense of finishing the Work, the Contractor shall pay the difference to the Owner.

3. Prior to starting any work in the building, Contractor, at its sole expense, should have a current Policy of Public Liability Insurance Naming T-C 888 Brannan Owner LLC, the tenant if applicable, and Jones Lang LaSalle Americas, Inc. as additionally insured, on file with the Management Office. Policy will insure against loss, injury, death or damage of persons or property, including the premises and the building arising out of such Work, with the limits of not less than \$1,000,000 per occurrence for bodily injury and \$1,000,000 per occurrence for property damage. Building Management based on the nature of the Work being performed may increase said amount. Also, Contractor must keep current insurance certificates on all Sub-Contractors. Any Contractor / Sub-Contractor performing work found not to have current insurance will be immediately ordered off the premises. General Contractors shall list the following as additionally insured:

4. Contractors working in or about the property must have prior written approval from the Building Management before any type of Work may commence. A list of subcontractors must be listed in the Security Department and proper notice will be given to the building engineers before construction begins. Any persons not on the approved Contractor list will be denied access to the property - no exceptions. This list will include phone numbers and contacts for each Contractor/ Sub-Contractor, including home and emergency telephone numbers.

5. An initial walk through of the job will be conducted prior to construction. The Contractor's superintendent, the building engineer and security will review rules and regulations, as well as check for existing conditions of the premises.

6. Prior to the commencement of Work, the Contractor shall provide Building Management with a projected schedule showing the major items of Work with the dates of their start and finish with significant milestones for Management to inspect. A projected date of final completion shall also be included. This date shall be the time when all trades have completed their Work, the suite has been certified by the City as ready for occupancy, and the job is ready to be turned over to the tenant or Building Management.

7. All Contractors must be licensed in the state in which the Work is performed and have work experience in commercial properties. Written documentation/ certification and previous job references are required prior to the commencement of any type of Work.

8. Where applicable, permits must be obtained from the City Building Department or other governing agency prior to the commencement of Work. Permits must be posted at the job site in accordance to the governing body. All construction Work will require a permit. An officer of

SCHEDULE 2

Jones Lang LaSalle Americas, Inc. must approve any exceptions in writing. Approval of drawings, details, schedules, etc., by the Building Management shall not relieve the Contractor from the responsibility for compliance with local, county, state or federal laws, rules, ordinances, or Rules and Regulations of commissions, boards, or other authorities having jurisdiction.

9. All Contractors shall keep the premises and improvements free and clear of all liens arising out of or claimed by reason of any Work performed, materials furnished or obligations incurred. The Contractor is responsible for the payment of all bills for labor and materials furnished by, or to the Sub-Contractors and himself on this project, and the Contractor will also deliver to the Owner a Waiver of Liens from himself and each of his Sub-Contractors, if any, and at such time he will certify that he is submitting such lien waivers for all Sub-Contractors involved.
10. No one shall be allowed to endanger the buildings, its premises or its occupants in any manner whatsoever. If such a situation occurs, the Contractor, Sub-Contractor, supplier, etc. shall immediately take steps to correct and eliminate the hazardous condition. In the event that the Contractor's personnel fail to perform in a satisfactory manner, the Building Management reserves the right to immediately take steps to remedy the hazard at the Contractor's expense.
11. It is imperative that good business/ professional conduct be maintained by all Contractors' personnel while they are on the property and that they are properly dressed for the environment they are working in and the job being done. Contractor shall not employ any unfit person or anyone not skilled in the task assigned to him. Respect must be shown to the building tenants at all times. Rude and obscene behavior, including foul and abusive language, will not be tolerated. Offenders will be asked to remove themselves from the premises and shall not be permitted to return.
12. Contractor is not permitted to post any sign on the job site advertising the name of the Contractor or Sub-Contractor.
13. All Contractors' personnel will enter and exit through a designated entrance and possibly a designated freight elevator. Use of building main floor, lobbies, or elevator lobbies is prohibited for storing material even on a temporary basis. Specific building moving and freight policies are established and must be reviewed with Building Management. Where applicable such freight policies may include fines for breaking such policies.
14. The Building Management prior to the commencement of the project must approve hours in which the Work will commence and end each day. No variation to the agreed upon hours will be permitted unless authorization is obtained from the Building Management. The Contractor's Rules and Regulations as stated herein will further limit hours. Building Management must be notified of "after hours" Work in advance. (See Security Access Instructions for details) "After hours" work is defined to be before 7:00 am and after 6:00 pm Monday through Friday. All Contractors working over the weekend and after the normal hours shall provide the Management Office a list of workers prior to the worker being on site or they will be denied access. The list should also include an estimated time the Contractors will be working, the location of the work to be done and a 24-hour emergency contact for the Supervisor of the Work.
15. All deliveries are to be accepted, moved and delivered to the contracted suite by 8:00 a.m., stocking

SCHEDULE 2

will not be allowed during business hours. When accepting deliveries, Masonite must be laid to protect floor finishes. It is the Contractor's responsibility to keep public areas clean at all times.

16. All construction waste and debris shall be removed between the hours of 6:00 p.m. to 8:00 a.m. No construction waste or debris may be placed in the building dumpster/ compactor. The Contractor will provide for removal of waste and debris from the building at his own expense. If a dumpster is required (space allowing), the location shall be authorized by the Building Management and will meet the Management's standard relating to safety and aesthetics daily. It will be the responsibility of the Contractor to keep the area around the container neat and orderly daily. It will be important to assure that a trail of debris is not left between the Work areas and refuse container.

17. Construction personnel shall at all times maintain the highest level of project cleanliness. All construction debris shall be removed through the service elevator or stairs on a daily basis and shall never be allowed to produce a fire hazard. In the event that the Contractor fails or refuses to keep the demised premises free of accumulated waste, the Management Office reserves the right to enter said premises and remove the debris at the Contractor's expense. In addition, all public areas, i.e., corridors, Restrooms, janitor's closets, etc. shall be maintained and kept free of construction debris, dust, etc.

Specific Restrooms will be designated for Contractor use. Anyone found using Restrooms other than specified, or janitorial closets will be subject to dismissal. No one is permitted to use the janitorial closets without Management's permission. Upon completion of each tenant improvement, the Contractor will be responsible for restoring the facility to its original state. All carpeted corridors will be protected by carpet mask (Polytech brand only) flush with the base from the point of entry to the job site to the Restroom.

Walk-off mats will be placed at all locations where Contractors enter public areas of the building. These walk-off mats will be maintained and cleaned daily, or more frequently if required, so that construction material is not transferred unto any other areas of the building. Any flammable or hazardous materials (i.e., paint) may only be stored on premises with permission of the Management Office who shall designate an area for such storage.

18. Pre-filters shall be installed over all return air openings on floors under construction. If building filters or equipment require replacement or cleaning due to construction dust, the Contractor will be charged.

19. The Contractor should cover air transfers when working next to tenanted space to control the transmission of dust and dirt. Covering must be removed at the completion of daily construction. Keep all tenant entrance and exit doors closed to restrict the movement of dust or dirt. Close off temporary openings with polyurethane. Due to local fire codes, no openings may be made on a tenanted floor to the corridor unless the door will be made on a tenanted floor to the corridor doors must remain closed unless materials are being delivered. All HVAC filters in fan rooms shall also be delivered in operable condition at time of completion (thus a temporary filter should be added to the existing filter).

20. Electrical Panels must be closed up at the end of each working day. (Interior panels can be

SCHEDULE 2

covered or barricaded). Doors to all electrical rooms must remain locked when not occupied or protected by barrier. No storage is allowed in the electrical room. DO NOT TAPE OVER LOCKS TO LEAVE DOOR OPEN OR USE ANY MECHANICAL DEVICE TO PROP OPEN. REPEATED VIOLATIONS WILL BE FINED \$150.00 PER EVENT.

21. Any and all safety equipment, such as traffic control, flagmen, barricades, rigging, fire extinguishers, first aid supplies, etc., as may be necessary or required by any agency having jurisdiction, shall be the sole responsibility of and at the expense of Contractor. It is the responsibility of the Contractor to protect all individuals surrounding the Work area. All liability shall be the responsibility of the Contractor. Contractor / Sub-Contractor shall inaugurate and maintain an accident prevention program and an employee safety-training program. Proof of compliance with Cal OSHA rule SB198 shall be maintained and followed. All employees on the job, regardless of whose direct payroll they are on, shall be required to respond to safety instructions from the Contractor's supervision. Persons who do not respond shall be removed from the job.

22. All Contractors are to take precautions to prevent the accidental tripping of the fire alarm system. The smoke detectors must be covered during working hours and uncovered at the encl of the working clay.

False alarms shall be fines at:

First Offense: \$200 Second Offense:

\$300 Third Offense:

\$500

23. No gasoline operated devices, i.e., concrete saws, coring machines, welding machines, etc., shall be permitted within the building premises. All work requiring such devices shall be by means of electrically operated substitutes.

24. All approved gas and oxygen canisters shall be properly chained and supported to eliminate all potential hazards. At the completion of use, said containers shall be removed from the building.

25. Please contact the Management Office to schedule work on the following building systems: 24-hours in advance (Any disruption of services will be scheduled at the Management Office's discretion.)

- a. Domestic water.
- b. Fire alarm or speaker.
- c. Electrical tie-ins to base building or the addition of equipment to any are other than the tenant suite except sub panels located within the tenant premises.
- d. Sprinkler system.
- e. Any work that will take place outside the demised tenant space.
- f. Any tie-ins that may affect other tenant spaces.

Note: If a utility or building alarm is turned off for Contractor's work, Contractor must notify the Management Office upon completion so the system can be turned back on as soon as possible.

26. Construction personnel are not permitted to block open stairway doors. These doors provide the fire protection required by code. Continued violation of this provision shall be subject to a fine. Janitorial doors shall be kept closed at all times on occupied tenant floors.

27. No graffiti or vandalism will be tolerated. Any individual caught in the act shall be immediately removed from the premises and will not be allowed to return. In addition, all repairs will be at the Contractor's expense.

28. No tobacco smoking or chewing will be permitted in the building. No radios or other sound producing equipment will be permitted in the building.

29. Since Work will occur while other businesses in the building are operating, noise is a major consideration. Therefore, excessive noise, which may disturb tenants, will force us to halt Work temporarily. No hammer drilling, core drilling or any tenant disturbances will be allowed between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. It is the responsibility of the Contractor to instruct all construction personnel that noise will be minimized at all times. The Building Management shall determine acceptable noise level.

30. Wet paint sign must be posted in all public areas when appropriate.

31. The odors, which arise when various construction procedures are done, can cause discomfort to the tenants of the building. Examples of these odor concerns are carpet adhesive, wallpaper sizing, wood stains and finishes and painting. (Specified Paint is Frazee Environcoat or the equivalent) These activities which sometimes produce odor problems for tenants in the building will be done during evening non-business hours, as approved by the Building Manager. Also, the engineering staff should be alerted to arrange for added ventilation.

32. Contractor shall provide temporary electrical devices within the demised premises for their Sub-Contractor's use. Contractor will not be permitted to run extension cords through public space on occupied floors or through occupied tenant spaces. The Contractor shall use reasonable measures to minimize energy consumption in the construction area when possible. The Building shall pay for normal electrical consumption during the construction process. All lights and equipment must be extinguished at the end of the Contractor's business day. In the event that the Contractor continues to leave lights and equipment on during off-hours, the Management Office reserves the right to receive just compensation for excessive electrical consumption.

33. Contractor / Sub-Contractor may park in designated spaces only. Any vehicles found in unauthorized spaces will be subject to posted parking rates. Specific instructions should be obtained from each Building Management.

34. No work is to be performed, nor materials stored in any area other than suite under construction without prior written authorization. No staging of trucks or materials will be allowed

SCHEDULE 2

areas that may affect traffic flow to the adjoining properties.

35. Rubber wheels are required on all vehicles transporting materials in the Building.

All equipment and material will be designed and attached for seismic loading in accordance with governmental agencies having jurisdiction over the work.

By executing this Agreement, the Contractor represents that he has or will, prior to commencement of Work, determine and verify all field measurements, field construction criteria, materials, catalogue numbers and similar data and that he has checked and coordinated all drawings, specifications, etc.

The Contractor accepts and is willing to perform all Work in a workmanlike manner and in accordance with standard practice. Any extra cost based on drawings or changes shall be brought to the attention of Building Management in writing and if not mentioned, it will be assumed that no extra cost is involved for making a change, deviation or omission from the original drawings, details or specifications.

SCHEDULE 2

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EXHIBIT C

**NON-STANDARD TENANT IMPROVEMENTS OR ALTERATIONS
TO BE REMOVED FROM 850 PREMISES**

Tenant, at its sole cost, shall remove from the storage use areas of the 850 Premises all Tenant installed fencing and barriers, repair any damage caused by the installation or removal of such items, all as provided in the Seventh Amendment.

EXHIBIT C

-1-

EXHIBIT D

DEMISING WALLS

The general locations of the demising walls to be constructed by Landlord are shown in red in the diagrams below, subject to Section 6.d(iii) of the Eleventh Amendment.

Second Floor:

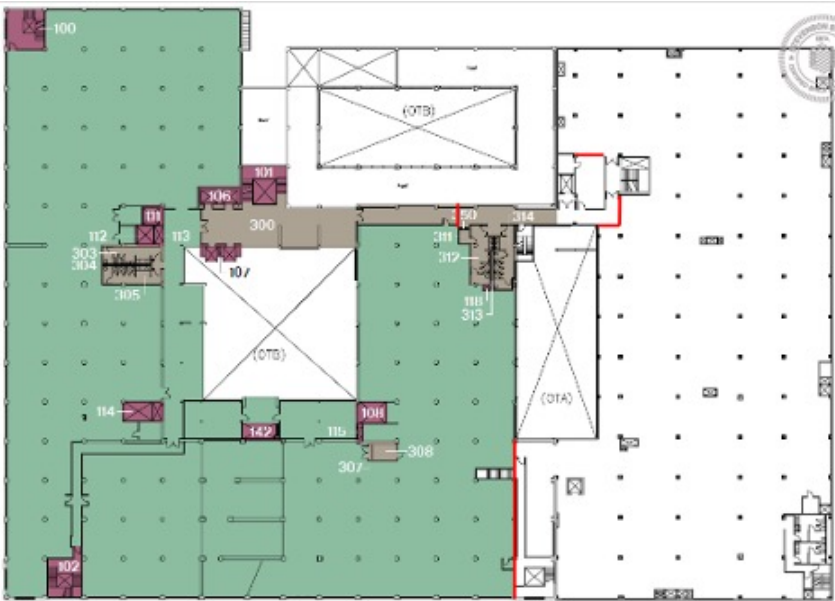


EXHIBIT D

-1-

Third Floor:

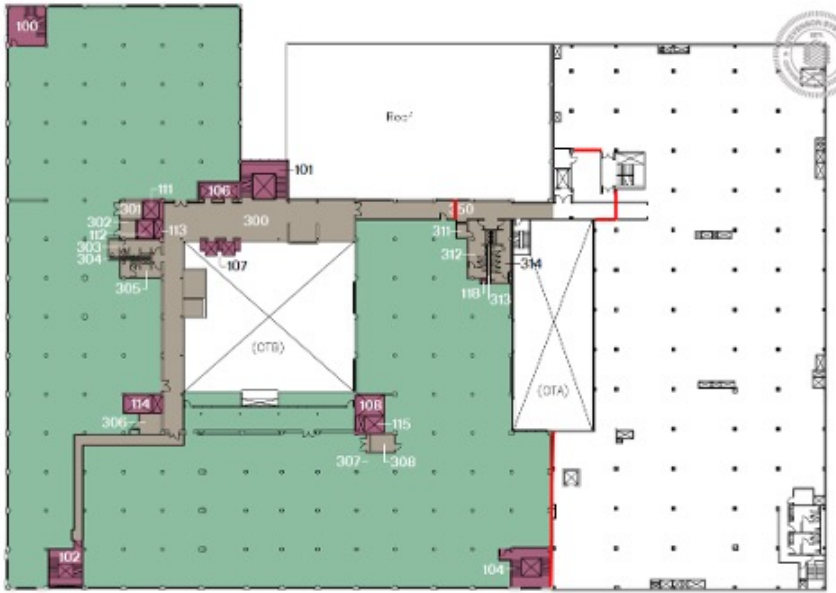


EXHIBIT D

EXHIBIT E

ATRIUM

The Atrium is the area outlined in red in the diagrams below.

First Floor:



EXHIBIT E

Second Floor

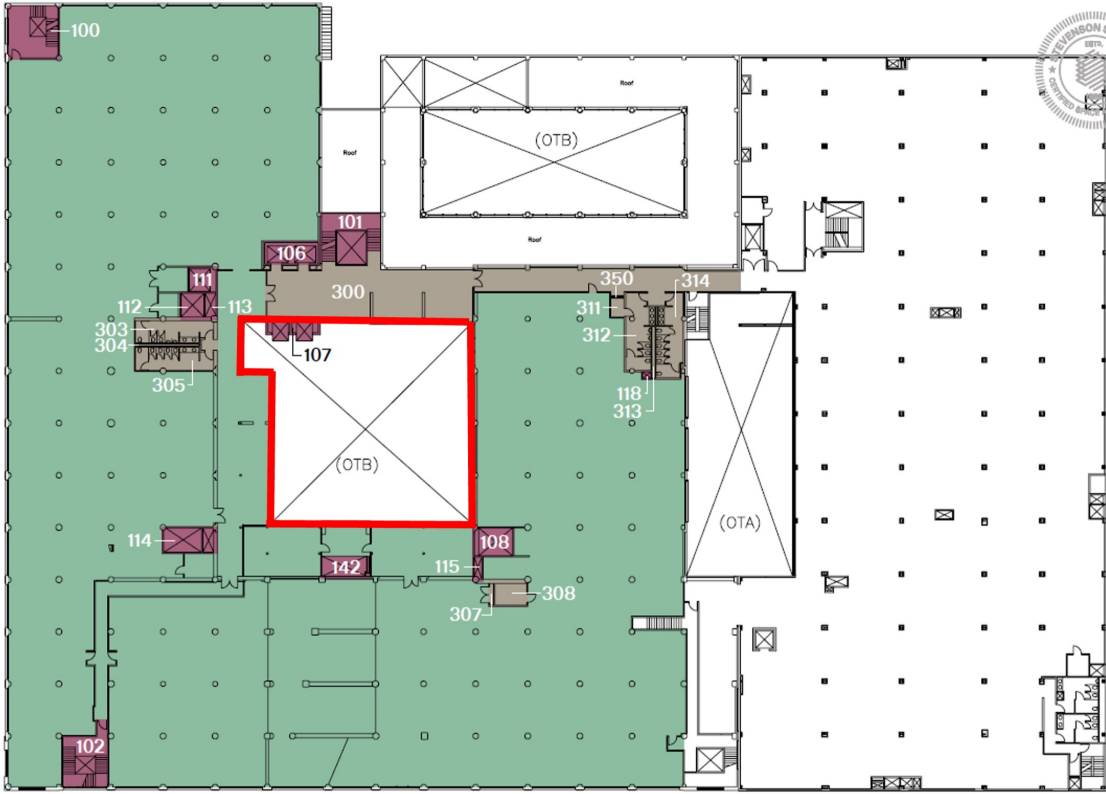


EXHIBIT E

Third Floor

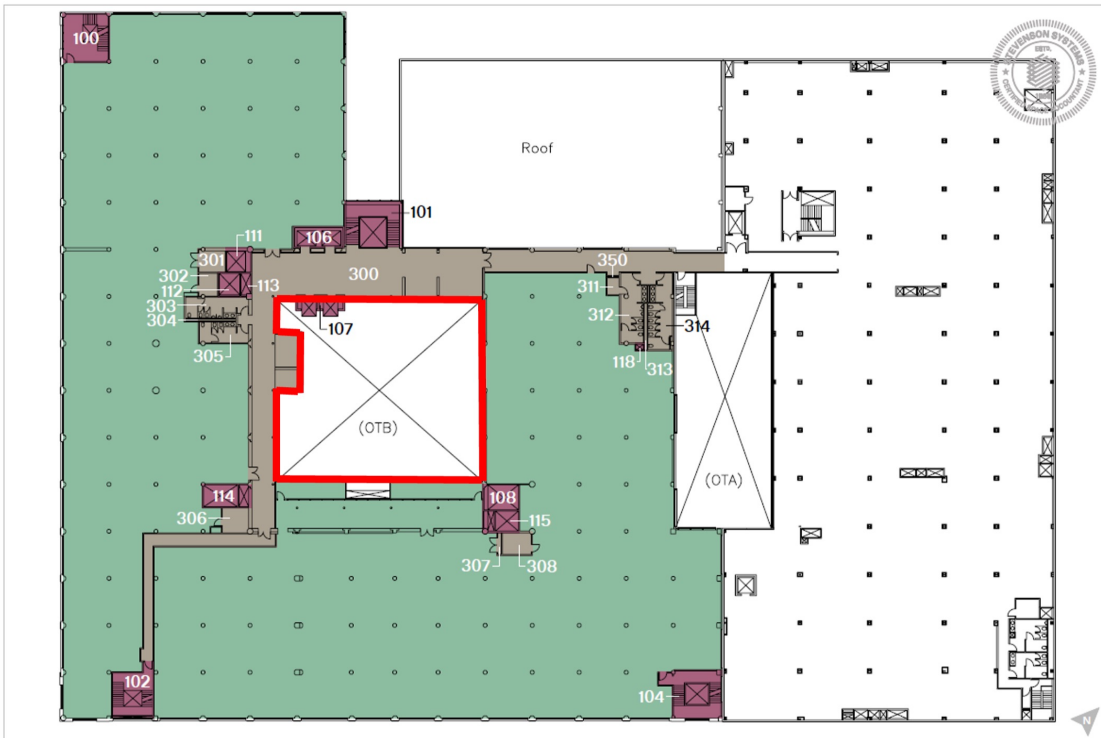


EXHIBIT E

Fourth Floor

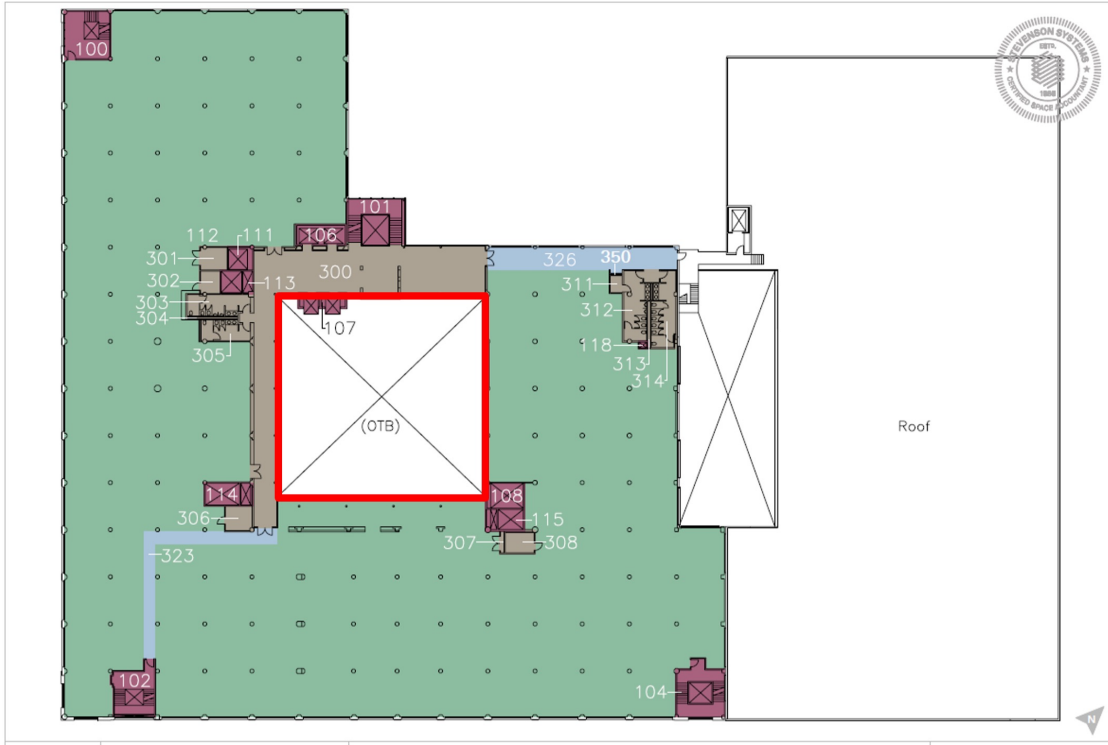


EXHIBIT E

Fifth Floor:

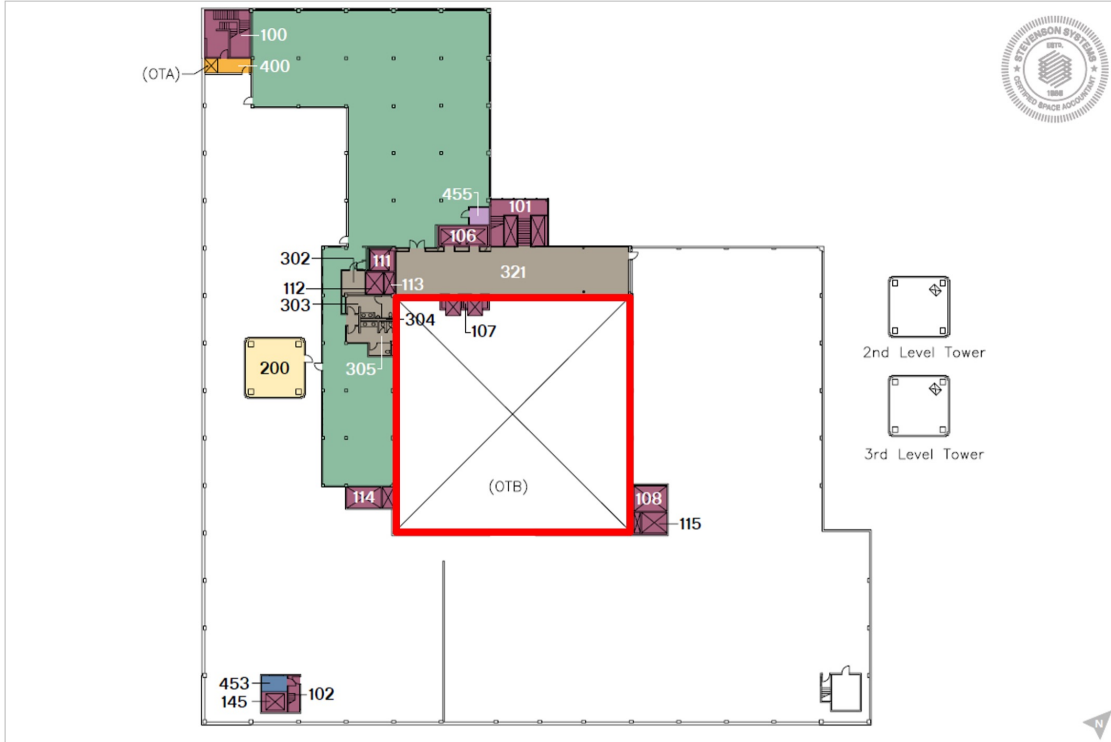


EXHIBIT E

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ADDENDUM NO. 1

RIGHT OF FIRST OFFER TO PURCHASE

ATTACHED TO AND A PART OF THE ELEVENTH
AMENDMENT TO OFFICE LEASE BY AND BETWEEN

T-C 888 BRANNAN OWNER LLC,
a Delaware limited liability company

AND

AIRBNB, INC.,
a Delaware corporation

If, during the remainder of the Term or at any time during the Extended Term, Landlord desires to offer the Building (excluding any sale involving the Building as part of a group or portfolio sale) for sale upon terms desired by Landlord in its sole and absolute discretion to any third party person or entity (“**Person**”), or if Landlord receives a bona fide offer from any Person to purchase the Building (excluding any sale involving the Building as part of a group or portfolio sale) upon terms acceptable to Landlord in its sole and absolute discretion, then, prior to offering to sell the Building to any Person or prior to accepting any Third Party Offer to purchase the Building, as the case may be, Landlord shall first offer Tenant the one-time right to purchase (the “**Right of First Offer to Purchase**”) the Building by delivering to Tenant written notice (the “**First Offer Notice**”) of the specific terms upon which Landlord is willing to sell the Building, as reflected in the terms provided by Landlord to such Person or the terms from such third party which are acceptable to Landlord (“**Landlord’s Proposal**”) including the price (“**Offering Amount**”), payment terms, conditions of title, costs of escrow and all other material terms and the proposed purchase agreement and joint escrow instructions reflecting such terms (“**Purchase and Sale Agreement**”). Such Offering Amount shall be net of any real estate commissions or finder’s fees and shall in no event be less than the total amount of all liens and encumbrances and payoff amounts owed by Landlord on the property.

Tenant shall have thirty (30) days after its receipt of the First Offer Notice to deliver a notice to Landlord exercising the Right of First Offer to Purchase at the Offering Amount and upon the terms of Landlord’s Proposal., which notice of exercise must be accompanied by a deposit equal to five percent (5%) of the Offering Amount. If Tenant exercises its Right of First Offer to Purchase, Landlord and Tenant shall execute a commercially reasonable Purchase and Sale Agreement prepared by Landlord and approved by Tenant in its reasonable discretion. If Tenant does not elect to purchase the Building within the aforesaid 30-day period, or if, for any reason, the Purchase and Sale Agreement is not fully executed by the parties within forty-five (45) days after the date of delivery of Tenant’s notice of exercise of the Right of First Offer to Purchase (the “**Outside Date**”), Tenant’s Right of First Offer to Purchase shall be deemed null and void and of no further force or effect and Landlord shall thereafter be entitled to offer to sell or to sell the Building to any other Person, at any time thereafter, upon any terms desired by Landlord at its sole and absolute discretion, and without any obligation to again offer to sell the Building to Tenant, so long as any Purchase and Sale Agreement entered into by Landlord and any Person closes escrow within fifteen (15) months after the date of Landlord’s First Offer Notice and provides for a purchase price of not less than ninety percent (90%) of the Offering Amount offered to Tenant in

ADDENDUM NO. 1

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Landlord's Proposal (if those conditions are not met and Landlord desires to sell the Building as provided above, Landlord will be obligated to deliver a new Landlord's First Offer Notice reflecting the new terms upon which Landlord is willing to sell the Building). Subject to the terms of this Addendum, if Landlord does not close escrow on the Purchase and Sale Agreement with any Person within fifteen (15) months after Landlord's First Offer Notice and/or if the purchase price is less than ninety percent (90%) of the Offering Amount offered to Tenant in Landlord's Proposal, then Tenant's Right of First Offer to Purchase shall be reinstated and Landlord will deliver to Tenant a new First Offer Notice prior to offering to sell the Building to any Person or prior to accepting any Third Party Offer to purchase the Building. For clarity, the Tenant's Right of First Offer to Purchase will only apply to the first sale of the Building.

The rights granted to Tenant under this Addendum are personal to the original Tenant executing this Eleventh Amendment (the "**Original Tenant**") and may not be exercised by or assigned to any person or entity other than the Original Tenant or an assignee of the Original Tenant pursuant to a transaction meeting the requirements of Section 15.1(b) of the Initial Lease. Tenant's purchase rights contained herein shall be subject and subordinate to the rights of any lender or mortgagee of the property or any successor purchaser of the property at foreclosure or by virtue of deed in lieu transfer.

Notwithstanding the foregoing, in no event shall Landlord be obligated to offer to sell the Building to Tenant and Tenant shall have no right to exercise its rights under this Addendum, if, at the time Landlord would otherwise deliver a Landlord's Proposal there is a current Event of Default on the part of Tenant. If there is an Event of Default under the Lease after Landlord's delivery of the Purchase and Sale Agreement, to Tenant but prior to the parties' execution and delivery of the Purchase and Sale Agreement, then Landlord shall have no obligation to proceed or continue with the sale of the Building to Tenant and Tenant's Right of First Offer to Purchase shall thereafter be deemed null and void and of no further force or effect.

ADDENDUM NO. 1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Chesky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Airbnb, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brian Chesky

Brian Chesky
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2024

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Elinor Mertz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Airbnb, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Elinor Mertz

Elinor Mertz
Chief Financial Officer
(Principal Financial Officer)

Date: November 7, 2024

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

I, Brian Chesky, as Chief Executive Officer of Airbnb, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Airbnb, Inc. for the quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Airbnb, Inc.

/s/ Brian Chesky

Brian Chesky
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2024

I, Elinor Mertz, as Chief Financial Officer of Airbnb, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Airbnb, Inc. for the quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Airbnb, Inc.

/s/ Elinor Mertz

Elinor Mertz
Chief Financial Officer
(Principal Financial Officer)

Date: November 7, 2024