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 333-256188

1stdibs.com, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**94-3389618**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
300 Park Avenue South, 10th Floor **New York, New York**	**10010**
(Address of Principal Executive Offices)	(Zip Code)

(212) 627-3929

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
Common Stock, $0.01 par value per share	DIBS	Nasdaq Global 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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

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

As of October 31, 2024, the registrant had 36,513,040 shares of common stock, $0.01 par value per share outstanding, net of treasury stock.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. Any statements contained in this Quarterly Report on Form 10-Q that are not statements of historical facts, including statements regarding our future results of operations and financial position, business strategy and plans, objectives of management for future operations, long term operating expenses, and expectations for capital requirements, may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by the words “may,” “might,” “will,” “can,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “objective,” “target,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” and “ongoing,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the information expressed or implied by these forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our net revenue, cost of revenue, operating expenses, and our ability to achieve and maintain future profitability, in particular with respect to the impacts of inflation, macroeconomic uncertainty, and geopolitical instability;
- our ability to effectively manage or sustain our growth and to effectively expand our operations, including entering and scaling our presence internationally;
- our growth strategies, plans, objectives and goals;
- the market demand for the products offered on our online marketplace, including vintage, antique, and contemporary furniture, home décor, jewelry, watches, art, and fashion, new and authenticated luxury design products in general, and the online market for these products;
- our ability to compete with existing and new competitors in existing and new markets;
- our ability to attract and retain sellers and buyers;
- our ability to increase the supply of luxury design products offered through our online marketplace;
- our ability to timely and effectively scale our operations;
- our ability to develop and protect our brand;
- our ability to comply with laws and regulations;
- our expectations regarding outstanding litigation;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties;
- economic and industry trends, projected growth, or trend analysis;
- our estimated market opportunity;
- our ability to add capacity, capabilities, and automation to our operations;
- the increased expenses associated with being a public company;
- the effect of catastrophic events or geopolitical conditions, such as the ongoing impact from the COVID-19 pandemic, including the uncertainty with respect to potential resurgences, on our business and operations;
- our ability to obtain, maintain, protect, and enforce our intellectual property rights and successfully defend against claims of infringement, misappropriation, or other violations of third-party intellectual property;
- the availability of capital to grow our business;
- our ability to successfully defend any future litigation brought against us;
- our ability to implement and maintain effective policies, procedures, and internal controls;
- adverse economic or market conditions that may harm our business;
- exposure to increased economic and operational uncertainties from operating a global business, including the effects of foreign currency exchange;
- the dependence of our business on our ability to attract and retain talented employees;
- potential changes in laws and regulations applicable to us or our sellers, or our sellers’ ability to comply therewith; and
- the amount of time for which we expect our cash, cash equivalents, and short-term investment balances and other available financial resources to be sufficient to fund our operations.

These forward-looking statements reflect our management's beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this Quarterly Report on Form 10-Q and are subject to risks and uncertainties. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, but not limited to, those discussed in our Annual Report on Form 10-K for the year ended December 31, 2023, Part I, Item 1A, "Risk Factors," as well as those discussed elsewhere in this Quarterly Report. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report on Form 10-Q will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

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

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Such forward-looking statements relate only to events as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this Quarterly Report on Form 10-Q and the documents that we reference and have filed as exhibits 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. Financial Statements (Unaudited)

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share amounts)

	September 30, 2024	December 31, 2023
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 22,018	$ 37,395
Short-term investments	87,343	101,926
Accounts receivable, net of allowance for doubtful accounts of $158 and $188 at September 30, 2024 and December 31, 2023, respectively	639	643
Prepaid expenses	3,197	3,032
Receivables from payment processors	3,277	2,670
Other current assets	2,565	2,214
Total current assets	119,039	147,880
Restricted cash, non-current	3,641	3,580
Property and equipment, net	3,841	3,384
Operating lease right-of-use assets	20,621	19,655
Goodwill	4,296	4,116
Other assets	2,982	2,200
Total assets	$ 154,420	$ 180,815
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,044	$ 3,580
Payables due to sellers	9,176	6,521
Accrued expenses	10,865	10,883
Operating lease liabilities, current	4,219	3,107
Other current liabilities	1,836	3,618
Total current liabilities	28,140	27,709
Operating lease liabilities, non-current	19,021	18,812
Other liabilities	25	6
Total liabilities	47,186	46,527
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized as of September 30, 2024 and December 31, 2023; zero shares issued and outstanding as of September 30, 2024 and December 31, 2023	—	—
Common stock, $0.01 par value; 400,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 41,946,556 and 40,738,619 shares issued as of September 30, 2024 and December 31, 2023, respectively; and 36,827,986 and 39,915,136 outstanding as of September 30, 2024 and December 31, 2023, respectively	419	407
Treasury stock, at cost; 5,118,570 and 823,483 shares as of September 30, 2024 and December 31, 2023, respectively	(26,289)	(3,496)
Additional paid-in capital	460,231	451,282
Accumulated deficit	(327,142)	(313,719)
Accumulated other comprehensive income (loss)	15	(186)
Total stockholders' equity	107,234	134,288
Total liabilities and stockholders' equity	$ 154,420	$ 180,815

See accompanying notes to the condensed consolidated financial statements.

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenue	$ 21,190	$ 20,663	$ 65,487	$ 63,762
Cost of revenue	6,154	5,510	18,520	19,144
Gross profit	15,036	15,153	46,967	44,618
Operating expenses:				
Sales and marketing	9,146	8,411	27,580	28,007
Technology development	5,471	4,515	15,686	17,199
General and administrative	6,864	6,772	20,756	22,323
Provision for transaction losses	947	688	2,183	2,940
Total operating expenses	22,428	20,386	66,205	70,469
Loss from operations	(7,392)	(5,233)	(19,238)	(25,851)
Other income, net:				
Interest income	1,357	1,757	4,695	4,933
Other, net	356	171	1,128	1,160
Total other income, net	1,713	1,928	5,823	6,093
Net loss before income taxes	(5,679)	(3,305)	(13,415)	(19,758)
Provision for income taxes	(4)	—	(8)	—
Net loss	$ (5,683)	$ (3,305)	$ (13,423)	$ (19,758)
Net loss per share—basic and diluted	$ (0.15)	$ (0.08)	$ (0.35)	$ (0.50)
Weighted average common shares outstanding—basic and diluted	36,719,249	39,962,932	38,321,518	39,647,716

See accompanying notes to the condensed consolidated financial statements.

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net loss	$ (5,683)	$ (3,305)	$ (13,423)	$ (19,758)
Other comprehensive loss:				
Foreign currency translation adjustment, net of tax of $0 for each of the three and nine months ended September 30, 2024 and 2023	91	(34)	68	9
Unrealized gains (losses) on short-term investments, net of tax of $0 for each of the three and nine months ended September 30, 2024 and 2023	396	(12)	133	(132)
Comprehensive loss	$ (5,196)	$ (3,351)	$ (13,222)	$ (19,881)

See accompanying notes to the condensed consolidated financial statements.

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in thousands, except share amounts)
(Unaudited)

Three Months Ended September 30, 2024

	Common Stock		Additional Paid - In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balances as of June 30, 2024	36,693,138	$ 416	$ 457,274	$ (321,459)	$ (472)	$ (25,373)	$ 110,386
Issuance of common stock for exercise of stock options	7,917	—	31	—	—	—	31
Vested restricted stock units converted to common shares, net of shares withheld for employee taxes	318,866	3	(1,008)	—	—	—	(1,005)
Stock-based compensation	—	—	3,934	—	—	—	3,934
Repurchase of common stock	(191,935)	—	—	—	—	(916)	(916)
Other comprehensive income	—	—	—	—	487	—	487
Net loss	—	—	—	(5,683)	—	—	(5,683)
Balances as of September 30, 2024	36,827,986	$ 419	$ 460,231	$ (327,142)	$ 15	$ (26,289)	$ 107,234

Nine Months Ended September 30, 2024

	Common Stock		Additional Paid - In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balances as of December 31, 2023	39,915,136	$ 407	$ 451,282	$ (313,719)	$ (186)	$ (3,496)	$ 134,288
Issuance of common stock for exercise of stock options	201,779	2	815	—	—	—	817
Vested restricted stock units converted to common shares, net of shares withheld for employee taxes	1,006,158	10	(2,988)	—	—	—	(2,978)
Stock-based compensation	—	—	11,122	—	—	—	11,122
Repurchase of common stock	(4,295,087)	—	—	—	—	(22,793)	(22,793)
Other comprehensive income	—	—	—	—	201	—	201
Net loss	—	—	—	(13,423)	—	—	(13,423)
Balances as of September 30, 2024	36,827,986	$ 419	$ 460,231	$ (327,142)	$ 15	$ (26,289)	$ 107,234

Three Months Ended September 30, 2023

	Common Stock		Additional Paid - In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balances as of June 30, 2023	40,037,018	$ 400	$ 445,480	$ (307,473)	$ (433)	$ —	$ 137,974
Issuance of common stock for exercise of stock options	11,000	—	43	—	—	—	43
Vested restricted stock units converted to common shares	338,357	3	(3)	—	—	—	—
Stock-based compensation	—	—	3,024	—	—	—	3,024
Repurchase of common stock	(334,959)	—	—	—	—	(1,377)	(1,377)
Other comprehensive loss	—	—	—	—	(46)	—	(46)
Net loss	—	—	—	(3,305)	—	—	(3,305)
Balances as of September 30, 2023	40,051,416	$ 403	$ 448,544	$ (310,778)	$ (479)	$ (1,377)	$ 136,313

	Nine Months Ended September 30, 2023						
	Common Stock		Additional Paid - In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balances as of December 31, 2022	39,260,193	$ 393	$ 439,005	$ (291,020)	$ (356)	$ —	$ 148,022
Issuance of common stock for exercise of stock options	19,978	—	78	—	—	—	78
Vested restricted stock units converted to common shares	1,106,204	10	(10)	—	—	—	—
Stock-based compensation	—	—	9,471	—	—	—	9,471
Repurchase of common stock	(334,959)	—	—	—	—	(1,377)	(1,377)
Other comprehensive loss	—	—	—	—	(123)	—	(123)
Net loss	—	—	—	(19,758)	—	—	(19,758)
Balances as of September 30, 2023	40,051,416	$ 403	$ 448,544	$ (310,778)	$ (479)	$ (1,377)	$ 136,313

See accompanying notes to the condensed consolidated financial statements.

1STDIBS.COM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	$ (13,423)	$ (19,758)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,439	1,815
Stock-based compensation expense	11,008	9,340
Provision for transaction losses, returns and refunds	984	703
Amortization of costs to obtain revenue contracts	239	242
Amortization of operating lease right-of-use assets	2,535	1,917
Accretion of discounts and amortization of premiums on short-term investments, net	(1,972)	(2,366)
Other, net	(244)	(45)
Changes in operating assets and liabilities:		
Accounts receivable	(306)	40
Prepaid expenses and other current assets	(925)	415
Receivables from payment processors	(607)	(999)
Other assets	(895)	(1,215)
Accounts payable and accrued expenses	(2,194)	(210)
Payables due to sellers	2,654	606
Operating lease liabilities	(2,177)	(2,063)
Other current liabilities and other liabilities	(1,824)	103
Net cash used in operating activities	(5,708)	(11,475)
Cash flows from investing activities:		
Maturities of short-term investments	66,887	58,153
Sales of short-term investments	18,667	—
Purchases of short-term investments	(68,868)	(166,471)
Development of internal-use software	(1,076)	(1,215)
Purchases of property and equipment	(595)	(67)
Other, net	310	—
Net cash provided by (used in) investing activities	15,325	(109,600)
Cash flows from financing activities:		
Proceeds from exercise of stock options	817	78
Payments for repurchase of common stock	(22,754)	(1,312)
Payments for taxes related to net share settlement of stock-based compensation awards	(3,218)	—
Net cash used in financing activities	(25,155)	(1,234)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	222	44
Net decrease in cash, cash equivalents, and restricted cash	(15,316)	(122,265)
Cash, cash equivalents, and restricted cash at beginning of the period	40,975	158,043
Cash, cash equivalents, and restricted cash at end of the period	$ 25,659	$ 35,778
Supplemental disclosure of non-cash activities:		
Recording of right of use asset	$ 3,483	$ —
Recording of lease liability	$ (3,483)	$ —

See accompanying notes to the condensed consolidated financial statements.

1. Basis of Presentation and Summary of Significant Accounting Policies

Description of Business

1stdibs.com, Inc. ("1stDibs" or the "Company") is one of the world's leading online marketplaces for connecting design lovers with many of the best sellers and makers of vintage & antique furniture, contemporary furniture, home décor, jewelry, watches, art, and fashion. The Company's thoroughly vetted seller base, in-depth marketing content, and custom-built technology platform create trust in the Company's brand and facilitate high-consideration purchases of luxury design products online. By disrupting the way these items are bought and sold, 1stDibs is both expanding access to, and growing the market for, luxury design products.

The Company was incorporated in the state of Delaware on March 10, 2000 and is headquartered in New York, NY.

Basis of Presentation

The accompanying condensed consolidated financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K (the "Form 10-K") for the year ended December 31, 2023, filed with the Securities and Exchange Commission ("SEC") on February 29, 2024.

The consolidated balance sheet as of December 31, 2023, included herein, was derived from the audited financial statements as of that date, but does not include all disclosures including certain notes required by GAAP on an annual reporting basis.

In the opinion of the Company, the accompanying condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of its financial position and its results of operations, changes in stockholders' equity, and cash flows for the interim periods. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for any subsequent quarter or for the year ending December 31, 2024.

There have been no material changes to the Company's significant accounting policies as described in the Form 10-K.

Restructuring Charges

In June 2023, the Company announced a workforce reduction designed to reduce operating costs and realign investment priorities involving the reduction of approximately 20% of the Company's global workforce. As a result of the reduction, the Company incurred approximately $2.0 million in non-recurring restructuring charges in the nine months ended September 30, 2023, consisting primarily of employee severance and benefits costs. As of September 30, 2024, all $2.0 million has been paid.

During the nine months ended September 30, 2024, the Company incurred $0.4 million of additional employee severance and benefits costs which is anticipated to be paid over the next nine months. The following table displays a rollforward of the charges and payments to the accrued balance as of September 30, 2024:

(in thousands)	Restructuring Charges
Balance, December 31, 2023	$ 396
Restructuring charges	372
Cash payments	(466)
Balance, September 30, 2024	$ 302

There was no expense recorded in the three months ended September 30, 2024 or 2023. For the nine months ended September 30, 2024 and 2023 the expense is included within the respective financial statement line items on the condensed consolidated statements of operations as shown in the table below:

	Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**
Cost of revenue	$ —	$ 135
Sales and marketing	—	789
Technology development	—	1,044
General and administrative	372	36
Total	$ 372	$ 2,004

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, revenue recognition, provision for transaction losses, impairment assessment of goodwill, capitalization of internal-use software and determination of useful lives, income taxes, and the valuation of stock-based compensation and leases. The Company evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from those estimates and such differences may be material to the condensed consolidated financial statements.

Cash, Cash Equivalents, and Restricted Cash

The following represents the Company's cash, cash equivalents, and restricted cash as of the periods presented:

(in thousands)	**September 30, 2024**	**September 30, 2023**
Cash and cash equivalents	$ 22,018	$ 32,442
Restricted cash, non-current	3,641	3,336
Total cash, cash equivalents, and restricted cash	$ 25,659	$ 35,778

The Company considers all short-term, highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Certain cash equivalents consist of investments in debt securities that are classified as available-for-sale. As of September 30, 2024, the Company's restricted cash relates to $3.6 million in Letters of Credit for its office leases in New York, New York. There were no available-for-sale securities that were classified as cash equivalents purchased during the three months ended September 30, 2024. During the nine months ended September 30, 2024, the Company purchased $25.6 million of available-for-sale securities classified as cash equivalents. During the three and nine months ended September 30, 2023, the Company purchased $3.2 million and $34.9 million of available-for-sale securities classified as cash equivalents, respectively. The carrying value of the restricted cash approximates fair value.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The standard will require all public entities, including those with a single reportable segment, to disclose significant segment expenses and other segment items on an annual and interim basis. The guidance requires a public entity to disclose the significant expense categories and amounts that are regularly provided to the chief operating decision-maker. This standard is effective for the Company's annual report ending December 31, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this new guidance and, while it has a single reportable segment, it expects to enhance its current disclosures in the notes to the financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which modifies the rules on income tax disclosures. The standard will require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The new standard is effective for the Company's annual report ending December 31, 2025. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

2. Fair Value of Financial Instruments

Certain assets and liabilities are carried at fair value in accordance with GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value require the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies, and similar techniques.

Short-term investments and certain cash equivalents consist of investments in debt securities that are available-for-sale. The table below segregates all assets that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	September 30, 2024			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents:				
Money market fund	$ 5,183	$ —	$ —	$ 5,183
Total cash equivalents	$ 5,183	$ —	$ —	$ 5,183
Short-term investments:				
Commercial paper	$ —	$ 4,735	$ —	$ 4,735
Corporate notes	—	24,619	—	24,619
U.S. Treasury securities	—	9,508	—	9,508
U.S. Government agency securities	—	48,481	—	48,481
Total short-term investments	$ —	$ 87,343	$ —	$ 87,343

	December 31, 2023			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents:				
Money market fund	$ 5,797	$ —	$ —	$ 5,797
U.S. Treasury securities	—	4,991	—	4,991
Total cash equivalents	$ 5,797	$ 4,991	$ —	$ 10,788
Short-term investments:				
Commercial paper	$ —	$ 18,112	—	18,112
Corporate notes	—	7,641	—	7,641
U.S. Treasury securities	—	11,971	—	11,971
U.S. Government agency securities	—	64,202	—	64,202
Total short-term investments	$ —	$ 101,926	$ —	$ 101,926

There were no transfers between Level 1, Level 2, or Level 3 during the three and nine months ended September 30, 2024 and 2023.

3. Revenue Recognition

The following table summarizes the Company's net revenue by type of service for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Seller marketplace services	$ 20,943	$ 20,467	$ 64,743	$ 63,239
Other services	247	196	744	523
Total net revenue	$ 21,190	$ 20,663	$ 65,487	$ 63,762

The Company generates net revenue from seller marketplace services and other services. Seller marketplace services primarily consist of marketplace transactions, subscriptions, and listing fees. Other services consist of other charges to our sellers including advertising revenues generated from displaying ads on the Company's online marketplace.

As of September 30, 2024, the Company recorded $0.4 million of costs to obtain revenue contracts, of which $0.2 million was included in other current assets, and $0.2 million was included in other assets. As of December 31, 2023, the Company recorded $0.5 million of costs to obtain revenue contracts, of which $0.3 million was included in other current assets, and $0.2 million was included in other assets. Amortization of costs to obtain revenue contracts totaled $0.1 million and $0.2 million for the three and nine months ended September 30, 2024 and 2023, respectively. The Company periodically reviews the costs to obtain revenue contracts to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these costs to obtain revenue contracts.

4. Short-Term Investments

The following table summarizes the estimated value of the Company's short-term investments as of the periods presented:

	September 30, 2024			
(in thousands)	**Amortized Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Value**
Commercial paper	$ 4,724	$ 11	$ —	$ 4,735
Corporate notes	24,506	114	(1)	24,619
U.S. Treasury securities	9,494	14	—	9,508
U.S. Government agency securities	48,391	93	(3)	48,481
Total short-term investments	$ 87,115	$ 232	$ (4)	$ 87,343

	December 31, 2023			
(in thousands)	**Amortized Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Value**
Commercial paper	$ 18,101	$ 14	$ (3)	$ 18,112
Corporate notes	7,621	20	—	7,641
U.S. Treasury securities	11,975	2	(6)	11,971
U.S. Government agency securities	64,134	89	(21)	64,202
Total short-term investments	$ 101,831	$ 125	$ (30)	$ 101,926

The Company recognized less than $0.1 million of realized losses related to sales of $18.7 million in available-for-sale debt securities during the nine months ended September 30, 2024. There were no realized gains or losses during the three months ended September 30, 2024. The Company evaluates securities for expected credit losses on a quarterly basis with consideration given to the financial condition and near-term prospects of the issuer, whether the Company intends to sell the securities, and whether it is more likely than not that the Company will be required to sell the securities before recovery of their amortized cost basis. The Company did not recognize any credit losses related to available-for-sale debt securities during the three and nine months ended September 30, 2024 and 2023. As of September 30, 2024, the Company does not intend to sell the investments and it is more likely than not that the Company will not be required to sell these before recovery. There were no securities in a continuous unrealized loss position for 12 months or longer. As of September 30, 2024, the fair value of short-term investments by remaining contractual maturity consisted of the following:

(in thousands)	**Fair Value**
Remaining maturity date one year or less	$ 67,100
Remaining maturity date greater than one year	20,243
Total short-term investments	$ 87,343

5. Property and Equipment, net

As of September 30, 2024 and December 31, 2023, property and equipment, net consisted of the following:

(in thousands)	September 30, 2024	December 31, 2023
Internal-use software	$ 20,475	$ 19,541
Leasehold improvements	4,029	3,605
Furniture and fixtures	68	1,131
Computer equipment and software	599	919
Software in progress	819	569
Total property and equipment, gross	25,990	25,765
Less: Accumulated depreciation and amortization	(22,149)	(22,381)
Total property and equipment, net	$ 3,841	$ 3,384

As of September 30, 2024 and December 31, 2023, the net book value of internal-use software was $2.3 million and $2.7 million, respectively. Depreciation and amortization expense related to the Company's property and equipment totaled $0.5 million and $1.4 million for the three and nine months ended September 30, 2024, respectively, which included amortization expense for internal-use software of $0.4 million and $1.3 million, respectively. Depreciation and amortization expense related to the Company's property and equipment totaled $0.4 million and $1.8 million for the three and nine ended September 30, 2023, respectively, which included amortization expense for internal-use software of $0.4 million and $1.7 million, respectively.

6. Accrued Expenses

As of September 30, 2024 and December 31, 2023, accrued expenses consisted of the following:

(in thousands)	September 30, 2024	December 31, 2023
Shipping	$ 2,766	$ 2,934
Compensation & benefits	3,062	3,164
Sales & use taxes payable	1,437	1,534
Allowance for transaction losses	928	1,172
Payment processor fees	402	557
Allowance for e-commerce returns	381	401
Other	1,889	1,121
Total accrued expenses	$ 10,865	$ 10,883

7. Leases

The Company's operating lease arrangements are principally for office spaces in New York City. As of September 30, 2024, the Company had $20.6 million of operating lease right-of-use assets, $4.2 million and $19.0 million of current and non-current operating lease liabilities, respectively, and no finance leases on its condensed consolidated balance sheet. These operating lease arrangements, included in the measurement of lease liabilities, had a weighted-average remaining lease term of 5.1 years, a weighted-average discount rate of 6.1%, and do not reflect options to extend or terminate its leases, as management does not consider the exercise of these options to be reasonably certain. As of December 31, 2023, the Company had $19.7 million of operating lease right-of-use assets, $3.1 million and $18.8 million of current and non-current operating lease liabilities, respectively, and no finance leases on its condensed consolidated balance sheet.

In August 2023, the Company entered into a sublease agreement as the sublessor for its office space in its former New York City headquarters (the "Sublease"). The Sublease commenced on October 1, 2023 for approximately 78% of the rentable square feet and expanded to 100% of the rentable square feet on January 15, 2024. The sublease ends on December 31, 2029, the expiration date of the Company's former New York City headquarter's lease, and contains an option for the lessee to terminate on the third anniversary of the commencement date. The Sublease contains a five month rent abatement provision, with an additional abatement against fixed rent for the sixth calendar month. In addition, the subtenant will be responsible for its proportionate share of certain defined expenses, including increases in taxes after the base year, as well as certain electric, heating, ventilation, and air conditioning charges. Sublease income is recognized as an offset to lease expense on a straight-line basis over the lease term and is included in general and administrative expenses on the Company's condensed consolidated statement of operations.

In November 2023, the Company entered into a lease agreement, as the lessee, for approximately 13,000 square feet for the Company's new corporate headquarters in New York City (the "Lease Agreement") which commenced in January 2024 with a five year term and an initial seven month rent abatement period. The Lease Agreement includes an option for the Company to extend the lease for an additional five years.

The Company paid $1.2 million and $3.3 million during the three and nine months ended September 30, 2024, respectively, and $1.0 million and $3.1 million during the three and nine months ended September 30, 2023, respectively, for amounts included in the measurement of lease liabilities. The Company did not enter into any new lease arrangements during the three and nine months ended September 30, 2024.

The following table summarizes total lease expense, net for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Operating lease expense	$ 1,226	$ 991	$ 3,603	$ 2,979
Short-term lease expense	53	33	71	87
Variable lease expense	326	196	1,019	772
Total lease expense	1,605	1,220	4,693	3,838
Sublease income	(878)	—	(2,721)	—
Total lease expense, net	$ 727	$ 1,220	$ 1,972	$ 3,838

Operating lease expense is recognized on a straight-line basis over the term of the arrangement beginning on the lease commencement date for lease arrangements that have an initial term greater than 12 months and therefore are recorded on the balance sheet. Short-term lease expense is recognized on a straight-line basis over the lease term for lease arrangements that have an initial term of 12 months or less and therefore are not recorded on the balance sheet. Variable lease expense is recognized as incurred and consists primarily of real estate taxes, utilities, and other office space related expenses. As of September 30, 2024, the total remaining operating lease payments included in the measurement of lease liabilities, and undiscounted remaining cash receipts from the Company's Sublease was as follows (in thousands):

Fiscal Year Ending December 31,	**Operating Lease Payments**	**Sublease Cash Receipts**
2024 (remaining)	$ (1,335)	$ 845
2025	(5,387)	3,435
2026	(5,263)	3,504
2027	(5,263)	3,574
2028	(5,263)	3,645
Thereafter	(4,292)	3,718
Total (payments) cash receipts	$ (26,803)	$ 18,721
Less: imputed interest	3,563	
Total lease liabilities	$ (23,240)	

8. Other Current Liabilities

As of September 30, 2024 and December 31, 2023, other current liabilities consisted of the following:

(in thousands)	September 30, 2024	December 31, 2023
Sales and other non-income tax contingencies	$ 1,073	$ 2,462
Buyer deposits	235	377
Other	528	779
Total other current liabilities	$ 1,836	$ 3,618

9. Equity

Preferred Stock

Effective June 14, 2021, in connection with the closing of the Company's Initial Public Offering ("IPO"), the Company's board of directors ("Board") is authorized to issue up to 10,000,000 shares of preferred stock, $0.01 par value per share, in one or more series. The Company's Board has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. As of September 30, 2024 and December 31, 2023, no shares of preferred stock were issued or outstanding.

Common Stock

As of September 30, 2024 and December 31, 2023, the Company had authorized 400,000,000 shares of voting common stock, $0.01 par value per share. Each holder of the Company's common stock is entitled to one vote for each share on all matters to be voted upon by the stockholders and there are no cumulative rights. Subject to any preferential rights of any outstanding preferred stock, holders of the Company's common stock are entitled to receive ratably the dividends, if any, as may be declared from time to time by the Board out of legally available funds. If there is a liquidation, dissolution, or winding up of the Company, holders of the Company's common stock would be entitled to share in the Company's assets remaining after the payment of liabilities and any preferential rights of any outstanding preferred stock. The rights, preferences, and privileges of the holders of the Company's common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which the Company may designate and issue in the future.

As of September 30, 2024 and December 31, 2023, the Company had reserved shares of common stock for issuance in connection with the following:

	September 30, 2024	December 31, 2023
Options to purchase common stock	3,563,611	3,831,710
Restricted stock units outstanding	4,684,455	3,400,489
Shares available for future grant under the 2021 Plan	2,317,676	3,119,122
Shares available for future grant under the ESPP	1,971,655	1,572,504
Total	12,537,397	11,923,825

Treasury Stock

In August 2023, the Board of Directors authorized the Company to repurchase up to an aggregate of $20.0 million of its common stock ("2023 Stock Repurchase Program"). In June 2024, the Board of Directors authorized an increase to the Company's 2023 Stock Repurchase Program to an aggregate repurchase amount of $25.5 million, and subsequently announced the completion of its 2023 Stock Repurchase Program. In August 2024, the Board of Directors authorized the Company to repurchase up to an aggregate of $10.0 million of its common stock ("2024 Stock Repurchase Program").

The following table summarizes total treasury stock purchased under each of the Company's programs as of the periods presented:

	September 30, 2024		December 31, 2023	
(in thousands except per share amounts)	Shares	Cost Basis	Shares	Cost Basis
2023 Stock Repurchase Program	4,926,635	$ 25,373	823,483	$ 3,496
2024 Stock Repurchase Program	191,935	916	—	—
Total	5,118,570	$ 26,289	823,483	$ 3,496

10. Stock-based compensation

2011 Option Plan

The Company adopted the 2011 Stock Option and Grant Plan (the “2011 Plan”) on September 2, 2011 and amended and restated the plan on December 14, 2011. The 2011 Plan provided for the Company to grant incentive stock options or non-qualified stock options, restricted stock awards, and other stock-based awards to its employees, directors, officers, outside advisors, and non-employee consultants. At the time of grant, the options issued to new employees pursuant to the 2011 Plan expire ten years from the date of grant and generally vest over four years, with 25% vesting on the first anniversary and the balance vesting ratably over the remaining 36 months. Options issued pursuant to the 2011 Plan expire ten years from the date of grant and generally vest ratably over 48 months.

The 2011 Plan was administered by the Compensation Committee of the Board. The exercise prices, vesting, and other restrictions were determined at the discretion of Compensation Committee of the Board.

Following the completion of the Company’s IPO in June 2021, no additional awards and no shares of the Company’s common stock remain available for future issuance under the 2011 Plan. However, the 2011 Plan will continue to govern the terms and conditions of the outstanding awards previously granted thereunder.

2021 Stock Incentive Plan

In May 2021, the Company's Board adopted, and its stockholders approved, the 2021 Stock Incentive Plan (the “2021 Plan”), which became effective upon the SEC declaring the Company’s IPO registration statement effective. The 2021 Plan provides for the grant of incentive stock options (“ISOs”), non-statutory stock options, restricted share awards, stock unit awards (“RSUs”), stock appreciation rights, cash-based awards, and performance-based stock awards, or collectively, stock awards. ISOs may be granted only to the Company’s employees, including officers, and the employees of its parent or subsidiaries. All other stock awards may be granted to the Company’s employees, officers, non-employee directors, consultants, and the employees and consultants of its parent, subsidiaries, and affiliates. Depending on the nature of the award granted, the vesting terms may differ. Generally for new hire awards, the requisite service period for RSUs to vest is over four years from the grant date, with 25% vesting on the first anniversary and the balance vesting ratably on a quarterly basis over the remaining vesting period. Generally, all additional RSUs vest ratably on a quarterly basis over three or four years beginning on the three month anniversary from the grant date. For RSU grants to members of our Board of Directors, initial awards vest ratably on an annual basis over three years, and over one year for our Board of Directors annual awards.

The aggregate number of shares of the Company’s common stock that may be issued pursuant to stock awards under the 2021 Plan will not exceed the sum of (x) 4,333,333 shares (as adjusted for stock splits, stock dividends, combinations, and the like), plus (y) the sum of (1) the number of reserved shares not issued or subject to outstanding awards under the 2011 Plan on the effective date of the 2021 Plan and (2) the number of shares subject to outstanding stock awards granted under the 2011 Plan and that, following the effective date of the 2021 Plan, (A) are subsequently forfeited or terminated for any reason before being exercised or settled, (B) are not issued because such stock award is settled in cash, (C) are subject to vesting restrictions and are subsequently forfeited, (D) are withheld or reacquired to satisfy the applicable exercise, strike, or purchase price, or (E) are withheld or reacquired to satisfy a tax withholding obligation, plus (z) an annual increase on the first day of each fiscal year, for a period of not more than 10 years, beginning on January 1, 2022 and ending on, and including, January 1, 2031, in an amount equal to the lesser of (i) 5% of the outstanding shares on the last day of the immediately preceding fiscal year or (ii) such lesser amount that the Compensation Committee of the Board determines for purposes of the annual increase for that fiscal year. On January 1, 2024, the number of shares of common stock available for issuance under the 2021 Plan was automatically increased according to its terms by 1,995,756 shares.

As of September 30, 2024, 2,317,676 shares were available for future grants of the Company’s common stock.

Stock Options

The following table summarizes the Company’s stock option activity since December 31, 2023:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	3,831,710	$ 6.97	5.8	$ 826
Granted	—	$ —		
Exercised	(201,779)	$ 4.05		
Cancelled/Forfeited	(66,320)	$ 8.93		
Outstanding as of September 30, 2024	3,563,611	$ 7.09	5.2	$ 408
Options exercisable as of September 30, 2024	3,027,637	$ 6.94	4.8	$ 408
Options vested and expected to vest as of September 30, 2024	3,563,611	$ 7.09	5.2	$ 408

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company’s common stock for all stock options that had exercise prices lower than the fair value of the Company’s common stock.

There were no stock options granted during the three and nine months ended September 30, 2024 and 2023. The aggregate intrinsic value of stock options exercised was less than $0.1 million and $0.3 million during the three and nine months ended September 30, 2024, and less than $0.1 million during each of the three and nine months ended September 30, 2023, respectively. The total fair value of stock options vested was $0.7 million and $2.3 million during the three and nine months ended September 30, 2024, and $0.7 million and $2.7 million during the three and nine months ended September 30, 2023, respectively.

The stock options granted during the fiscal year ended December 31, 2021 included 615,997 stock options granted to executive officers that include a performance condition related to a sale event or initial public offering occurring before December 31, 2021 in addition to the standard service condition. These options will vest over four years, with approximately 21% vested on January 1, 2022, and the balance vesting ratably over the remaining 38 months. Stock-based compensation expense of $0.2 million and $0.5 million was recognized for options having a performance condition during the three and nine months ended September 30, 2024 and 2023, respectively.

Restricted Stock Units

The following table summarizes the activity related to the Company's restricted stock units:

	Outstanding Restricted Stock Units	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2023	3,400,489	$ 5.40
Granted	3,119,707	$ 5.84
Vested	(1,579,556)	$ 5.62
Cancelled	(256,185)	$ 5.68
Outstanding as of September 30, 2024	4,684,455	$ 5.60

The estimated weighted-average grant date fair value of restricted stock units granted was $4.76 and $5.84 per share for the three and nine months ended September 30, 2024, and $4.11 and $3.95 per share for the three and nine months ended September 30, 2023, respectively. The total grant date fair value of restricted stock units vested was $3.1 million and $8.9 million for the three and nine months ended September 30, 2024, and $2.0 million and $7.2 million for the three and nine months ended September 30, 2023, respectively.

Employee Stock Purchase Plan

In May 2021, the Company's Board adopted, and its stockholders approved, the Company's 2021 Employee Stock Purchase Plan (the "ESPP"). A total of 1,971,655 shares of the Company's authorized but unissued or reacquired shares of its common stock (as adjusted for stock splits, stock dividends, combinations, and the like) are available for issuance under the ESPP. The number of shares of the Company's common stock that will be available for issuance under the ESPP also includes an annual increase on the first day of each fiscal year, for a period of not more than 10 years, beginning on January 1, 2022, equal to the least of: (i) 1% of the outstanding shares of the Company’s common stock on such date, (ii) 400,000 shares (as adjusted for stock splits, stock dividends, combinations, and the like) or (iii) a lesser amount determined by the Compensation Committee or the Company’s Board of Directors. On January 1, 2024, the number of shares of common stock available for issuance under the ESPP was automatically increased according to its terms by 399,151 shares.

During regularly scheduled “offerings” under the ESPP, participants may purchase the Company’s common stock through payroll deductions, up to a maximum of 15% of their eligible compensation, or such lower limit as may be determined by the Compensation Committee from time to time. Participants will be able to withdraw their accumulated payroll deductions prior to the end of the offering period in accordance with the terms of the offering. Participation in the ESPP will end automatically on termination of employment. The purchase price will be specified pursuant to the offering, but cannot, under the terms of the ESPP, be less than 85% of the fair market value per share of the Company’s common stock on either the offering date or on the purchase date, whichever is less. The fair market value of the Company’s common stock for this purpose will generally be the closing price on Nasdaq (or such other exchange as the Company’s common stock may be traded at the relevant time) for the date in question, or if such date is not a trading day, for the last trading day before the date in question. As of September 30, 2024, an initial offering period has not commenced, and for the three and nine months ended September 30, 2024 and 2023, no shares of common stock were purchased under the ESPP.

Stock-Based Compensation Expense

The following table summarizes the classification of the Company’s stock-based compensation expense in the condensed consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Cost of revenue	$ 86	$ 75	$ 253	$ 312
Sales and marketing	975	727	2,686	2,176
Technology development	1,050	792	2,824	2,802
General and administrative	1,791	1,388	5,245	4,050
Total stock-based compensation expense	$ 3,902	$ 2,982	$ 11,008	$ 9,340

Stock-based compensation capitalized in connection with the Company’s internal-use software was less than $0.1 million for each of the three months ended September 30, 2024 and 2023, and $0.1 million for each of the nine months ended September 30, 2024 and 2023. As of September 30, 2024, total unrecognized compensation expense related to unvested stock-based awards was $27.5 million, which is expected to be recognized over a weighted-average period of 2.3 years.

11. Income Taxes

The Company’s income tax provision was immaterial for the three and nine months ended September 30, 2024 and 2023 due to the net loss before income taxes incurred for the year ended December 31, 2023 and expected to be incurred for the year ending December 31, 2024, as well as the Company’s continued maintenance of a full valuation allowance against its net deferred tax assets. There were no material liabilities for interest and penalties accrued as of September 30, 2024.

12. Net Loss Per Share

The following table summarizes the computation of basic and diluted net loss per share for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except share and per share amounts)	**2024**	**2023**	**2024**	**2023**
Numerator:				
Net loss	$ (5,683)	$ (3,305)	$ (13,423)	$ (19,758)
Denominator:				
Weighted average common shares outstanding—basic and diluted	36,719,249	39,962,932	38,321,518	39,647,716
Net loss per share—basic and diluted	$ (0.15)	$ (0.08)	$ (0.35)	$ (0.50)

The Company's potentially dilutive securities, which include outstanding stock options and restricted stock units have been excluded from the computation of diluted net loss per share from each period as including them would have had an anti-dilutive effect. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potentially dilutive securities for each period presented:

	September 30,	
	2024	**2023**
Options to purchase common stock	3,563,611	3,930,336
Restricted stock units	4,684,455	4,116,974
Total	8,248,066	8,047,310

13. Commitments and Contingencies

Contractual Obligations

The Company has $30.1 million of non-cancelable contractual commitments as of September 30, 2024, primarily related to its operating lease agreements for both its current and former corporate headquarters in New York, NY, not including any offset for sublease income, as well as other software and support services. For those agreements with variable terms, the Company does not estimate what the total obligation may be beyond any minimum obligations. The following table represents the Company's commitments under its purchase obligations as of September 30, 2024 (in thousands):

Fiscal Year Ending December 31,	Lease Obligations	Other Obligations	Total Obligations
2024 (remaining)	$ 1,335	$ 622	$ 1,957
2025	5,387	1,521	6,908
2026	5,263	888	6,151
2027	5,263	271	5,534
2028	5,263	19	5,282
Thereafter	4,292	—	4,292
Total	$ 26,803	$ 3,321	$ 30,124

Legal Proceedings

The Company is subject to various claims and contingencies, which are in the scope of ordinary and routine litigation incidental to its business, including those related to regulation, litigation, business transactions, employee-related matters, and taxes, among others. When the Company becomes aware of a claim or potential claim, the likelihood of any loss or exposure is assessed. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the Company records a liability for the loss. The liability recorded includes probable and estimable legal costs incurred to date and future legal costs to the point in the legal matter where the Company believes a conclusion to the matter will be reached. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the claim if the likelihood of a potential loss is reasonably possible. The Company does not believe that it is party to any pending legal proceedings that are likely to have a material effect on its business, financial condition, or results of operations.

Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners, and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its Board and officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications.

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

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and related notes that are included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements based upon current plans, expectations, and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" in our Annual Report on Form 10-K. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Company Overview

We are one of the world's leading online marketplaces for connecting design lovers with many of the best sellers and makers of vintage, antique, and contemporary furniture, home décor, jewelry, watches, art, and fashion. We believe we are a leading online marketplace for these luxury design products based on the aggregate number of such listings on our online marketplace and our Gross Merchandise Value ("GMV"). Our thoroughly vetted seller base, in-depth marketing content, and custom-built technology platform create trust in our brand and facilitate high-consideration purchases. By disrupting the way these items are bought and sold, we are both expanding access to, and growing the market for, luxury design products.

1stDibs began in 2000 with the vision of bringing the magic of the Paris flea market online by creating a listings site for top vintage and antique furniture sellers. Soon thereafter, we moved our headquarters to New York City and focused primarily on adding U.S.-based sellers to our site. The quality of our initial seller base enabled us to build a reputation in the design industry as a trusted source for unique luxury design products. In over two decades of operating history, we have strengthened our brand and deepened our seller relationships. We launched our e-commerce platform in 2013 and transitioned to a full e-commerce marketplace model in 2016. Since inception we have expanded our offerings to other verticals such as home decor, jewelry, watches, art, and fashion. We provide our sellers, the vast majority of which are small businesses, access to a global community of buyers and a platform to facilitate e-commerce at scale. Our sellers use our platform to manage their inventory, build their digital marketing presence, and communicate and negotiate prices directly with buyers. We provide our buyers a trusted purchase experience with our user-friendly interface, dedicated specialist support, and 1stDibs Promise, our comprehensive buyer protection program. We operate an asset-light business model which allows us to scale in a capital efficient manner. While we enable shipping and fulfillment logistics, we do not take physical possession of the items sold on our online marketplace.

Key Operating and Financial Metrics

We use the following key metrics and non-GAAP measures to evaluate our performance, identify trends affecting our business, and make strategic decisions:

- GMV;
- Number of Orders;
- Active Buyers; and
- Adjusted EBITDA (see "Non-GAAP Financial Measures" for a discussion of Adjusted EBITDA and a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA).

For GMV, Number of Orders, and Active Buyers, these metrics are based on internal company data, assumptions, and estimates and are used in managing our business. We believe that these figures are reasonable estimates, and we actively take measures to improve their accuracy, such as eliminating known fictitious or duplicate accounts. There are, however, inherent challenges in gathering accurate data across large online and mobile populations. For example, individuals may have multiple email accounts in violation of our terms of service, which would result in an Active Buyer being counted more than once, thus impacting the accuracy of our number of Active Buyers. In addition, certain metrics, such as the number of Active Buyers, and Number of Orders, and GMV are measured based on such numbers as reported in a given month, minus cancellations within that month. As we do not retroactively adjust such numbers for cancellations occurring after the month, the metrics presented do not reflect subsequent order cancellations. We regularly review and may adjust our processes for calculating these metrics to improve their accuracy. These key operating and financial metrics may vary from period to period and should not be viewed as indicative of other metrics.

(dollars in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
GMV	$ 84,613	$ 88,983	$ 267,813	$ 275,905
Number of Orders	33,347	31,202	102,614	98,988
Active Buyers	62,527	63,227	62,527	63,227
Adjusted EBITDA (unaudited)	$ (2,983)	$ (1,802)	$ (6,366)	$ (11,635)

Gross Merchandise Value

We define GMV as the total dollar value from items sold by our sellers through 1stDibs in a given month, minus cancellations within that month, and excluding shipping and sales taxes. GMV includes all sales reported to us by our sellers, whether transacted through the 1stDibs online marketplace or reported as an offline sale. We view GMV as a measure of the total economic activity generated by our online marketplace and as an indicator of the scale, growth, and health of our online marketplace. Our historical performance for GMV may not be indicative of future performance in GMV.

Number of Orders

We define Number of Orders as the total number of orders placed or reported through the 1stDibs online marketplace in a given month, minus cancellations within that month. Our historical performance for Number of Orders may not be indicative of future performance in Number of Orders.

Active Buyers

We define Active Buyers as buyers who have made at least one purchase through our online marketplace during the 12 months ended on the last day of the period presented, net of cancellations. A buyer is identified by a unique email address; thus an Active Buyer could have more than one account if they were to use a separate unique email address to set up each account. We believe this metric reflects scale, engagement and brand awareness, and our ability to convert user activity on our online marketplace into transactions. Our historical performance for Active Buyers may not be indicative of future performance in new Active Buyers.

Adjusted EBITDA

We define Adjusted EBITDA as net loss excluding depreciation and amortization, stock-based compensation expense, other income, net, provision for income taxes, gain on sale of business, and strategic alternative expenses. Adjusted EBITDA is a key performance measure used by our management and board of directors to assess our operating performance and the operating leverage of our business. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the income and expenses that we exclude from Adjusted EBITDA. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to key financial metrics used by our management in their financial and operational decision-making. See “Non-GAAP Financial Measures” for more information and for a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA.

Components of Results of Operations

Net Revenue

Our net revenue consists principally of seller marketplace services. Seller marketplace services primarily consist of marketplace transactions, subscriptions, and listing fees. Marketplace transaction fees are collected when sellers pay us commissions ranging from 5% to 50% of GMV and processing fees, which are approximately 3% of the buyer’s total payment, net of expected refunds. If a seller accepts a return or refund of an on-platform purchase, the related commission and processing fees are refunded. Subscriptions provide access to our online marketplace, allowing sellers, who are our customers, to execute successful purchase transactions with buyers. We offer our sellers various subscription pricing tiers which allows them to choose the plan that best fits their business, with choices of a higher monthly subscription fee and lower commission rates or lower monthly subscription fee and higher commission rates. Additionally, some sellers have no monthly subscription fees and higher commission rates, however, we no longer offer this option to new sellers. Listing fee revenue is collected when sellers pay us for promoting certain products on their behalf and at their discretion through our online marketplace. Advertisements consist of impression-based ads displayed on our online marketplace on the seller’s behalf.

Cost of Revenue

Cost of revenue includes payment processor fees and hosting expenses. Cost of revenue also includes expenses associated with payroll, employee benefits, stock-based compensation, other headcount-related expenses associated with operations personnel supporting revenue-related operations and logistics, consulting costs, and amortization expense related to our capitalized internal-use software.

In certain transactions where our shipping services are elected by sellers, we facilitate shipping of items purchased from the seller to the buyer. The difference between the amount collected for shipping and the amount charged by the shipping carrier is included in cost of revenue in our consolidated statements of operations. We facilitate fulfillment and shipping, but do not take ownership of or manage inventory.

Gross Profit and Gross Margin

Gross profit is net revenue less cost of revenue, and gross margin is gross profit as a percentage of net revenue. Gross profit has been, and will continue to be, affected by various factors, including leveraging economies of scale, the costs associated with hosting our platform, the level of amortization of our internal-use software, the fluctuations in shipping costs including our ability to pass these costs on to buyers, and the extent to which we expand our operations. We expect that our gross margin will fluctuate from period to period depending on the interplay of these various factors.

Sales and Marketing

Sales and marketing expenses include payroll, employee benefits, stock-based compensation, other headcount-related expenses associated with sales and marketing personnel, advertising expense, consulting costs, and promotional discounts offered to new and existing buyers. Advertising expenses consist primarily of costs incurred promoting and marketing our services, such as costs associated with acquiring new users through performance-based marketing, social media programs, email, and events. Promotional discounts and incentives represent incentives solely to end buyers and, therefore, are not considered payments made to our customers. Buyers are not our customers because access to the 1stDibs online marketplace is free for buyers, and we have no performance obligations with respect to buyers.

Technology Development

Technology development expenses include payroll, employee benefits, stock-based compensation, and other headcount-related expenses associated with engineering and product development personnel and consulting costs related to technology development. We expense all technology development expenses as incurred, except for those expenses that meet the criteria for capitalization as internal-use software.

General and Administrative

General and administrative expenses include payroll, employee benefits, stock-based compensation, other headcount-related expenses associated with finance, legal, facility and human resources related personnel, lease expense, net of sublease income, business liability insurance, accounting, professional fees, and depreciation and amortization of property and equipment. We expense all general and administrative expenses as incurred.

Provision for Transaction Losses

Provision for transaction losses primarily consists of transaction loss expense associated with our buyer protection program, including damages to products caused by shipping and transit, items that were not received or not as represented by the seller, and reimbursements to buyers at our discretion if they are dissatisfied with their experience. The provision for transaction losses also includes bad debt expense associated with our accounts receivable balance.

Results of Operations

The following table summarizes our results of operations for the periods indicated:

(in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net revenue	$ 21,190	$ 20,663	$ 65,487	$ 63,762
Cost of revenue	6,154	5,510	18,520	19,144
Gross profit	15,036	15,153	46,967	44,618
Operating expenses:				
Sales and marketing	9,146	8,411	27,580	28,007
Technology development	5,471	4,515	15,686	17,199
General and administrative	6,864	6,772	20,756	22,323
Provision for transaction losses	947	688	2,183	2,940
Total operating expenses	22,428	20,386	66,205	70,469
Loss from operations	(7,392)	(5,233)	(19,238)	(25,851)
Other income, net:				
Interest income	1,357	1,757	4,695	4,933
Other, net	356	171	1,128	1,160
Total other income, net	1,713	1,928	5,823	6,093
Net loss before income taxes	(5,679)	(3,305)	(13,415)	(19,758)
Provision for income taxes	(4)	—	(8)	—
Net loss	$ (5,683)	$ (3,305)	$ (13,423)	$ (19,758)

The following table summarizes our results of operations as a percentage of net revenue for the periods indicated:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net revenue	100 %	100 %	100 %	100 %
Cost of revenue	29	27	28	30
Gross profit	71	73	72	70
Operating expenses:				
Sales and marketing	44	41	42	44
Technology development	26	22	24	27
General and administrative	32	33	32	35
Provision for transaction losses	4	3	3	5
Total operating expenses	106	99	101	111
Loss from operations	(35)	(26)	(29)	(41)
Other income, net:				
Interest income	6	9	7	8
Other, net	2	1	2	2
Total other income, net	8	10	9	10
Net loss before income taxes	(27)	(16)	(20)	(31)
Provision for income taxes	—	—	—	—
Net loss	(27)%	(16)%	(20)%	(31)%

Comparison of the Three Months Ended September 30, 2024 and 2023

Net Revenue

(in thousands)	Three Months Ended September 30, 2024	2023	$ Change	% Change
Net revenue	$ 21,190	$ 20,663	$ 527	3 %

Net revenue was $21.2 million for the three months ended September 30, 2024, as compared to $20.7 million for the three months ended September 30, 2023. The increase of $0.5 million, or 3%, was primarily driven by various strategic initiatives we actioned to improve our take rates, including commission re-tiering.

Our marketplace transaction fees represent the majority of our net revenue and accounted for 74% and 71% of our net revenue for the three months ended September 30, 2024 and 2023, respectively. Subscription fees accounted for 22% and 24% of our net revenue for the three months ended September 30, 2024 and 2023, respectively.

Cost of Revenue

	Three Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Cost of revenue	$ 6,154	$ 5,510	$ 644	12 %

Cost of revenue was $6.2 million for the three months ended September 30, 2024, as compared to $5.5 million for the three months ended September 30, 2023. The increase of $0.6 million, or 12%, was primarily driven by a $0.4 million increase in net shipping expenses and a $0.2 million increase in credit card processing fees.

Gross Profit and Gross Margin

Gross profit was $15.0 million and gross margin was 71.0% for the three months ended September 30, 2024, as compared to gross profit of $15.2 million and gross margin of 73.3% for the three months ended September 30, 2023. The decrease in gross profit and gross margin for the three months ended September 30, 2024 was primarily driven by cost of revenue increasing more than the increase in net revenue as outlined above.

Operating Expenses

Sales and Marketing

	Three Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Sales and marketing	$ 9,146	$ 8,411	$ 735	9 %

Sales and marketing expense was $9.1 million for the three months ended September 30, 2024, as compared to $8.4 million for the three months ended September 30, 2023. The increase of $0.7 million, or 9%, was primarily driven by a $0.2 million increase in salaries and benefits and a $0.2 million increase in stock-based compensation expense resulting from our annual compensation increases in March. There was also a $0.2 million increase in general marketing spend, including performance marketing.

Technology Development

	Three Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Technology development	$ 5,471	$ 4,515	$ 956	21 %

Technology development expense was $5.5 million for the three months ended September 30, 2024, as compared to $4.5 million for the three months ended September 30, 2023. The increase of $1.0 million, or 21%, was primarily driven by a $0.5 million increase in salaries and benefits and a $0.3 million increase in stock-based compensation expense resulting from our annual compensation increases in March.

General and Administrative

	Three Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
General and administrative	$ 6,864	$ 6,772	$ 92	1 %

General and administrative expense was generally flat with $6.9 million for the three months ended September 30, 2024, as compared to $6.8 million for the three months ended September 30, 2023. There was a $0.4 million increase in stock based compensation expense relating to our annual compensation increases in March, and a $0.4 million increase in professional fees relating to additional consulting projects. These were partially offset by a $0.5 million decrease in lease expense, net, primarily due to sublease income related to our August 2023 sublease for our former New York City corporate headquarters.

Provision for Transaction Losses

(in thousands)	Three Months Ended September 30, 2024	2023	$ Change	% Change
Provision for transaction losses	$ 947	$ 688	$ 259	38 %

Provision for transaction losses was $0.9 million for the three months ended September 30, 2024, as compared to $0.7 million for the three months ended September 30, 2023. The increase of $0.3 million, or 38%, was primarily driven by an increase in bad debt.

Other Income, Net

(in thousands)	Three Months Ended September 30, 2024	2023	$ Change	% Change
Total other income, net	$ 1,713	$ 1,928	$ (215)	(11)%

Other income, net was $1.7 million for the three months ended September 30, 2024, as compared to $1.9 million for the three months ended September 30, 2023 and was primarily due to interest income on our cash, cash equivalents, and short-term investments. The decrease of $0.2 million, or 11%, was primarily driven by lower cash, cash equivalents, and short-term investments for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Comparison of the Nine Months Ended September 30, 2024 and 2023

Net Revenue

(in thousands)	Nine Months Ended September 30, 2024	2023	$ Change	% Change
Net revenue	$ 65,487	$ 63,762	$ 1,725	3 %

Net revenue was $65.5 million for the nine months ended September 30, 2024, as compared to $63.8 million for the nine months ended September 30, 2023. The increase of $1.7 million, or 3%, was primarily driven by various strategic initiatives we actioned to improve our take rates, including commission re-tiering.

Our marketplace transaction fees represent the majority of our net revenue and accounted for 74% and 71% of our net revenue for the nine months ended September 30, 2024 and 2023, respectively. Subscription fees accounted for 22% and 24% of our net revenue for the nine months ended September 30, 2024 and 2023, respectively.

Cost of Revenue

(in thousands)	Nine Months Ended September 30, 2024	2023	$ Change	% Change
Cost of revenue	$ 18,520	$ 19,144	$ (624)	(3)%

Cost of revenue was $18.5 million for the nine months ended September 30, 2024, as compared to $19.1 million for the nine months ended September 30, 2023. The decrease of $0.6 million, or 3%, was primarily driven by a $0.7 million decrease in salaries and benefits resulting from decreases in average headcount from the prior period, primarily related to our reduction in workforce in June 2023, partially offset by annual compensation increases in March.

Gross Profit and Gross Margin

Gross profit was $47.0 million and gross margin was 71.7% for the nine months ended September 30, 2024, as compared to gross profit of $44.6 million and gross margin of 70.0% for the nine months ended September 30, 2023. The increase in gross profit and gross margin for the nine months ended September 30, 2024 was primarily driven by our initiatives to improve our take rates and net revenue, as well as our cost savings initiatives in the second half of 2023 which contributed to a decrease in our cost of revenue, as outlined above.

Operating Expenses

Sales and Marketing

(in thousands)	Nine Months Ended September 30, 2024	2023	$ Change	% Change
Sales and marketing	$ 27,580	$ 28,007	$ (427)	(2)%

Sales and marketing expense was $27.6 million for the nine months ended September 30, 2024, as compared to $28.0 million for the nine months ended September 30, 2023. The decrease of $0.4 million, or 2%, was primarily driven by a $1.9 million decrease in salaries and benefits resulting from decreases in headcount, primarily related to our reduction in workforce in June 2023, partially offset by annual compensation increases in March, and a $1.8 million increase in performance-based marketing spend which contributed to an increase in GMV during the first half of 2024.

Technology Development

	Nine Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Technology development	$ 15,686	$ 17,199	$ (1,513)	(9)%

Technology development expense was $15.7 million for the nine months ended September 30, 2024, as compared to $17.2 million for the nine months ended September 30, 2023. The decrease of $1.5 million, or 9%, was primarily driven by a $1.9 million decrease in salaries and benefits resulting from decreases in headcount, primarily related to our reduction in workforce in June 2023, which were partially offset by annual compensation increases in March and minor increases in the normal course.

General and Administrative

	Nine Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
General and administrative	$ 20,756	$ 22,323	$ (1,567)	(7)%

General and administrative expense was $20.8 million for the nine months ended September 30, 2024, as compared to $22.3 million for the nine months ended September 30, 2023. The decrease of $1.6 million, or 7%, was primarily driven by a $1.8 million decrease in lease expense, net, primarily due to sublease income related to our August 2023 sublease for our former New York City corporate headquarters, a $1.1 million decrease related to lower rates negotiated with vendors, including lower insurance expense, and a $0.5 million decrease in professional fees due to expenses incurred in the nine months ended September 30, 2023 related to strategic alternative expenses. These decreases were partially offset by a $1.2 million increase in stock-based compensation expense and a $0.6 million increase in salaries and benefits, primarily due to our annual compensation increases and equity grants which occur annually in March.

Provision for Transaction Losses

	Nine Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Provision for transaction losses	$ 2,183	$ 2,940	$ (757)	(26)%

Provision for transaction losses was $2.2 million for the nine months ended September 30, 2024, as compared to $2.9 million for the nine months ended September 30, 2023. The decrease of $0.8 million, or 26%, was primarily driven by a decrease in damage claims as a result of new policies implemented by us and in partnership with our carriers.

Other Income, Net

	Nine Months Ended September 30,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Total other income, net	$ 5,823	$ 6,093	$ (270)	(4)%

Other income, net was $5.8 million for the nine months ended September 30, 2024, as compared to $6.1 million for the nine months ended September 30, 2023 and was due primarily to interest income on our cash, cash equivalents, and short-term investments.

Non-GAAP Financial Measures

We have included Adjusted EBITDA, which is a non-GAAP financial measure, because it is a key measure used by our management team to help us to assess our operating performance and the operating leverage in our business. We also use this measure to analyze our financial results, establish budgets and operational goals for managing our business, and make strategic decisions. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the income and expenses that we exclude from Adjusted EBITDA. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to key financial metrics used by our management in their financial and operational decision-making. We also believe that the presentation of this non-GAAP financial measure provides an additional tool for investors to use in comparing our core business and results of operations over multiple periods with other companies in our industry, many of which present similar non-GAAP financial measures to investors, and to analyze our operating performance.

The non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. The non-GAAP financial measures presented should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, comparable financial measures calculated in accordance with GAAP. Further, these non-GAAP financial measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations. Accordingly, these non-GAAP financial measures should be considered as supplemental in nature, and are not intended, and should not be construed, as a substitute for the related financial information calculated in accordance with GAAP. These limitations of Adjusted EBITDA include the following:

- The exclusion of certain recurring, non-cash charges, such as depreciation and amortization of property and equipment. While these are non-cash charges, we may need to replace the assets being depreciated in the future and Adjusted EBITDA does not reflect cash requirements for these replacements or new capital expenditure requirements;
- The exclusion of stock-based compensation expense, which has been a significant recurring expense and will continue to constitute a significant recurring expense for the foreseeable future, as equity awards are expected to continue to be an important component of our compensation strategy;
- The exclusion of other income, net, which includes interest income related to our cash, cash equivalents and short-term investments and realized and unrealized gains and losses on foreign currency exchange; and
- The exclusion of strategic alternative expenses in connection with capital return strategies, buy- and sell-side mergers, acquisitions and partnerships which include integration costs, sale of a business or subsidiary, business optimization costs related to revisions of operational objectives and priorities which include restructuring charges, in all cases outside the ordinary course.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net loss and our other GAAP results.

We define Adjusted EBITDA as our net loss, excluding: (1) depreciation and amortization; (2) stock-based compensation expense; (3) other income, net; (4) provision for income taxes; and (5) strategic alternative expenses. The following table provides a reconciliation of net loss, the most directly comparable GAAP financial measure, to Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Net loss	$ (5,683)	$ (3,305)	$ (13,423)	$ (19,758)
Depreciation and amortization	507	449	1,439	1,815
Stock-based compensation expense	3,902	2,982	11,008	9,340
Other income, net	(1,713)	(1,928)	(5,823)	(6,093)
Provision for income taxes	4	—	8	—
Strategic alternative expenses	—	—	425	3,061
Adjusted EBITDA	$ (2,983)	$ (1,802)	$ (6,366)	$ (11,635)

Liquidity and Capital Resources

As of September 30, 2024, we had cash, cash equivalents and short-term investments of $109.4 million and an accumulated deficit of $327.1 million. Net cash used in operating activities was $5.7 million during the nine months ended September 30, 2024. We expect operating losses and negative cash flows from operations to continue in the foreseeable future as we continue to strategically invest in growth activities. Our principal use of cash is to fund our operations including platform development to support our strategic initiatives and anticipated share repurchases under the 2024 Stock Repurchase Program.

Based on our current plans, we believe our existing cash, cash equivalents and short-term investments will be sufficient to fund our operations and capital expenditure requirements through at least the next 12 months. We expect to continue to incur substantial expenditures in the near term to support our ongoing activities. While management believes that our current cash, cash equivalents and short-term investments are sufficient to fund our operating expenses and capital expenditure requirements for at least the next 12 months, we may need to borrow funds or raise additional equity to achieve our longer-term business objectives.

Our future capital requirements will depend on many factors, including:

- the emergence of competing online marketplaces and other adverse market developments;
- the timing and extent of our sales and marketing and technology development expenditures; and
- any investments, acquisitions or other similar strategic endeavors we may choose to pursue in the future.

A change in the outcome of any of these or other variables could significantly impact our operating plans, and we may need additional funds to meet operational needs and capital requirements associated with such plans. In addition, any future borrowings may result in additional restrictions on our business and any issuance of additional equity would result in dilution to investors. If we are unable to raise additional capital when we need it, it could harm our business, results of operations, and financial condition.

Stock Repurchase Program

In August 2023, the Board of Directors authorized the 2023 Stock Repurchase Program to repurchase up to an aggregate of $20.0 million of our common stock. In June 2024, the Board of Directors authorized an increase to our 2023 Stock Repurchase Program to an aggregate authorized repurchase amount of $25.5 million. On June 10, 2024, we announced the completion of our 2023 Stock Repurchase Program.

In August 2024, the Board of Directors authorized the 2024 Stock Repurchase Program to repurchase up to an aggregate of $10.0 million of our common stock.

During the three months ended September 30, 2024, 191,935 shares of our common stock were purchased under the 2024 Stock Repurchase Program for a total cost of $0.9 million. During the nine months ended September 30, 2024, 4.3 million shares of our common stock were purchased for a total cost of $22.8 million and includes purchases under both the 2023 and the 2024 Stock Repurchase Programs.

Cash Flows

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

	Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**
Net cash used in operating activities	$ (5,708)	$ (11,475)
Net cash provided by (used in) investing activities	15,325	(109,600)
Net cash used in financing activities	(25,155)	(1,234)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	222	44
Net decrease in cash, cash equivalents, and restricted cash	$ (15,316)	$ (122,265)

Cash Flows from Operating Activities

Net cash used in operating activities was $5.7 million for the nine months ended September 30, 2024, and was driven primarily by a $2.2 million decrease in accounts payable and accrued expenses due to the timing of payments and invoices, a $2.2 million decrease in operating lease liabilities due to the continued lease payments on our previous and current NYC headquarters, partially offset by our sublease income, and a $1.8 million decrease in other current liabilities and other liabilities related to payments to settle multiple Sales and other non-income tax contingencies. Theses decreases were partially offset by a $2.7 million increase in payables due to sellers due to timing of the bi-weekly payments we make to our sellers.

Net cash used in operating activities was $11.5 million for the nine months ended September 30, 2023, and was driven primarily by net revenue decreasing at a faster pace than operating expenses. Our changes in operating assets and liabilities were impacted by a negative change in operating lease liabilities of $2.1 million due to the continued lease payments on our NYC headquarters and a $1.2 million change in other assets, primarily related to the $1.1 million broker fee paid in connection with our subleasing of our NYC headquarters.

Cash Flows from Investing Activities

Net cash provided by investing activities was $15.3 million for the nine months ended September 30, 2024, and was driven primarily by $85.6 million maturities and sales of short-term investments, partially offset by $68.9 million purchases of short-term investments.

Net cash used in investing activities was $109.6 million for the nine months ended September 30, 2023, and was driven primarily by $166.5 million purchases of short-term investments, partially offset by $58.2 million maturities of short-term investments.

Cash Flows from Financing Activities

Net cash used in financing activities was $25.2 million for the nine months ended September 30, 2024, and was driven primarily by $22.8 million in purchases of our common stock as part of our 2023 and 2024 Stock Repurchase Programs and $3.2 million of payments for taxes related to net share settlements of stock-based compensation awards, partially offset by $0.8 million in proceeds from the exercise of stock options.

Net cash used in financing activities for the nine months ended September 30, 2023 was $1.2 million and was driven primarily by $1.3 million of purchases of our common stock as part of our 2023 Stock Repurchase Program.

Contractual Obligations

As of September 30, 2024, there were no material changes in commitments under contractual obligations compared to the contractual obligations disclosed in our Form 10-K.

Recent Accounting Pronouncements

See Note 1, “Basis of Presentation and Summary of Significant Accounting Policies” to our condensed consolidated financial statements for a description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations, or cash flows.

Emerging Growth Company

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

There have been no significant changes to our critical accounting policies and estimates included in our Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes and foreign currency fluctuations. Information relating to quantitative and qualitative disclosures about these market risks are described below. At times, our cash balances with individual banking institutions are in excess of federally insured limits. We have not experienced any credit losses related to our cash, cash equivalents, and short-term investments balances.

Interest Rate Sensitivity

Interest rate risk relates to the loss we could incur in our cash portfolios due to a change in interest rates. As of September 30, 2024, we had cash, cash equivalents and short-term investments of $109.4 million. Our cash and cash equivalents consist primarily of demand and money market accounts, as well as available-for-sale debt securities with an original maturity of 90 days or less. Our short-term investments consist primarily of U.S. Government agency and Treasury securities, as well as commercial paper and corporate notes which have an original maturity greater than 90 days and are highly liquid in nature. Due to the nature of our cash, cash equivalents and short-term investments, we would expect a hypothetical 100 basis point increase or decrease in interest rates to result in an approximate increase or decrease of $0.7 million in our cash, cash equivalents and short-term investments. While these are our best estimates of the impact of the specified interest rate scenario, actual results could differ from those projected. The sensitivity analysis presented assumes interest rate changes are instantaneous, parallel shifts in the yield curve. In reality, interest rate changes of this magnitude are rarely instantaneous or parallel.

Our principal use of cash, cash equivalents and short-term investments is to fund our operations including platform development to support our strategic initiatives and anticipated share repurchases under the 2024 Stock Repurchase Program. The remainder of cash, cash equivalents and short-term investments are held for working capital purposes. We do not enter into investments for trading or speculative purposes.

Foreign Currency Risk

Our net revenue is primarily denominated in U.S. dollars, Euros, and British pounds, depending on the currency selection of the seller. Our cost of revenue and operating expenses are primarily denominated in U.S. dollars. As our online marketplace continues to grow globally, our results of operations and cash flows may be subject to fluctuations due to the change in foreign exchange rates. To date, fluctuations due to changes in the Euro and British pound have not been significant, but we may experience material foreign exchange gains and losses in our statement of operations in the future. As of September 30, 2024, we would expect an adverse 10% change in current exchange rates to result in no more than a $2.4 million decrease in net revenue for the nine months ended September 30, 2024.

Credit Risk

We are exposed to credit risk on accounts receivable balances. This risk is mitigated by requiring upfront payment for many of our services and due to our diverse customer base, dispersed over various geographic regions and industrial sectors. For the three and nine months ended September 30, 2024 and 2023, no single customer accounted for more than 10% of our net revenue. We maintain provisions for potential credit losses and such losses to date have been within our expectations. We evaluate the solvency of our customers on an ongoing basis to determine if additional allowances for doubtful accounts need to be recorded.

Inflation Risk

Our results of operations and financial condition are presented based on historical cost. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we believe certain metrics, including our GMV and net revenue, have been negatively impacted, both directly and indirectly, by macroeconomic factors, including inflation and as a result significant capital market and housing market volatility. Additionally, if our costs were to become subject to inflationary pressures, we might not be able to fully offset such higher costs through net revenue and GMV increases. Our inability or failure to do so could harm our business, financial condition, and results of operations. We cannot assure you our business will not be affected in the future by inflation.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2024. “Disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2024 at the reasonable assurance level.

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving the desired control objectives. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and cannot provide absolute assurance that its objectives will be met. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified during the three months ended September 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and our Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by the collusion of two or more people or by management override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we are involved in legal proceedings and subject to claims arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we believe that the resolution of current matters will not have a material adverse effect on our business, financial condition, or results of operations. Even if any particular litigation or claim is not resolved in a manner that is adverse to our interests, such litigation can have a negative impact on us because of defense and settlement costs, diversion of management resources from our business, and other factors.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks that could materially and adversely affect our business, financial condition, prospects, operating results or cash flows. For a detailed discussion of certain risks that affect our business, refer to the section entitled “Risk Factors” in our 2023 Annual Report on Form 10-K. There have been no material changes to the risk factors disclosed in our 2023 Form 10-K.

The risks described in our 2023 Form 10-K are not the only risks we face. We describe in Management’s Discussion and Analysis of Financial Condition and Results of Operations in Part I of this Quarterly Report on Form 10-Q certain known trends and uncertainties that affect our business. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business, operating results and financial condition.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

(c) Issuer Purchases of Equity Securities

The following table presents details of our monthly share repurchases for the three months ended September 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share (a)	Total number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs (in thousands)
July 1, 2024 - July 31, 2024	—	$ —	—	$ —
August 1, 2024 -August 31, 2024	84,642	$ 4.77	84,642	$ 9,596
September 1, 2024- September 31, 2024	107,293	$ 4.77	107,293	$ 9,084
Total	191,935		191,935	

(a) Average price per share includes broker commissions.
(b) On August 20, 2024, the Board of Directors authorized a 2024 Stock Repurchase Program to repurchase up to an aggregate of $10.0 million of our common stock.

The Company’s officers and directors are required to comply with the Company’s securities trading policy at all times, including during a repurchase program. The securities trading policy, among other things, prohibits trading in the Company’s securities when in possession of material non-public information and restricts the ability of certain officers or director from transacting in the Company’s securities during specific blackout periods, subject to certain limited exceptions, including transactions pursuant to a Rule 10b5-1 trading plan that complies with the conditions of Rule 10b5-1 of the Exchange Act.

Item 5. Other Information

(c) Adoption or Termination of Insider Trading Arrangements

No directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408(a) of Regulation S-K) for the purchase or sale of the Company’s securities during the quarter ended September 30, 2024.

Item 6. Exhibit Index

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of 1stdibs.com, Inc. (incorporated by reference from Exhibit 3.1 filed with the Registrant's Current Report on Form 8-K filed June 14, 2021).
3.2	Amended and Restated Bylaws (incorporated by reference from Exhibit 3.1 filed with the Registrant's Current Report on Form 8-K filed March 1, 2023).
4.1	Specimen Common Stock Certificate of the Registrant (incorporated by reference from Exhibit 4.1 to the Registrant's registration statement on Form S-1 (File No. 333-256188), as declared effective by the SEC on June 9, 2021 (the "Form S-1")).
4.2	Description of Capital Stock (incorporated by reference from Exhibit 4.2 to the registrant's Annual Report on Form 10-K filed March 3, 2022).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document: the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set

* Filed herewith.

\# In accordance with Item 601(b)(32)(ii) of Regulation S K and SEC Release No. 34 47986, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10 Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933 except to the extent that the Company specifically incorporates it by reference.

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.

1STDIBS.COM, INC.

Date: November 8, 2024

/s/ Thomas Etergino

Thomas Etergino
Chief Financial Officer
(Principal Financial Officer)

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

I, David Rosenblatt, certify that:

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

Date: November 8, 2024

By: /s/ David Rosenblatt

David S. Rosenblatt
Chief Executive Officer

Exhibit 31.2

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

I, Thomas Etergino, certify that:

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

By: /s/ Thomas Etergino

Date: November 8, 2024

Thomas Etergino
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of 1stdibs.com, Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 8, 2024

By: /s/ David Rosenblatt
David S. Rosenblatt
Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of 1stdibs.com, Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

By: /s/ Thomas Etergino

Date: November 8, 2024

Thomas Etergino
Chief Financial Officer