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

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**FORM 10-Q**

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(Mark One)

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

For the quarterly period ended March 31, 2024

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-38846

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**Lyft, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-8809830**  
(I.R.S. Employer  
Identification No.)

**185 Berry Street, Suite 400**  
**San Francisco, California 94107**  
(Address of registrant's principal executive offices, including zip code)

**(844) 250-2773**  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value of \$0.00001 per share	LYFT	Nasdaq Global Select Market

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

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

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

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

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

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

As of May 6, 2024, the number of shares of the registrant's Class A common stock outstanding was 394,953,011 and the number of shares of the registrant's Class B common stock outstanding was 8,530,629.

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#### NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, capital expenditures, our ability to determine insurance, legal and other reserves and our ability to achieve and maintain profitability and positive free cash flows;
- our restructuring actions, including the costs of such actions and the impact of such actions on our business and financial performance;
- the sufficiency of our cash, cash equivalents and short-term investments to meet our liquidity needs;
- the demand for our platform or for Transportation-as-a-Service networks in general;
- our ability to attract and retain drivers and riders;
- our ability to develop new offerings and bring them to market in a timely manner and make enhancements to our platform;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- our prices and pricing methodologies and our expectations for the impact of pricing on our competitive position and our financial results;
- our expectations regarding outstanding and potential litigation, including with respect to the classification of drivers on our platform;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to the classification of drivers on our platform, taxation, privacy and data protection;
- our ability to manage and insure risks associated with our Transportation-as-a-Service network, including auto-related and operations-related risks, and our expectations regarding insurance costs and estimated insurance reserves;
- our expectations regarding new and evolving markets and our efforts to address these markets;
- our ability to develop and protect our brand;
- our ability to maintain the security and availability of our platform;
- our expectations and management of future growth and business operations;
- our expectations concerning relationships with third-parties;
- our ability to maintain, protect and enhance our intellectual property;
- our expectations concerning macroeconomic conditions, including the impact of inflation, uncertainty in the global banking and financial services markets and public health crises;
- our ability to service our existing debt; and
- our ability to successfully acquire and integrate companies and assets.

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

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

contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

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

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

**PART I – FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**Lyft, Inc.**  
**Condensed Consolidated Balance Sheets**  
*(in thousands, except for share and per share data)*  
*(unaudited)*

	March 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 507,918	\$ 558,636
Short-term investments	1,157,729	1,126,548
Prepaid expenses and other current assets	883,133	892,235
Total current assets	2,548,780	2,577,419
Restricted cash and cash equivalents	144,698	211,786
Restricted investments	1,062,318	837,291
Other investments	39,290	39,870
Property and equipment, net	544,454	465,844
Operating lease right of use assets	95,074	98,202
Intangible assets, net	55,591	59,515
Goodwill	256,228	257,791
Other assets	15,992	16,749
Total assets	\$ 4,762,425	\$ 4,564,467
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 104,470	\$ 72,282
Insurance reserves	1,390,952	1,337,868
Accrued and other current liabilities	1,580,509	1,508,855
Operating lease liabilities — current	43,267	42,556
Total current liabilities	3,119,198	2,961,561
Operating lease liabilities	124,796	134,102
Long-term debt, net of current portion	942,174	839,362
Other liabilities	84,925	87,924
Total liabilities	4,271,093	4,022,949
Commitments and contingencies (Note 6)		
Stockholders' equity		
Preferred stock, \$0.00001 par value; 1,000,000,000 shares authorized as of March 31, 2024 and December 31, 2023; no shares issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Common stock, \$0.00001 par value; 18,000,000,000 Class A shares authorized as of March 31, 2024 and December 31, 2023; 394,588,223 and 391,239,046 Class A shares issued and outstanding, as of March 31, 2024 and December 31, 2023, respectively; 100,000,000 Class B shares authorized as of March 31, 2024 and December 31, 2023; 8,530,629 and 8,566,629 Class B shares issued and outstanding, as of March 31, 2024 and December 31, 2023	4	4
Additional paid-in capital	10,810,051	10,827,378
Accumulated other comprehensive income (loss)	(6,273)	(4,949)
Accumulated deficit	(10,312,450)	(10,280,915)
Total stockholders' equity	491,332	541,518
Total liabilities and stockholders' equity	\$ 4,762,425	\$ 4,564,467

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

**Lyft, Inc.**  
**Condensed Consolidated Statements of Operations**  
*(in thousands, except for per share data)*  
*(unaudited)*

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 1,277,201	\$ 1,000,548
Costs and expenses		
Cost of revenue	755,362	548,992
Operations and support	103,042	98,926
Research and development	100,023	196,904
Sales and marketing	145,472	115,941
General and administrative	236,253	256,540
Total costs and expenses	1,340,152	1,217,303
Loss from operations	(62,951)	(216,755)
Interest expense	(7,048)	(5,433)
Other income (expense), net	41,057	37,215
Loss before income taxes	(28,942)	(184,973)
Provision for (benefit from) income taxes	2,593	2,676
Net loss	\$ (31,535)	\$ (187,649)
Net loss per share, basic and diluted	\$ (0.08)	\$ (0.50)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	401,553	373,727
<b>Stock-based compensation included in costs and expenses:</b>		
Cost of revenue	\$ 6,016	\$ 10,769
Operations and support	2,094	5,928
Research and development	29,832	93,505
Sales and marketing	4,204	11,684
General and administrative	37,952	58,497

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

**Lyft, Inc.**  
**Condensed Consolidated Statements of Comprehensive Loss**  
*(in thousands)*  
*(unaudited)*

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net loss	\$ (31,535)	\$ (187,649)
Other comprehensive income (loss)		
Foreign currency translation adjustment	507	49
Unrealized (loss) gain on marketable securities, net of taxes	(1,831)	1,414
Other comprehensive income (loss)	(1,324)	1,463
Comprehensive loss	<u>\$ (32,859)</u>	<u>\$ (186,186)</u>

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

**Lyft, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
*(in thousands)*  
*(unaudited)*

	Three Months Ended March 31, 2023					
	Class A and Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
<b>Balances as of December 31, 2022</b>	370,155	\$ 4	\$ 10,335,013	\$ (9,940,595)	\$ (5,754)	\$ 388,668
Issuance of common stock upon exercise of stock options	82	—	297	—	—	297
Issuance of common stock upon settlement of restricted stock units	7,985	—	—	—	—	—
Shares withheld related to net share settlement	(103)	—	(1,166)	—	—	(1,166)
Stock-based compensation	—	—	180,383	—	—	180,383
Other comprehensive income (loss)	—	—	—	—	1,463	1,463
Net loss	—	—	—	(187,649)	—	(187,649)
<b>Balances as of March 31, 2023</b>	<u>378,119</u>	<u>\$ 4</u>	<u>\$ 10,514,527</u>	<u>\$ (10,128,244)</u>	<u>\$ (4,291)</u>	<u>\$ 381,996</u>

	Three Months Ended March 31, 2024					
	Class A and Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
<b>Balances as of December 31, 2023</b>	399,806	\$ 4	\$ 10,827,378	\$ (10,280,915)	\$ (4,949)	\$ 541,518
Issuance of common stock upon exercise of stock options	257	—	1,924	—	—	1,924
Issuance of common stock upon settlement of restricted stock units	6,280	—	—	—	—	—
Shares withheld related to net share settlement	(82)	—	(1,463)	—	—	(1,463)
Repurchase and retirement of common stock	(3,143)	—	(50,000)	—	—	(50,000)
Purchase of capped call	—	—	(47,886)	—	—	(47,886)
Stock-based compensation	—	—	80,098	—	—	80,098
Other comprehensive income (loss)	—	—	—	—	(1,324)	(1,324)
Net loss	—	—	—	(31,535)	—	(31,535)
<b>Balances as of March 31, 2024</b>	<u>403,118</u>	<u>\$ 4</u>	<u>\$ 10,810,051</u>	<u>\$ (10,312,450)</u>	<u>\$ (6,273)</u>	<u>\$ 491,332</u>

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

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

	Three Months Ended March 31,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (31,535)	\$ (187,649)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	32,408	27,230
Stock-based compensation	80,098	180,383
Amortization of premium on marketable securities	64	80
Accretion of discount on marketable securities	(20,872)	(13,624)
Amortization of debt discount and issuance costs	804	666
(Gain) loss on sale and disposal of assets, net	(4,336)	(7,575)
Other	2,114	3,489
Changes in operating assets and liabilities, net effects of acquisition		
Prepaid expenses and other assets	9,760	(1,115)
Operating lease right-of-use assets	7,055	18,978
Accounts payable	31,819	(4,295)
Insurance reserves	53,084	(63,647)
Accrued and other liabilities	8,486	(15,306)
Lease liabilities	(12,772)	(11,655)
Net cash provided by (used in) operating activities	156,177	(74,040)
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(1,124,149)	(598,640)
Purchases of term deposits	(2,194)	—
Proceeds from sales of marketable securities	43,973	223,114
Proceeds from maturities of marketable securities	841,665	846,440
Proceeds from maturities of term deposits	3,539	5,000
Purchases of property and equipment and scooter fleet	(29,106)	(46,799)
Sales of property and equipment	24,181	20,256
Net cash (used in) provided by investing activities	(242,091)	449,371
<b>Cash flows from financing activities</b>		
Repayment of loans	(20,572)	(21,145)
Proceeds from issuance of convertible senior notes	460,000	—
Payment of debt issuance costs	(11,888)	—
Purchase of capped call	(47,886)	—
Repurchase of Class A Common Stock	(50,000)	—
Payment for settlement of convertible senior notes due 2025	(350,000)	—
Proceeds from exercise of stock options and other common stock issuances	1,924	297
Taxes paid related to net share settlement of equity awards	(1,462)	(1,165)
Principal payments on finance lease obligations	(11,479)	(5,730)
Net cash used in financing activities	(31,363)	(27,743)
Effect of foreign exchange on cash, cash equivalents and restricted cash and cash equivalents	(528)	17
Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(117,805)	347,605
<b>Cash, cash equivalents and restricted cash and cash equivalents</b>		
Beginning of period	771,786	391,822
End of period	\$ 653,981	\$ 739,427

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

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

	Three Months Ended March 31,	
	2024	2023
<b>Reconciliation of cash, cash equivalents and restricted cash and cash equivalents to the consolidated balance sheets</b>		
Cash and cash equivalents	\$ 507,918	\$ 509,576
Restricted cash and cash equivalents	144,698	228,487
Restricted cash, included in prepaid expenses and other current assets	1,365	1,364
<b>Total cash, cash equivalents and restricted cash and cash equivalents</b>	<b>\$ 653,981</b>	<b>\$ 739,427</b>
<b>Non-cash investing and financing activities</b>		
Financed vehicles acquired	\$ 88,350	\$ 98,373
Purchases of property and equipment and scooter fleet not yet settled	8,496	7,547
Right-of-use assets acquired under finance leases	11,956	5,367
Right-of-use assets acquired under operating leases	3,328	672
Remeasurement of finance and operating lease right of use assets	(3,659)	(8,105)

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

**Lyft, Inc.**  
**Notes to the Condensed Consolidated Financial Statements**  
*(unaudited)*

**1. Description of Business and Basis of Presentation**

***Organization and Description of Business***

Lyft, Inc. (the “Company” or “Lyft”) is incorporated in Delaware with its headquarters in San Francisco, California. The Company operates multimodal transportation networks in the United States and Canada that offer access to a variety of transportation options through the Company’s platform and mobile-based applications. This network enables multiple modes of transportation including the facilitation of peer-to-peer ridesharing by connecting drivers who have a vehicle with riders who need a ride. The Lyft Platform provides a marketplace where drivers can be matched with riders via the Lyft App where the Company operates as a transportation network company (“TNC”).

Transportation options through the Company’s platform and mobile-based applications are substantially comprised of its ridesharing marketplace that connects drivers and riders in cities across the United States and in select cities in Canada, Lyft’s network of bikes and scooters (“Light Vehicles”), and the Express Drive program, where drivers can enter into short-term rental agreements with the Company’s wholly-owned subsidiary, Flexdrive Services, LLC (“Flexdrive”), or a third party for vehicles that may be used to provide ridesharing services on the Lyft Platform. In addition, the Company makes the ridesharing marketplace available to organizations through Lyft Business offerings, such as the Concierge and Lyft Pass programs, and generates revenue from licensing and data access agreements associated with the data from the Company’s platform, subscription fees, revenue from bikes and bike station hardware and software sales and revenue from arrangements to provide advertising services.

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and the U.S. Securities and Exchange Commission (“SEC”) rules and regulations for interim reporting and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2023, included in our Annual Report on Form 10-K.

The Company uses the U.S. dollar predominantly as the functional currency of its foreign subsidiaries. For foreign subsidiaries where the U.S. dollar is the functional currency, gains and losses from remeasurement of foreign currency balances into U.S. dollars are included on the condensed consolidated statements of operations. For the foreign subsidiary where the local currency is the functional currency, translation adjustments of foreign currency financial statements into U.S. dollars are recorded to a separate component of accumulated other comprehensive loss.

The consolidated balance sheet as of December 31, 2023 included herein was derived from the audited financial statements as of that date. The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company’s financial position, results of operations, comprehensive loss, stockholders’ equity, and cash flows for the periods presented, but are not necessarily indicative of the results of operations to be anticipated for any future annual or interim period.

**2. Summary of Significant Accounting Policies**

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting periods. The Company bases its estimates on various factors and information which may include, but are not limited to, history and prior experience, expected future results, new related events and economic conditions, which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from those estimates.

Significant items subject to estimates and assumptions include those related to losses resulting from insurance claims inclusive of insurance related accruals, fair value of financial assets and liabilities, goodwill and identifiable intangible assets, leases, indirect tax obligations, legal contingencies, valuation allowance for deferred income taxes, and the valuation of stock-based compensation.

### Revenue Recognition

The Company generates its revenue from its multimodal transportation networks that offer access to a variety of transportation options through the Lyft Platform and mobile-based applications. Substantially all, or approximately 85% or more, of the Company's revenue is generated from its ridesharing marketplace that connects drivers and riders and is recognized in accordance with Accounting Standards Codification Topic 606 ("ASC 606"). In addition, the Company generates revenue in accordance with ASC 606 from licensing and data access, subscription fees, revenue from bikes and bike station hardware and software sales and revenue from arrangements to provide advertising services to third parties, which are not significant components of the Company's condensed consolidated revenues. The Company also generates rental revenue from Flexdrive and its network of Light Vehicles which is recognized in accordance with Accounting Standards Codification Topic 842 ("ASC 842").

The table below presents the Company's revenues as included on the condensed consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2024	2023
Revenue from contracts with customers (ASC 606)	\$ 1,209,737	\$ 952,697
Rental revenue (ASC 842)	67,464	47,851
Total revenue	\$ 1,277,201	\$ 1,000,548

#### Revenue from Contracts with Customers (ASC 606)

The Company recognizes revenue for its rideshare marketplace in accordance with ASC 606. The Company generates revenue from service fees and commissions (collectively, "fees") paid by drivers for use of the Lyft Platform and related activities to connect drivers with riders to facilitate and successfully complete rides via the Lyft App where the Company operates as a TNC. The Company recognizes revenue upon completion of each ride. Drivers enter into terms of service ("ToS") with the Company in order to use the Lyft Driver App. Under the ToS, drivers agree that the Company retains the applicable fee as consideration for their use of the Lyft Platform and related activities from the fare and related charges it collects from riders on behalf of drivers. The Company is acting as an agent in facilitating the ability of a driver to provide a transportation service to a rider. The Company reports revenue on a net basis, reflecting the fee owed to the Company from a driver as revenue, and not the gross amount collected from the rider.

As the Company's customary business practice, a contract exists between the driver and the Company when the driver's ability to cancel the ride lapses, which typically is upon pickup of the rider. The Company's single performance obligation in the transaction is to connect drivers with riders to facilitate the completion of a successful transportation service for riders. The Company recognizes revenue upon completion of a ride as its performance obligation is satisfied upon the completion of the ride. The Company collects the fare and related charges from riders on behalf of drivers using the rider's pre-authorized credit card or other payment mechanism and retains its fees before making the remaining disbursement to drivers; thus, the driver's ability and intent to pay is not subject to significant judgment.

The Company recognizes revenue from subscription fees paid to access transportation options through the Lyft Platform and mobile-based applications over the applicable subscription period in accordance with ASC 606. The Company also recognizes revenue from bikes, bike station hardware and software sales when control is transferred to the customer in accordance with ASC 606.

The Company generates revenue from licensing and data access agreements. The Company is primarily responsible for fulfilling its promise to provide rideshare data and access to Flexdrive vehicles and bears the fulfillment risk, and the responsibility of providing the data, over the license period. The Company is acting as a principal in delivering the data and access licenses and presents revenue on a gross basis. Consideration allocated to each performance obligation, the data delivery and vehicle access, is determined by assigning the relative fair value, which approximates the stand alone selling price, to each of the performance obligations. Revenue is recorded upon delivery of the rideshare data and ratably over the quarter for access to fleet vehicles as the Company's respective performance obligation is satisfied upon the delivery of each. These revenues are not significant to the Company's consolidated revenue.

The Company has arrangements to provide advertising services to third parties that are interested in reaching users of the Company's platform. These arrangements generally require the Company to provide advertising services over a fixed period of time for which revenue is recognized ratably over the contractual period. These revenues are not significant to the Company's consolidated revenue.

*Rental Revenue (ASC 842)*

The Company generates rental revenues primarily from Flexdrive and its network of Light Vehicles. Rental revenues are recognized for rental and rental related activities where an identified asset is transferred to the customer and the customer has the ability to control that asset in accordance with ASC 842.

The Company operates a fleet of rental vehicles through its independently managed subsidiary, Flexdrive, comprised of both owned vehicles and vehicles leased from third-party leasing companies. The Company either leases or subleases vehicles to drivers, and as a result, the Company considers itself to be the accounting lessor or sublessor, as applicable, in these arrangements in accordance with ASC 842. Fleet operating costs include monthly fixed lease payments and other vehicle operating or ownership costs, as applicable. For vehicles that are subleased, sublease income and head lease expense for these transactions are recognized on a gross basis on the condensed consolidated financial statements. Drivers who rent vehicles are charged rental fees, which the Company collects from the driver by deducting such amounts from the driver's earnings on the Lyft Platform.

The Company owns and operates its Light Vehicles in some cities and operates city-owned Light Vehicles in other cities. Though the specific terms of arrangements with cities vary, the Company earns operations fees from cities or shares revenue generated by the systems with cities. Light Vehicle revenue is accounted for under ASC 842 for single-use rides. A single-use ride allows the user to select a specific Light Vehicle at the time the arrangement is entered into and provides the user the right to control the selected Light Vehicle for the desired term of the arrangement.

Due to the short-term nature of the Flexdrive and Light Vehicle transactions, the Company classifies these rentals as operating leases. Revenue generated from single-use ride fees paid by Light Vehicle riders is recognized upon completion of each related ride. Revenue generated from Flexdrive is recognized evenly over the rental period, which is typically seven days or less.

***Enterprise and Trade Receivables***

The Company collects any fees owed for completed transactions on the Lyft Platform primarily from the rider's authorized payment method. Uncollected fees are included in prepaid expenses and other current assets on the condensed consolidated balance sheets and represent receivables from (i) participants in the Company's enterprise programs ("Enterprise Users"), where the transactions have been completed and the amounts owed from the Enterprise Users have either been invoiced or are unbilled as of the reporting date; and (ii) riders where the authorized payment method is a credit card but the fare amounts have not yet settled with third-party payment processors. Under the ToS, drivers agree that the Company retains the applicable fee as consideration for their use of the Lyft Platform and related activities from the fare and related charges it collects from riders on behalf of drivers. Accordingly, the Company has no trade receivables from drivers. The portion of the fare receivable to be remitted to drivers is included in accrued and other current liabilities on the condensed consolidated balance sheets.

The Company records an allowance for credit losses for fees owed for completed transactions that may never settle or be collected in accordance with Accounting Standards Update No. 2016-13 "Financial Instruments—Credit Losses". The allowance for credit losses reflects the Company's current estimate of expected credit losses inherent in the enterprise and trade receivables balance. In determining the expected credit losses, the Company considers its historical loss experience, the aging of its receivable balance, current economic and business conditions, and anticipated future economic events that may impact collectability. The Company reviews its allowance for credit losses periodically and as needed, and amounts are written off when determined to be uncollectible.

The Company's receivable balance, which consists primarily of amounts due from Enterprise Users and Light Vehicle partners, was \$294.1 million and \$315.0 million as of March 31, 2024 and December 31, 2023, respectively. The Company's allowance for credit losses was \$12.3 million and \$9.8 million as of March 31, 2024 and December 31, 2023, respectively.

***Incentive Programs***

The Company offers incentives to attract drivers, riders and Light Vehicle riders to use the Lyft Platform. Drivers generally receive cash incentives while riders and Light Vehicle riders generally receive free or discounted rides under such incentive programs. Incentives provided to drivers and Light Vehicle riders, the customers of the Company, are accounted for as a reduction of the transaction price. As the riders are not the Company's customers, incentives provided to riders are generally recognized as sales and marketing expense except for certain pricing programs described below.

***Driver Incentives***

The Company offers various incentive programs to drivers, including minimum guaranteed payments, volume-based discounts and performance-based bonus payments. These driver incentives are similar to retrospective volume-based rebates and represent variable consideration that is typically settled within a week. The Company reduces the transaction price by the estimated amount of the incentives expected to be paid upon completion of the performance criteria by applying the most likely

outcome method. Therefore, such driver incentives are recorded as a reduction to revenue. Driver incentives are recorded as a reduction to revenue if the Company does not receive a distinct good or service in exchange for the payment or cannot reasonably estimate the fair value of the good or service received. Driver incentives for referring new drivers or riders are accounted for as sales and marketing expense. The amount recorded as an expense is the lesser of the amount of the payment or the established fair value of the benefit received. The fair value of the benefit is established using amounts paid to third parties for similar services.

#### *Rideshare Rider Incentives*

The Company has several rideshare rider incentive programs, which are offered to encourage rider activity on the Lyft Platform. Generally, the rider incentive programs are as follows:

- (i) *Market-wide marketing promotions.* Market-wide promotions reduce the fare charged by drivers to riders for all or substantially all rides in a specific market. This type of incentive effectively reduces the overall pricing of the service provided by drivers for that specific market and the gross fare charged by the driver to the rider, and thereby results in a lower fee earned by the Company. Accordingly, the Company records this type of incentive as a reduction to revenue at the date it records the corresponding revenue transaction.
- (ii) *Targeted marketing promotions.* Targeted marketing promotions are used to promote the use of the Lyft Platform to a targeted group of riders. An example is a promotion where the Company offers a number of discounted rides (capped at a given number of rides) which are valid only during a limited period of time to a targeted group of riders. The Company believes that the incentives that provide consideration to riders to be applied to a limited number of rides are similar to marketing coupons. These incentives differ from the market-wide marketing promotions because they do not reduce the overall pricing of the service provided by drivers for a specific market. During the promotion period, riders not utilizing an incentive would be charged the full fare. These incentives represent marketing costs. When a rider redeems the incentive, the Company recognizes revenue equal to the transaction price and the cost of the incentive is recorded as sales and marketing expense.
- (iii) *Rider referral programs.* Under the rider referral program, the referring rider (the referrer) earns referral coupons when a new rider (the referee) completes their first ride on the Lyft Platform. The Company records the incentive as a liability at the time the incentive is earned by the referrer with the corresponding charge recorded to sales and marketing expense. Referral coupons typically expire within one year. The Company estimates breakage using its historical experience. As of March 31, 2024 and December 31, 2023, the rider referral coupon liability was not material.

#### *Light Vehicle Rider Incentives*

Incentives offered to Light Vehicle riders were not material for the three months ended March 31, 2024 and 2023.

For the three months ended March 31, 2024, in relation to the driver, rider and Light Vehicle riders incentive programs, the Company recorded \$225.1 million as a reduction to revenue and \$68.0 million as sales and marketing expense. For the three months ended March 31, 2023, in relation to the driver, rider and Light Vehicle riders incentive programs, the Company recorded \$303.7 million as a reduction to revenue and \$23.3 million as sales and marketing expense.

#### **Investments**

##### *Debt Securities*

The Company's accounting for its investments in debt securities is based on the legal form of the security, the Company's intended holding period for the security, and the nature of the transaction. Investments in debt securities include commercial paper, certificates of deposit, corporate bonds, and U.S. government securities. Investments in debt securities are classified as available-for-sale and are recorded at fair value.

The Company considers an available-for-sale debt security to be impaired if the fair value of the investment is less than its amortized cost basis. The entire difference between the amortized cost basis and the fair value of the Company's available-for-sale debt securities is recognized on the condensed consolidated statements of operations as an impairment if, (i) the fair value of the security is below its amortized cost and (ii) the Company intends to sell or is more likely than not required to sell the security before recovery of its amortized cost basis. If neither criterion is met, the Company evaluates whether the decline in fair value is due to credit losses or other factors. In making this assessment, the Company considers the extent to which the security's fair value is less than amortized cost, changes to the rating of the security by third-party rating agencies, and adverse conditions specific to the security, among other factors. If the Company's assessment indicates that a credit loss exists, the credit loss is measured based on the Company's best estimate of the cash flows expected to be collected. When developing its estimate of cash flows expected to be collected, the Company considers all available information relevant to the collectability of the security, including past events, current conditions, and reasonable and supportable forecasts.

Credit loss impairments are recognized through an allowance for credit losses adjustment to the amortized cost basis of the debt securities on the balance sheet with an offsetting credit loss expense on the condensed consolidated statements of operations. Impairments related to factors other than credit losses are recognized as an adjustment to the amortized cost basis of the security and an offsetting amount in accumulated other comprehensive income (loss), net of tax. As of March 31, 2024, the Company had not recorded any credit impairments. The Company determines realized gains or losses on the sale of debt securities on a specific identification method.

The Company's investments in debt securities include:

- (i) *Cash and cash equivalents.* Cash equivalents include certificates of deposits, commercial paper and corporate bonds that have an original maturity of 90 days or less and are readily convertible to known amounts of cash.
- (ii) *Short-term investments.* Short-term investments are comprised of commercial paper, certificates of deposit, and corporate bonds, which mature in twelve months or less. As a result, the Company classifies these investments as current assets in the accompanying condensed consolidated balance sheets.
- (iii) *Restricted investments.* Restricted investments are comprised of debt security investments in commercial paper, certificates of deposit, corporate bonds and U.S. government securities which are held in trust accounts at third-party financial institutions pursuant to certain contracts with insurance providers.

#### *Non-marketable Equity Securities*

The Company has elected to measure its investments in non-marketable equity securities at cost, with remeasurements to fair value only upon the occurrence of observable transactions for identical or similar investments of the same issuer or impairment. The Company qualitatively assesses whether indicators of impairment exist. Factors considered in this assessment include the investees' financial and liquidity position, access to capital resources, and macroeconomic conditions, among others. If an impairment exists, the Company estimates the fair value of the investment by using the best information available, which may include cash flow projections or other available market data, and recognizes a loss for the amount by which the carrying value exceeds the fair value of the investment on the condensed consolidated statements of operations.

#### *Fair Value Measurements*

The Company measures assets and liabilities at fair value based on an expected exit price, which represents the amount that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis, whereby inputs used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

*Level 1* Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2* Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* Unobservable inputs reflecting our own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying values of the Company's accounts payable and accrued and other liabilities approximate their respective fair values due to the short period of time to payment.

#### *Insurance Reserves and Insurance-related Accruals*

The Company utilizes both a wholly-owned captive insurance subsidiary and third-party insurance, which may include deductibles and self-insured retentions, to insure or reinsure costs including auto liability, uninsured and underinsured motorist, auto physical damage, first party injury coverages including personal injury protection under state law and general business liabilities up to certain limits. The recorded liabilities reflect the estimated cost for claims incurred but not paid and claims that have been incurred but not yet reported and any estimable administrative run-out expenses related to the processing of these outstanding claim payments. Liabilities are determined on a quarterly basis by internal actuaries through an analysis of historical trends, and changes in claims experience, including consideration of new information and application of loss development factors, and frequency and severity assumptions, among other inputs and assumptions for the insurance reserves and insurance-related accruals. On an annual basis or more frequently as determined by management, an independent third-party actuary will evaluate the liabilities for appropriateness with claims reserve valuations.

Insurance claims may take years to completely settle, and the Company has available limited historical loss experience because of the limited operational history. The Company makes certain assumptions based on currently available information

and industry statistics, with the loss development factors as the most significant assumption related to the insurance reserves and the frequency and severity assumptions as the most significant assumptions related to insurance-related accruals, and utilizes actuarial models and techniques to estimate the reserves. A number of factors can affect the actual cost of a claim, including the length of time the claim remains open, economic and healthcare cost trends and the results of related litigation. Furthermore, claims may emerge in future years for events that occurred in a prior year at a rate that differs from previous actuarial projections. The impact of these factors on ultimate costs for insurance is difficult to estimate and could be material. However, while the Company believes that the insurance reserve and insurance-related accrual amounts are adequate, the ultimate liabilities may be in excess of, or less than, the amounts provided. As a result, the net amounts that will ultimately be paid to settle the liabilities and when amounts will be paid may significantly vary from the estimated amounts provided for on the condensed consolidated balance sheets. For example, disruptive factors may distort data, metrics and patterns and result in rapid increases in insurance cost and reserve deficiency. These disruptive factors can include recent economic conditions and ongoing global events such as the high inflationary environment, increased litigation, and higher than expected losses across the commercial auto industry. The Company continues to review its insurance estimates in a regular, ongoing process as historical loss experience develops, additional claims are reported and settled, and the legal, regulatory and economic environment evolves.

#### **Leases**

In accordance with ASC 842, the Company determines if an arrangement is or contains a lease at contract inception by assessing whether the arrangement contains an identified asset and whether the lessee has the right to control such asset. The Company determines the classification and measurement of its leases upon lease commencement. The Company enters into certain agreements as a lessor and either leases or subleases the underlying asset in the agreement to customers. The Company also enters into certain agreements as a lessee. If any of the following criteria are met, the Company classifies the lease as a financing lease (as a lessee) or as a direct financing or sales-type lease (both as a lessor):

- The lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- The lease grants the lessee an option to purchase the underlying asset that the Company is reasonably certain to exercise;
- The lease term is for 75% or more of the remaining economic life of the underlying asset, unless the commencement date falls within the last 25% of the economic life of the underlying asset;
- The present value of the sum of the lease payments equals or exceeds 90% of the fair value of the underlying asset; or
- The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.

Leases that do not meet any of the above criteria are accounted for as operating leases.

#### **Lessor**

The Company's lease arrangements include vehicle rentals to drivers or renters under the Flexdrive program and Light Vehicle rentals to single-use riders. Due to the short-term nature of these arrangements, the Company classifies these leases as operating leases. The Company does not separate lease and non-lease components, such as insurance or roadside assistance provided to the lessee, in its lessor lease arrangements. Lease payments are primarily fixed and are recognized as revenue in the period over which the lease arrangement occurs. Taxes or other fees assessed by governmental authorities that are both imposed on and concurrent with each lease revenue-producing transaction and collected by the Company from the lessee are excluded from the consideration in its lease arrangements. The Company mitigates residual value risk of its leased assets by performing regular maintenance and repairs, as necessary, and through periodic reviews of asset depreciation rates based on the Company's ongoing assessment of present and estimated future market conditions.

#### **Lessee**

The Company's leases include real estate property to support its operations and Flexdrive vehicles that may be used by drivers to provide ridesharing services on the Lyft Platform. For leases with a term greater than 12 months, the Company records the related right-of-use asset and lease liability at the present value of lease payments over the term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. The Company does not separate lease and non-lease components of contracts for real estate property leases, but has elected to do so for vehicle leases when non-lease components exist in these arrangements. For certain leases, the Company also applies a portfolio approach to account for right-of-use assets and lease liabilities that are similar in nature and have nearly identical contract provisions.

The Company's leases do not provide a readily determinable implicit rate. Therefore, the Company estimates its incremental borrowing rate to discount the lease payments based on information available at lease commencement. The Company determines its incremental borrowing rate based on the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment.

Lease payments may be fixed or variable; however, only fixed payments are included in the Company's lease liability calculation. Operating leases are included in operating lease right-of-use assets, operating lease liabilities — current and operating lease liabilities on the condensed consolidated balance sheets. Lease costs for the Company's operating leases are recognized on a straight-line basis primarily within operating expenses over the lease term. Finance leases are included in property and equipment, net, accrued and other current liabilities, and other liabilities on the condensed consolidated balance sheets. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term in cost of revenue on the condensed consolidated statements of operations. The interest component of finance leases is included in cost of revenue on the condensed consolidated statements of operations and recognized using the effective interest method over the lease term. Variable lease payments are recognized primarily in operating expenses in the period in which the obligation for those payments is incurred.

Similar to other long-lived assets discussed below, the Company measures recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows that the assets or the asset group are expected to generate. If the carrying value of the assets are not recoverable, the impairment recognized is measured as the amount by which the carrying value of the asset exceeds its fair value. For leased assets, such circumstances would include the decision to leave a leased facility prior to the end of the minimum lease term or subleases for which estimated cash flows do not fully cover the costs of the associated lease. The Company committed to a decision to exit and sublease or cease use of certain facilities to align with the Company's anticipated operating needs and incurred impairment charges related to real estate operating right-of-use assets of \$10.5 million during the quarter ended March 31, 2023. There was no such charge during the quarter ended March 31, 2024. Refer to Note 12 "Restructuring" to the condensed consolidated financial statements for further information.

#### ***Variable Interest Entities***

In accordance with Accounting Standards Codification Topic 810, *Consolidation* ("ASC 810"), the Company evaluates its ownership, contractual and other interests in entities to assess whether it has a variable interest in entities in which it has a financial relationship and, if so, whether or not those entities are variable interest entities ("VIEs"). These evaluations are complex, involving judgment and the use of estimates and assumptions based on available historical and prospective information, among other factors. For an entity to qualify as a VIE, ASC 810 requires the Company to determine if the Company is the primary beneficiary of the VIE, and, if so, to consolidate such entity into its condensed consolidated financial statements.

The Company consolidates VIEs in which it has a controlling financial interest and is therefore deemed the primary beneficiary. A controlling financial interest will have both of the following characteristics: (a) the power to direct the VIE activities that most significantly impact economic performance; and (b) the obligation to absorb the VIE losses and the right to receive benefits that are significant to the VIE. Periodically, the Company reevaluates its ownership, contractual and other interests in entities to determine whether any changes in its interest or relationship with an entity impacts the determination of whether it is still the primary beneficiary of such entity. The Company has determined that it was the primary beneficiary of one VIE as of March 31, 2024.

#### ***Recent Accounting Pronouncements***

##### ***Recently Adopted Accounting Pronouncements***

In June 2022, the FASB issued Accounting Standards Update ("ASU") No. 2022-03, "Fair Value Measurement (Topic 820) Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions", which clarifies guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security to contractual restrictions that prohibit the sale of an equity security and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. Effective on January 1, 2024, the Company adopted this standard, which did not have a material impact on the condensed consolidated financial statements and related disclosures.

##### ***Recent Accounting Pronouncements Not Yet Adopted***

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which amends and enhances the disclosure requirements for reportable segments. All disclosure requirements under this standard will also be required for public entities with a single reportable segment. The new standard will be effective for the Company for fiscal years beginning after December 15, 2023, and for interim periods within

fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently assessing the impact of adopting this standard on the consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, "Improvements to Income Tax Disclosures", which requires companies to provide disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The new requirements will be effective for public business entities for fiscal periods beginning after December 15, 2024. The Company is currently assessing the impact of adopting this standard on the consolidated financial statements.

In March 2024, the SEC adopted final rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires registrants to provide certain climate-related information in their registration statements and annual reports. As it pertains to the financial statements, the final rules require the financial statement footnotes to include certain disclosures regarding the amounts of expenses (or capitalized costs) incurred that relate to severe weather events and other natural conditions, as well as other disclosures regarding the material impact on financial estimates and assumptions of severe weather events and other natural conditions or disclosed targets or transition plans. It also requires disclosure of financial statements amounts related to carbon offsets and renewable energy credits. In April 2024, the SEC issued an order staying these rules pending the completion of judicial review of litigation challenging the validity of the rules. The disclosures will be required at the earliest in the annual financial statements for the year ended December 31, 2025. The Company is currently evaluating the impact of this on its consolidated financial statements.

### 3. Supplemental Financial Statement Information

#### Cash Equivalents and Short-Term Investments

The following tables summarize the cost or amortized cost, gross unrealized gain, gross unrealized loss and fair value of the Company's cash equivalents and short-term investments as of the dates indicated (in thousands):

	March 31, 2024			
	Cost or Amortized Cost	Unrealized		Estimated Fair Value
		Gains	Losses	
<b>Unrestricted Balances<sup>(1)</sup></b>				
Money market funds	\$ 97,623	\$ —	\$ —	\$ 97,623
Money market deposit accounts	36,440	—	—	36,440
Certificates of deposit	158,723	91	(22)	158,792
Commercial paper	801,151	122	(590)	800,683
Corporate bonds	88,234	11	(31)	88,214
U.S. government securities	248,836	5	(58)	248,783
Total unrestricted cash equivalents and short-term investments	1,431,007	229	(701)	1,430,535
<b>Restricted Balances<sup>(2)</sup></b>				
Money market funds	48,529	—	—	48,529
Term deposits	2,194	—	—	2,194
Certificates of deposit	167,883	87	(31)	167,939
Commercial paper	694,143	109	(455)	693,797
Corporate bonds	61,388	5	(19)	61,374
U.S. government securities	233,221	5	(48)	233,178
Total restricted cash equivalents and investments	1,207,358	206	(553)	1,207,011
Total unrestricted and restricted cash equivalents and investments	\$ 2,638,365	\$ 435	\$ (1,254)	\$ 2,637,546

(1) Excludes \$235.1 million of cash, which is included within the \$1.7 billion of cash and cash equivalents and short-term investments on the condensed consolidated balance sheets.

(2) Excludes \$1.4 million of restricted cash, which is included within the \$1.2 billion of restricted cash and cash equivalents and restricted short-term investments on the condensed consolidated balance sheets.

	December 31, 2023			
	Cost or Amortized Cost	Unrealized		Estimated Fair Value
		Gains	Losses	
<b>Unrestricted Balances<sup>(1)</sup></b>				
Money market funds	\$ 28,351	\$ —	\$ —	\$ 28,351
Money market deposit accounts	117,626	—	—	117,626
Certificates of deposit	179,607	200	(4)	179,803
Commercial paper	918,278	584	(331)	918,531
Corporate bonds	29,171	6	(5)	29,172
U.S. government securities	231,926	82	—	232,008
Total unrestricted cash equivalents and short-term investments	<u>1,504,959</u>	<u>872</u>	<u>(340)</u>	<u>1,505,491</u>
<b>Restricted Balances<sup>(2)</sup></b>				
Money market funds	44,241	—	—	44,241
Term deposits	3,539	—	—	3,539
Certificates of deposit	144,935	175	(1)	145,109
Commercial paper	618,854	366	(146)	619,074
Corporate bonds	12,409	3	(1)	12,411
U.S. government securities	224,635	84	—	224,719
Total restricted cash equivalents and investments	<u>1,048,613</u>	<u>628</u>	<u>(148)</u>	<u>1,049,093</u>
Total unrestricted and restricted cash equivalents and investments	<u>\$ 2,553,572</u>	<u>\$ 1,500</u>	<u>\$ (488)</u>	<u>\$ 2,554,584</u>

(1) Excludes \$179.7 million of cash, which is included within the \$1.7 billion of cash and cash equivalents and short-term investments on the condensed consolidated balance sheets.

(2) Excludes \$1.4 million of restricted cash, which is included within the \$1.0 billion of restricted cash and cash equivalents and restricted short-term investments on the condensed consolidated balance sheets.

The Company's short-term investments consist of available-for-sale debt securities and term deposits. The term deposits are at cost, which approximates fair value.

The remaining maturity of the Company's investment portfolio was less than one year as of the periods presented. No individual security incurred continuous unrealized losses for greater than 12 months.

The Company purchases investment grade marketable debt securities which are rated by nationally recognized statistical credit rating organizations in accordance with its investment policy. This policy is designed to minimize the Company's exposure to credit losses. As of March 31, 2024, the credit-quality of the Company's marketable available-for-sale debt securities had remained stable. The unrealized losses recognized on marketable available-for-sale debt securities as of March 31, 2024 were primarily related to the continued market volatility associated with uncertain economic outlook. The Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost basis. The Company is not aware of any specific event or circumstance that would require the Company to change its quarterly assessment of credit losses for any marketable available-for-sale debt security as of March 31, 2024. These estimates may change, as new events occur and additional information is obtained, and will be recognized on the condensed consolidated financial statements as soon as they become known. No credit losses were recognized as of March 31, 2024 for the Company's marketable and non-marketable debt securities.

The following table summarizes the Company's available-for-sale debt securities in an unrealized loss position for which no allowance for credit losses was recorded, aggregated by major security type (in thousands):

	March 31, 2024	
	Estimated Fair Value	Unrealized Losses
Certificates of deposit	\$ 73,224	\$ (53)
Corporate bonds	112,562	(50)
Commercial paper	588,835	(1,037)
U.S. government securities	260,275	(106)
Total available-for-sale debt securities in an unrealized loss position	<u>\$ 1,034,896</u>	<u>\$ (1,246)</u>

**Accrued and Other Current Liabilities**

Accrued and other current liabilities consisted of the following as of the dates indicated (in thousands):

	March 31, 2024	December 31, 2023
Insurance-related accruals <sup>(1)</sup>	\$ 665,972	\$ 643,147
Legal and tax related accruals	270,639	296,336
Ride-related accruals	232,396	212,114
Insurance claims payable and related fees	50,442	52,609
Long-term debt, current	29,324	25,798
Other	331,736	278,851
Accrued and other current liabilities	<u>\$ 1,580,509</u>	<u>\$ 1,508,855</u>

(1) Refer to Note 2 "Summary of Significant Accounting Policies" above for more information on these insurance-related accruals.

**Other Income (Expense), Net**

The following table sets forth the primary components of other income (expense), net as reported on the condensed consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2024	2023
Interest income	\$ 38,552	\$ 34,091
Gain (loss) on sale of securities, net	(50)	(115)
Sublease income	1,077	1,290
Foreign currency exchange gains (losses), net	(2,189)	859
Other, net <sup>(1)</sup>	3,667	1,090
Other income (expense), net	<u>\$ 41,057</u>	<u>\$ 37,215</u>

(1) In February 2024, the Company recorded a gain on extinguishment of \$5.1 million in other income (expense) related to the repurchase of 2025 Notes. Refer to Note 7 "Debt" for more information on this transaction.

#### 4. Fair Value Measurements

##### Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables set forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis as of the dates indicated by level within the fair value hierarchy (in thousands):

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Unrestricted cash equivalents and investments <sup>(1)</sup>				
Money market funds	\$ 97,623	\$ —	\$ —	\$ 97,623
Certificates of deposit	—	158,792	—	158,792
Commercial paper	—	800,683	—	800,683
Corporate bonds	—	88,214	—	88,214
U.S. government securities	—	248,783	—	248,783
Total unrestricted cash equivalents and short-term investments	97,623	1,296,472	—	1,394,095
Restricted cash equivalents and investments <sup>(2)</sup>				
Money market funds	48,529	—	—	48,529
Certificates of deposit	—	167,939	—	167,939
Commercial paper	—	693,797	—	693,797
Corporate bonds	—	61,374	—	61,374
U.S. government securities	—	233,178	—	233,178
Total restricted cash equivalents and investments	48,529	1,156,288	—	1,204,817
Total financial assets	\$ 146,152	\$ 2,452,760	\$ —	\$ 2,598,912

(1) \$235.1 million of cash and \$36.4 million of money market deposit accounts are not subject to recurring fair value measurement and therefore excluded from this table. However, these balances are included within the \$1.7 billion of cash and cash equivalents and short-term investments on the condensed consolidated balance sheets.

(2) \$1.4 million of restricted cash and \$2.2 million of restricted term deposits are not subject to recurring fair value measurement and therefore excluded from this table. However, this balance is included within the \$1.2 billion of restricted cash and cash equivalents and restricted short-term investments on the condensed consolidated balance sheets.

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Unrestricted cash equivalents and investments <sup>(1)</sup>				
Money market funds	\$ 28,351	\$ —	\$ —	\$ 28,351
Certificates of deposit	—	179,803	—	179,803
Commercial paper	—	918,531	—	918,531
Corporate bonds	—	29,172	—	29,172
U.S. government securities	—	232,008	—	232,008
Total unrestricted cash equivalents and short-term investments	28,351	1,359,514	—	1,387,865
Restricted cash equivalents and investments <sup>(2)</sup>				
Money market funds	44,241	—	—	44,241
Certificates of deposit	—	145,109	—	145,109
Commercial paper	—	619,074	—	619,074
Corporate bonds	—	12,411	—	12,411
U.S. government securities	—	224,719	—	224,719
Total restricted cash equivalents and investments	44,241	1,001,313	—	1,045,554
Total financial assets	\$ 72,592	\$ 2,360,827	\$ —	\$ 2,433,419

- (1) \$179.7 million of cash, \$117.6 million of money market deposit accounts and \$3.5 million of term deposits are not subject to recurring fair value measurement and therefore excluded from this table. However, these balances are included within the \$1.7 billion of cash and cash equivalents and short-term investments on the condensed consolidated balance sheets.
- (2) \$1.4 million of restricted cash is not subject to recurring fair value measurement and therefore excluded from this table. However, these balances are included within the \$1.0 billion of restricted cash and cash equivalents and restricted short-term investments on the condensed consolidated balance sheets.

During the three months ended March 31, 2024, the Company did not make any transfers between the levels of the fair value hierarchy.

*Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis*

The Company's non-marketable equity securities are investments in privately held companies without readily determinable fair values and the carrying value of these non-marketable equity securities are remeasured to fair value based on price changes from observable transactions of identical or similar securities of the same issuer (referred to as the measurement alternative) or for impairment. Any changes in carrying value are recorded within other income (expense), net in the condensed consolidated statements of operations.

The following table provides a reconciliation of the Company's financial assets measured at fair value on a non-recurring basis within other investments on the condensed consolidated balance sheets (in thousands):

	Three Months Ended March 31,	
	2024	2023
Balance at beginning of period	\$ 5,884	\$ 5,903
Additions	—	—
Change in fair value	—	—
Balance at end of period	<u>\$ 5,884</u>	<u>\$ 5,903</u>

**5. Leases**

*Real Estate Operating Leases*

The Company leases real estate property at approximately 67 locations as of March 31, 2024. These leases are classified as operating leases. As of March 31, 2024, the remaining lease terms vary from approximately two months to six years. For certain leases the Company has options to extend the lease term for periods varying from one month to ten years. These renewal options are not considered in the remaining lease term unless it is reasonably certain that the Company will exercise such options. For leases with an initial term of 12 months or longer, the Company has recorded a right-of-use asset and lease liability representing the fixed component of the lease payment. Any fixed payments related to non-lease components, such as common area maintenance or other services provided by the landlord, are accounted for as a component of the lease payment and therefore, a part of the total lease cost.

*Flexdrive Program*

The Company operates a fleet of rental vehicles through its independently managed subsidiary, a portion of which are leased from third-party vehicle leasing companies. These leases are classified as finance leases and are included in property and equipment, net on the condensed consolidated balance sheets. As of March 31, 2024, the remaining lease terms vary between one month to five years. These leases generally do not contain any non-lease components and, as such, all payments due under these arrangements are allocated to the respective lease component.

**Lease Position as of March 31, 2024**

The table below presents the lease-related assets and liabilities recorded on the condensed consolidated balance sheets (in thousands, except for remaining lease terms and percentages):

	March 31, 2024	December 31, 2023
<b>Operating Leases</b>		
<b>Assets</b>		
Operating lease right-of-use assets	\$ 95,074	\$ 98,202
<b>Liabilities</b>		
Operating lease liabilities, current	\$ 43,267	\$ 42,556
Operating lease liabilities, non-current	124,796	134,102
Total operating lease liabilities	<u>\$ 168,063</u>	<u>\$ 176,658</u>
<b>Finance Leases</b>		
<b>Assets</b>		
Finance lease right-of-use assets <sup>(1)</sup>	\$ 82,163	\$ 80,933
<b>Liabilities</b>		
Finance lease liabilities, current <sup>(2)</sup>	26,862	25,193
Finance lease liabilities, non-current <sup>(3)</sup>	60,712	61,321
Total finance lease liabilities	<u>\$ 87,574</u>	<u>\$ 86,514</u>
<b>Weighted-average remaining lease term (years)</b>		
Operating leases	4.4	4.5
Finance leases	3.2	3.4
<b>Weighted-average discount rate</b>		
Operating leases	6.8 %	6.7 %
Finance leases	6.6 %	6.7 %

(1) This balance is included within property and equipment, net on the condensed consolidated balance sheets and is primarily related to Flexdrive.

(2) This balance is included within other current liabilities on the condensed consolidated balance sheets and is primarily related to Flexdrive.

(3) This balance is included within other liabilities on the condensed consolidated balance sheets and is primarily related to Flexdrive.

**Lease Costs**

The table below presents certain information related to the costs for operating leases and finance leases for the three months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,	
	2024	2023
<b>Operating Leases</b>		
Operating lease cost	\$ 10,004	\$ 11,558
<b>Finance Leases</b>		
Amortization of right-of-use assets	6,306	3,832
Interest on lease liabilities	1,346	408
<b>Other Lease Costs</b>		
Short-term lease cost	945	978
Variable lease cost <sup>(1)</sup>	2,592	2,239
Total lease cost	<u>\$ 21,193</u>	<u>\$ 19,015</u>

(1) Consists primarily of common area maintenance and taxes and utilities for real estate leases.

Sublease income was \$1.1 million for the three months ended March 31, 2024 and \$1.3 million for the three months ended March 31, 2023. Sublease income is included within other income, net on the condensed consolidated statement of operations. The related lease expense for these leases is included within operating expenses on the condensed consolidated statement of operations.

The table below presents certain supplemental information related to the cash flows for operating and finance leases recorded on the condensed consolidated statements of cash flows (in thousands):

	Three Months Ended March 31,	
	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities</b>		
Operating cash flows from operating leases	\$ 15,391	\$ 14,983
Operating cash flows from finance leases	1,277	497
Financing cash flows from finance leases	11,479	5,730

### Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the lease liabilities recorded on the condensed consolidated balance sheet as of March 31, 2024 (in thousands):

	Operating Leases	Finance Leases	Total Leases
2024	\$ 38,399	\$ 23,778	\$ 62,177
2025	48,773	30,408	79,181
2026	34,800	23,638	58,438
2027	29,835	10,006	39,841
2028	19,847	10,356	30,203
Thereafter	23,700	—	23,700
Total minimum lease payments	195,354	98,186	293,540
Less: amount of lease payments representing interest	(27,291)	(10,612)	(37,903)
Present value of future lease payments	168,063	87,574	255,637
Less: current obligations under leases	(43,267)	(26,862)	(70,129)
Long-term lease obligations	\$ 124,796	\$ 60,712	\$ 185,508

Future lease payments receivable in car rental transactions under the Flexdrive Program are not material since the lease term is less than a month.

## 6. Commitments and Contingencies

### Noncancellable Purchase Commitments

In March 2018, the Company entered into a noncancellable arrangement with Amazon Web Services (“AWS”), a web-hosting services provider, under which the Company had an obligation to purchase a minimum amount of services from this vendor through June 2021. The parties modified the aggregate commitment amounts and timing in January 2019, May 2020 and February 2022. Under the most recent amended arrangement, the Company committed to spend an aggregate of at least \$350 million between February 2022 and January 2026, with a minimum amount of \$80 million in each of the four contractual periods, on services with AWS. As of March 31, 2024, the Company has made payments of \$261.0 million under the amended arrangement.

In May 2019, the Company entered into a noncancellable arrangement with the City of Chicago, with respect to the Divvy bike share program, under which the Company has an obligation to pay approximately \$7.5 million per year to the City of Chicago through January 2028 and to spend a minimum of \$50 million on capital equipment for the bike share program through January 2028. The parties modified the commitment amounts and timing in April 2023 to reduce the Company's payment obligation by \$12 million and to supply a maximum of \$12 million on capital equipment for the bike share program through 2024. As of March 31, 2024, the Company has made payments totaling \$30.0 million and capital equipment investments totaling \$49.2 million under the arrangement.

### Letters of Credit

The Company maintains certain stand-by letters of credit from third-party financial institutions in the ordinary course of business to guarantee certain performance obligations related to leases, insurance policies and other various contractual arrangements. None of the outstanding letters of credit are collateralized by cash. As of March 31, 2024 and December 31, 2023, the Company had letters of credit outstanding of \$59.1 million and \$60.2 million, respectively.

### Indemnification

The Company enters into indemnification provisions under agreements with other parties in the ordinary course of business, including certain business partners, investors, contractors, parties to certain acquisition or divestiture transactions and the Company's officers, directors, and certain employees. The Company has agreed to indemnify and defend the indemnified party's claims and related losses suffered or incurred by the indemnified party resulting from actual or threatened third-party claims because of the Company's activities or, in some cases, non-compliance with certain representations and warranties made by the Company. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, losses recorded on the condensed consolidated statements of operations in connection with the indemnification provisions have not been material.

### ***Legal Proceedings***

The Company is currently involved in, and may in the future be involved in, legal proceedings, claims, and regulatory and governmental inquiries and investigations in the ordinary course of business, including suits by drivers, riders, renters, third parties and governmental entities (individually or as class actions) alleging, among other things, various wage and expense related claims, violations of state or federal laws, improper disclosure of the Company's fees, rules or policies, that such fees, rules or policies violate applicable law, or that the Company has not acted in conformity with such fees, rules or policies, as well as proceedings related to product liability, antitrust, its acquisitions, securities issuances or business practices, or public disclosures about the Company or the Company's business. In addition, the Company has been, and is currently, named as a defendant in a number of litigation matters related to allegations of accidents or other trust and safety incidents involving drivers or riders using the Lyft Platform.

The outcomes of the Company's legal proceedings are inherently unpredictable and subject to significant uncertainties. For certain matters for which a material loss is reasonably possible, an estimate of the amount of loss or range of losses is not possible nor is the Company able to estimate the loss or range of losses that could potentially result from the application of nonmonetary remedies. For matters where the Company has recorded a probable and estimable loss, until the final resolution of the matter, there may be exposure to a material loss in excess of the amount recorded.

#### *Independent Contractor Classification Matters*

With regard to independent contractor classification of drivers on the Lyft Platform, the Company is regularly subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations and other legal and regulatory proceedings at the federal, state and municipal levels challenging the classification of these drivers as independent contractors, and claims that, by the alleged misclassification, the Company has violated various labor and other laws that would apply to driver employees. Laws and regulations that govern the status and classification of independent contractors are subject to change and divergent interpretations by various authorities, which can create uncertainty and unpredictability for the Company.

For example, California Assembly Bill 5 (now codified in part at Cal. Labor Code sec. 2775) codified and extended an employment classification test set forth by the California Supreme Court that established a new standard for determining employee or independent contractor status. The passage of this bill led to additional challenges to the independent contractor classification of drivers using the Lyft Platform. For example, on May 5, 2020, the California Attorney General and the City Attorneys of Los Angeles, San Diego and San Francisco filed a lawsuit against the Company and Uber for allegedly misclassifying drivers on the companies' respective platforms as independent contractors in violation of Assembly Bill 5 and California's Unfair Competition Law, and on August 5, 2020, the California Labor Commissioner filed lawsuits against the Company and Uber for allegedly misclassifying drivers on the companies' respective platforms as independent contractors, seeking injunctive relief and material damages and penalties. On August 10, 2020, the court granted a motion for a preliminary injunction, forcing the Company and Uber to reclassify drivers in California as employees until the end of the lawsuit. Subsequently, voters in California approved Proposition 22, a state ballot initiative that provided a framework for drivers utilizing platforms like Lyft to maintain their status as independent contractors under California law. Proposition 22 went into effect on December 16, 2020. On April 20, 2021, the court granted the parties' joint request to dissolve the preliminary injunction in light of the passage of Proposition 22. On May 5, 2021, the California Labor Commissioner filed a petition to coordinate its lawsuit with the Attorney General lawsuit and three other cases against the Company and Uber. The coordination petition was granted and the coordinated cases have been assigned to a judge in San Francisco Superior Court. On December 19, 2022, the California Attorney General's and California Labor Commissioner's cases were stayed in San Francisco Superior Court pending the appeal of a Superior Court order denying Lyft's and Uber's motions to compel arbitration. On September 28, 2023, the California Court of Appeal issued a decision upholding the trial court's order denying Lyft's and Uber's motions to compel arbitration. On November 7, 2023, Lyft filed a petition requesting that the California Supreme Court review the Court of Appeal's decision; the petition was denied on January 17, 2024, and the case was remitted to San Francisco Superior Court on January 29, 2024, where we expect the trial court litigation to resume.

On January 12, 2021, a group of petitioners led by labor union SEIU filed a separate lawsuit in the California Supreme Court against the State of California alleging that Proposition 22 is unconstitutional under the California Constitution. The California Supreme Court denied review on February 3, 2021. SEIU then filed a similar lawsuit in Alameda County Superior Court on February 11, 2021. Protect App-Based Drivers & Services (PADS) -- the coalition that established and operated the official ballot measure committee that successfully advocated for the passage of Proposition 22 -- intervened in the Alameda lawsuit. On August 20, 2021, after a merits hearing, the Alameda Superior Court issued an order finding that Proposition 22 is unenforceable. Both the California Attorney General and PADS filed appeals to the California Court of Appeal. On March 13, 2023, the California Court of Appeal upheld Proposition 22 as constitutional, while severing two provisions that relate to future amendments of Proposition 22. On April 21, 2023, SEIU filed a petition for review to the California Supreme Court. On June 28, 2023, the California Supreme Court granted SEIU's petition for review, and briefing is underway. The California Supreme Court has scheduled a hearing date for oral argument in this matter for May 21, 2024.

Separately, on July 14, 2020, the Massachusetts Attorney General filed a lawsuit against the Company and Uber for allegedly misclassifying drivers as independent contractors under Massachusetts law, and seeking declaratory and injunctive relief. The Company and Uber filed motions to dismiss, which were denied by the court in March 2021. The case is set for trial on May 13, 2024. Certain adverse outcomes of such actions would have a material impact on the Company's business, financial condition and results of operations, including damages, penalties and potential suspension of operations in impacted jurisdictions, including California or Massachusetts. The Company's chances of success on the merits are still uncertain and any possible loss or range of loss cannot be reasonably estimated. Such regulatory scrutiny or action may create different or conflicting obligations from one jurisdiction to another.

The New York Attorney General has alleged misrepresentations related to certain fees and related driver pay deductions, as well as misclassification of drivers and related labor law violations in New York. The Company has entered into an agreement to resolve this matter, under which New York drivers will receive new benefits and maintain their flexibility as independent contractors. The amount accrued for these matters is recorded within accrued and other current liabilities on the condensed consolidated balance sheet as of March 31, 2024.

The Company is currently involved in a number of putative class actions, thousands of individual claims, including those brought in arbitration or compelled pursuant to the Company's Terms of Service to arbitration, matters brought, in whole or in part, as representative actions under California's Private Attorneys General Act, Labor Code Section 2698, et seq., alleging that the Company misclassified drivers as independent contractors and other matters challenging the classification of drivers on the Company's platform as independent contractors. The Company is currently defending allegations in a number of lawsuits that the Company has failed to properly classify drivers and provide those drivers with sick leave and related benefits during the COVID-19 pandemic. The Company's chances of success on the merits are still uncertain and any possible loss or range of loss cannot be reasonably estimated.

The Company disputes any allegations of wrongdoing and intends to continue to defend itself vigorously in these matters. However, results of litigation, arbitration and regulatory actions are inherently unpredictable and legal proceedings related to these driver claims, individually or in the aggregate, could have a material impact on the Company's business, financial condition and results of operations. Regardless of the outcome, litigation and arbitration of these matters can have an adverse impact on the Company because of defense and settlement costs individually and in the aggregate, diversion of management resources and other factors.

#### *Unemployment Insurance Assessment*

The Company is involved in administrative audits with various state employment agencies, including audits related to driver classification, in California, Oregon, Wisconsin, Illinois, New York, Pennsylvania and New Jersey. The Company believes that drivers are properly classified as independent contractors and plans to vigorously contest any adverse assessment or determination. The Company's chances of success on the merits are still uncertain. The Company accrues for liabilities that may result from assessments by, or any negotiated agreements with, these employment agencies when a loss is probable and reasonably estimable, and the expense is recorded to general and administrative expenses.

In 2018, the New Jersey Department of Labor & Workforce Development ("NJLWD") opened an audit reviewing whether drivers were independent contractors or employees for purposes of determining whether unemployment insurance regulations apply from 2014 through March 31, 2018. The NJLWD issued an assessment on June 4, 2019 and subsequently issued an updated assessment on March 31, 2021. The assessment was calculated through April 30, 2019, but only calculated the alleged contributions, penalties, and interests owed from 2014 through 2017. The Company filed a petition to challenge the assessment, and are awaiting a hearing. The Company has also submitted payment for the principal revised amount of the assessment to stop interest from accruing on this amount. While the ultimate resolution of this matter is uncertain, the Company recorded an accrual for this matter reflected within accrued and other current liabilities on the condensed consolidated balance sheet as of March 31, 2024.

In 2021, the New York State Department of Labor ("NYSDOL") opened an audit reviewing whether drivers were independent contractors or employees for purposes of determining whether unemployment insurance regulations apply for 2019. The NYSDOL subsequently extended the audit back to 2016. On December 22, 2022, the Company received an assessment for the 2016 to 2019 time period and on December 27, 2023, the Company received a revised assessment covering 2016 to 2020. The Company has appealed these assessments. While the ultimate resolution of this matter is uncertain, the Company recorded an accrual for this matter reflected within accrued and other current liabilities on the condensed consolidated balance sheet as of March 31, 2024.

In June 2022, the California Employment Development Department ("EDD") opened an audit reviewing whether drivers were independent contractors or employees for purposes of determining whether unemployment insurance regulations apply from 2018 to 2020. The EDD issued an assessment on June 9, 2023 and subsequently issued an updated assessment on June 27, 2023. The Company filed a petition to challenge the assessment. While the ultimate resolution of this matter is

uncertain, the Company recorded an accrual for this matter reflected within accrued and other current liabilities on the condensed consolidated balance sheet as of March 31, 2024.

#### *Indirect Taxes*

The Company is under audit by various domestic tax authorities with regard to indirect tax matters. The subject matter of indirect tax audits primarily arises from disputes on tax treatment and tax rates applied to the sale of the Company's services in these jurisdictions. The Company accrues indirect taxes that may result from examinations by, or any negotiated agreements with, these tax authorities when a loss is probable and reasonably estimable and the expense is recorded to general and administrative expenses.

#### *Patent Litigation*

The Company is currently involved in legal proceedings related to alleged infringement of patents and other intellectual property and, in the ordinary course of business, the Company receives correspondence from other purported holders of patents and other intellectual property offering to sell or license such property and/or asserting infringement of such property. The Company disputes any allegation of wrongdoing and intends to defend itself vigorously in these matters. The Company's chances of success on the merits are still uncertain and any possible loss or range of loss cannot be reasonably estimated.

#### *Other Class Actions and Consumer Matters*

From time to time, the Company becomes involved in putative class actions alleging violations of consumer protection, civil rights, and other laws; antitrust and unfair competition laws such as California's Cartwright Act, Unfair Practices Act and Unfair Competition Law; and the Americans with Disabilities Act, or the ADA, among others. In 2021, the Company received a favorable outcome in a case in the Northern District of California alleging ADA violations with respect to Lyft's wheelchair accessible vehicle ("WAV") offerings in three Bay Area counties, Independent Living Resource Center San Francisco ("ILRC") v. Lyft, Inc. After hearing evidence at a 5-day bench trial, the court ruled that plaintiffs failed their burden to prove that Lyft violates the ADA. The plaintiffs did not appeal the ruling. Lyft is facing a similar ADA lawsuit seeking injunctive and other relief in the Southern District of New York, Lowell v. Lyft, Inc. On March 24, 2023, the court certified three classes encompassing regions where Lyft does not currently offer WAV service (Westchester County, NY; New York State except New York City; and all other "non-WAV" regions in the U.S.). A bench trial is scheduled to begin on July 8, 2024. The Company disputes any allegations of wrongdoing and intends to continue to defend itself vigorously in these matters. The Company's chances of success on the merits are still uncertain and any possible loss or range of loss cannot be reasonably estimated.

The Federal Trade Commission ("FTC") has alleged violations of Section 5 of the FTC Act in connection with certain advertising claims to drivers. The Company is cooperating with the FTC while seeking to resolve the matter. The Company disputes any allegations of wrongdoing. While the ultimate resolution of this matter is uncertain, the Company recorded an accrual for this matter reflected within accrued and other current liabilities on the condensed consolidated balance sheet as of March 31, 2024.

#### *Personal Injury and Other Safety Matters*

In the ordinary course of the Company's business, various parties have from time to time claimed, and may claim in the future, that the Company is liable for damages related to accidents or other incidents involving drivers, riders or renters using or who have used services offered on the Lyft Platform, as well as from third parties. The Company is currently named as a defendant in a number of matters related to accidents or other incidents involving drivers, riders, renters and third parties. The Company believes it has meritorious defenses, disputes the allegations of wrongdoing and intends to defend itself vigorously in these matters. There is no pending or threatened claim that has arisen from these accidents or incidents that individually, in the Company's opinion, is likely to have a material impact on its business, financial condition or results of operations; however, results of litigation and claims are inherently unpredictable and legal proceedings related to such accidents or incidents, in the aggregate, could have a material impact on the Company's business, financial condition and results of operations. For example, on January 17, 2020, the Superior Court of California, County of Los Angeles, granted the petition of multiple plaintiffs to coordinate their claims relating to alleged sexual assault or harassment by drivers on the Lyft Platform, and a Judicial Council Coordinated Proceeding has been created before the Superior Court of California, County of San Francisco, where the claims of multiple plaintiffs are currently pending. Regardless of the outcome of these or other matters, litigation can have an adverse impact on the Company because of defense and settlement costs individually and in the aggregate, diversion of management resources and other factors. Although the Company intends to vigorously defend against these lawsuits, its chances of success on the merits are still uncertain as these matters are at various stages of litigation and present a wide range of potential outcomes. The Company accrues for losses that may result from these matters when a loss is probable and reasonably estimable.

#### *Securities Litigation*

Beginning in April 2019, multiple putative class actions and derivative actions were filed in state and federal courts against the Company, its directors, certain of its officers, and certain of the underwriters named in the registration statement relating to the Company's initial public offering ("IPO") alleging violation of securities laws, breach of fiduciary duties, and other causes of action in connection with the IPO. All of these matters are now resolved except for the derivative actions, which were consolidated into one action in federal court in California.

In the consolidated derivative action, at the parties' joint request, the California federal court stayed the case on February 17, 2021. On January 19, 2024, the court lifted that stay and set a scheduling order. On March 26, 2024, the plaintiffs designated their operative complaint and the Company's motion to dismiss or responsive pleading is due on May 28, 2024.

On February 13, 2024, the Company published a press release announcing our financial results for the fourth quarter and fiscal year 2023 that was furnished with our Current Report on Form 8-K filed that same day. The press release contained a clerical error relating to the Company's forward-looking, non-GAAP directional commentary for fiscal year 2024 (the "Clerical Error"). The Clerical Error was promptly corrected on the Company's earnings call and in an updated press release, and the Company filed an amended 8-K. The U.S. Securities and Exchange Commission ("SEC") has requested information relating to the Clerical Error. The Company is responding voluntarily to the request.

On March 5, 2024, a putative class action, captioned *Chen v. Lyft, Inc., et al.*, Case No.: 3:24-cv-1330, was filed against the Company, our principal executive officer, and principal financial officer, in the United States District Court for the Northern District of California. The putative class action alleges violations of the federal securities laws relating to the Clerical Error.

Although the Company believes the consolidated derivative action and putative class action are without merit and intends to vigorously defend against them, its chances of success on the merits are still uncertain and these matters present a wide range of potential outcomes. The Company accrues for losses that may result from these matters when a loss is probable and reasonably estimable and such accruals are recorded within accrued and other current liabilities on the condensed consolidated balance sheets.

**7. Debt**

Outstanding debt obligations as of March 31, 2024 were as follows (in thousands):

	Maturities	Interest Rates as of March 31, 2024	March 31, 2024	December 31, 2023
Convertible senior notes due 2025 (the "2025 Notes")	May 2025	1.50%	\$ 388,998	\$ 743,486
Convertible senior notes due 2029 (the "2029 Notes")	March 2029	0.625%	448,325	—
Non-revolving Loan	2024 - 2026	2.88% - 7.61%	1,641	3,115
Master Vehicle Loan	2024 - 2027	2.60% - 7.10%	132,534	118,559
Total long-term debt, including current maturities			\$ 971,498	\$ 865,160
Less: long-term debt maturing within one year			29,324	25,798
Total long-term debt			\$ 942,174	\$ 839,362

The following table sets forth the primary components of interest expense as reported on the condensed consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2024	2023
Contractual interest expense related to the 2025 Notes and 2029 Notes	\$ 2,613	\$ 2,803
Amortization of debt discount and issuance costs related to the 2025 Notes and 2029 Notes	804	824
Vehicle loans and other interest expense	3,631	1,806
Interest expense	\$ 7,048	\$ 5,433

**Convertible Senior Notes due 2025**

In May 2020, the Company issued \$747.5 million aggregate principal amount of 1.50% convertible senior notes due 2025 (the "2025 Notes") pursuant to an indenture, dated May 15, 2020 (the "2025 Note Indenture"), between the Company and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee.

The 2025 Notes mature on May 15, 2025, unless earlier converted, redeemed or repurchased. The 2025 Notes are senior unsecured obligations of the Company with interest payable semiannually in arrears on May 15 and November 15 of

each year, beginning on November 15, 2020, at a rate of 1.50% per year. The net proceeds from this offering were approximately \$733.2 million, after deducting the initial purchasers' discounts and commissions and debt issuance costs.

The initial conversion rate for the 2025 Notes is 26.0491 shares of the Company's Class A common stock per \$1,000 principal amount of 2025 Notes, which is equivalent to an initial conversion price of approximately \$38.39 per share of the Class A common stock. The conversion rate is subject to adjustment under certain circumstances in accordance with the terms of the 2025 Note Indenture.

The 2025 Notes will be convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding February 15, 2025, only under the following circumstances:

- during any fiscal quarter (and only during such fiscal quarter), if the last reported sale price of the Company's Class A common stock, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price (as defined in the 2025 Note Indenture) per \$1,000 principal amount of 2025 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class A common stock and the conversion rate on each such trading day;
- if the Company calls such 2025 Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events.

On or after February 15, 2025, the 2025 Notes will be convertible at the option of the holder until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the Company may satisfy its conversion obligation by paying and/or delivering, as the case may be, cash, shares of the Company's Class A common stock or a combination of cash and shares of the Company's Class A common stock, at the Company's election, in the manner and subject to the terms and conditions provided in the 2025 Note Indenture.

Holders of the 2025 Notes who convert their 2025 Notes in connection with certain corporate events that constitute a make-whole fundamental change (as defined in the 2025 Note Indenture) are, under certain circumstances, entitled to an increase in the conversion rate. Additionally in the event of a corporate event constituting a fundamental change (as defined in the 2025 Note Indenture), holders of the 2025 Notes may require the Company to repurchase all or a portion of their 2025 Notes at a repurchase price equal to 100% of the principal amount of the 2025 Notes being repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

In February 2024, the Company, through privately negotiated agreements in connection with the issuance of the 2029 Notes (as defined below), repurchased approximately \$356.8 million in aggregate principal amount of 2025 Notes for an aggregate repurchase price of approximately \$350.0 million. The Company recognized this repurchase as an extinguishment of debt and recorded a gain on extinguishment of \$5.1 million in other income (expense), net on the condensed consolidated statement of operations.

Debt issuance costs related to the 2025 Notes totaled \$14.3 million at inception and were comprised of discounts and commissions payable to the initial purchasers and third-party offering costs and will be amortized to interest expense using the effective interest method over the contractual term. As of March 31, 2024, the unamortized debt discount and debt issuance cost of the 2025 Notes was \$1.7 million on the condensed consolidated balance sheets. The effective interest rate during the quarter ended March 31, 2024 was 1.9%.

During the quarter ended March 31, 2024, the 2025 Notes did not meet any of the circumstances that would allow for a conversion.

Based on the last reported sale price of the Company's Class A common stock on March 31, 2024, the if-converted value of the 2025 Notes was \$196.9 million, which would not exceed the outstanding principal amount.

#### ***Convertible Senior Notes due 2029***

In February 2024, the Company issued \$460.0 million aggregate principal amount of 0.625% convertible senior notes due 2029 (the "2029 Notes" together with the 2025 Notes, the "Notes") pursuant to an indenture, dated February 27, 2024 (the "2029 Notes Indenture") between the Company and U.S. Bank Trust Company, National Association, as trustee.

The 2029 Notes mature on March 1, 2029, unless earlier converted, redeemed or repurchased. The 2029 Notes are senior unsecured obligations of the Company with interest payable semiannually in arrears on March 1 and September 1 of each year, beginning on September 1, 2024, at a rate of 0.625% per year. The net proceeds from this offering were approximately

\$448.2 million, after deducting the initial purchasers' discounts and commissions and debt issuance costs. The 2029 Notes were not issued at a substantial premium, therefore, the Company did not recognize an equity component at issuance.

The initial conversion rate for the 2029 Notes is 47.4366 shares of the Company's Class A common stock per \$1,000 principal amount of 2029 Notes, which is equivalent to an initial conversion price of approximately \$21.08 per share of the Class A common stock. The conversion rate is subject to adjustment under certain circumstances in accordance with the terms of the 2029 Notes Indenture.

The 2029 Notes will be convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding December 1, 2028 only under the following circumstances:

- during any fiscal quarter commencing after the fiscal quarter ending June 30, 2024 (and only during such fiscal quarter), if the last reported sale price of the Company's Class A common stock, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price (as defined in the 2029 Notes Indenture) per \$1,000 principal amount of 2029 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class A common stock and the conversion rate on each such trading day;
- if the Company calls such 2029 Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events.

On or after December 1, 2028, the 2029 Notes will be convertible at the option of the holder until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the Company will satisfy its conversion obligation by paying cash up to the aggregate principal amount of the 2029 Notes to be converted and by paying and/or delivering, as the case may be, cash, shares of the Company's Class A common stock or a combination of cash and shares of the Company's Class A common stock, at the Company's election, in the manner and subject to the terms and conditions provided in the 2029 Notes Indenture.

Holders of the 2029 Notes who convert their 2029 Notes in connection with certain corporate events that constitute a make-whole fundamental change (as defined in the 2029 Notes Indenture) are, under certain circumstances, entitled to an increase in the conversion rate. Additionally in the event of a corporate event constituting a fundamental change (as defined in the 2029 Notes Indenture), holders of the 2029 Notes may require the Company to repurchase all or a portion of their 2029 Notes at a repurchase price equal to 100% of the principal amount of the 2029 Notes being repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

Debt issuance costs related to the 2029 Notes totaled \$11.8 million at inception and were comprised of discounts and commissions payable to the initial purchasers and third-party offering costs and will be amortized to interest expense using the effective interest method over the contractual term. As of March 31, 2024, the unamortized debt discount and debt issuance cost of the 2029 Notes was \$11.7 million on the condensed consolidated balance sheets. The effective interest rate during the quarter ended March 31, 2024 was 1.16%.

During the quarter ended March 31, 2024, the 2029 Notes did not meet any of the circumstances that would allow for a conversion.

Based on the last reported sale price of the Company's Class A common stock on March 31, 2024, the if-converted value of the 2029 Notes was \$422.2 million, which would not exceed the outstanding principal amount.

The net carrying amounts of the Notes were as follows (in thousands):

	March 31, 2024	December 31, 2023
<b>2025 Notes</b>		
Principal	\$ 390,719	\$ 747,498
Unamortized debt discount and debt issuance costs	(1,721)	(4,012)
Net carrying amount of liability component	\$ 388,998	\$ 743,486
<b>2029 Notes</b>		
Principal	\$ 460,000	\$ —
Unamortized debt discount and debt issuance costs	(11,675)	—
Net carrying amount of liability component	\$ 448,325	\$ —

As of March 31, 2024, the total estimated fair values (which represents a Level 2 valuation) of the 2025 Notes and the 2029 Notes were approximately \$382.0 million and \$538.3 million, respectively. The estimated fair value of the Notes were determined based on a market approach which was determined based on the actual bids and offers of the Notes in an over-the-counter market on the last trading day of the period.

The Notes are unsecured and do not contain any financial covenants, restrictions on dividends, incurrence of senior debt or other indebtedness, or restrictions on the issuance or repurchase of securities by the Company.

#### *Capped Calls*

In connection with the issuance of the 2025 Notes, the Company entered into privately negotiated capped call transactions (the “2025 Capped Calls”) with certain of the initial purchasers or their respective affiliates at a cost of approximately \$132.7 million. The 2025 Capped Calls cover, subject to anti-dilution adjustments, the number of shares of Class A common stock underlying the 2025 Notes sold in the offering. By entering into the 2025 Capped Calls, the Company expects to reduce the potential dilution to its Class A common stock (or, in the event a conversion of the 2025 Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2025 Notes the trading price of the Company's Class A common stock price exceeds the conversion price of the 2025 Notes. The cap price of the 2025 Capped Calls is initially \$73.83 per share and is subject to certain adjustments under the terms of the 2025 Capped Calls.

In connection with the issuance of the 2029 Notes, the Company entered into privately negotiated capped call transactions (the “2029 Capped Calls” and together with the 2025 Capped Calls, the “Capped Calls”) with certain financial institutions at a cost of approximately \$47.9 million. The 2029 Capped Calls cover, subject to anti-dilution adjustments, the number of shares of Class A common stock underlying the 2029 Notes sold in the offering. By entering into the 2029 Capped Calls, the Company expects to reduce the potential dilution to its Class A common stock (or, in the event a conversion of the 2029 Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2029 Notes the trading price of the Company's Class A common stock price exceeds the conversion price of the 2029 Notes. The cap price of the 2029 Capped Calls is initially \$31.82 per share and is subject to certain adjustments under the terms of the 2029 Capped Calls.

The 2025 Capped Calls and the 2029 Capped Calls meet the criteria for classification in equity, are not remeasured each reporting period and are included as a reduction to additional paid-in-capital within shareholders' equity.

#### *Non-revolving Loan*

Following the acquisition of Flexdrive by the Company on February 7, 2020, Flexdrive remained responsible for its obligations under a Loan and Security Agreement dated March 11, 2019, as amended (the “Non-revolving Loan”) with a third-party lender. On September 20, 2023, the Non-revolving Loan was amended, extending the Company's ability to draw through September 30, 2024 and reducing the borrowing capacity to \$50.0 million though, as amended on June 21, 2021 and most recently on September 27, 2022, Flexdrive may request an extension of credit in the form of advances up to a maximum principal amount of \$130 million to purchase new Hyundai and Kia vehicles, or for other purposes, subject to approval by the lender. Advances paid or prepaid under the Non-revolving Loan may not be reborrowed. Repayment terms for each advance include equal monthly installments sufficient to fully amortize the advances over the term, with an option for the final installment to be greater than the others. The repayment term for each advance ranges from 24 months to 48 months. Interest is payable monthly in arrears at a fixed interest rate equal to the two-year U.S. Treasury note yield plus a spread of 3.4% for a 24-month term, the three-year U.S. Treasury note yield plus a spread of 3.4% for a 36 month term, and the average of the three and five-year U.S. Treasury note yields plus a spread of 3.4% for a 48 month term. The Non-revolving Loan is secured by all

vehicles financed under the Non-revolving Loan. As of March 31, 2024, \$5.2 million had been drawn under the Non-revolving Loan and \$44.8 million is remaining under the facility.

The Non-revolving Loan also contains customary affirmative and negative covenants that, among other things, limit Flexdrive's ability to enter into certain acquisitions or consolidations or engage in certain asset dispositions. Upon the occurrence of certain events of default, including bankruptcy and insolvency events with respect to Flexdrive or the Company, all amounts due under the Non-revolving Loan may become immediately due and payable, among other remedies. As of March 31, 2024, the Company was in compliance with all covenants related to the Non-revolving Loan in all material aspects. Further, the Company continued to guarantee the payments of Flexdrive for any amounts borrowed.

#### **Master Vehicle Loan**

Following the acquisition of Flexdrive by the Company on February 7, 2020, Flexdrive remained responsible for its obligations under a Master Vehicle Acquisition Financing and Security Agreement, dated February 7, 2020 as amended (the "Master Vehicle Loan") with a third-party lender. Pursuant to the term of the Master Vehicle Loan, Flexdrive may request loans up to a maximum principal amount of \$50 million to purchase vehicles and additional capacity may be requested. Repayment terms for each loan include equal monthly installments sufficient to amortize the loan over the term, with an option for the final installment to be greater than the others and is typically equal to the residual value guarantee the Company provides to the lender. The repayment term for each loan ranges from 12 months to 48 months. Interest is payable monthly in advance at a fixed interest rate equal to the three-year swap rate plus a spread of 2.10% on the date of the loan. Principal amounts outstanding related to the Master Vehicle Loan may be fully or partially prepaid at the option of Flexdrive and must be prepaid under certain circumstances. However, if a loan is terminated for any reason prior to the last day of the minimum loan term Flexdrive will be obligated to pay to the lender, an early termination fee in an amount which is equal to the interest which would otherwise be payable by Flexdrive to lender for the remainder of the minimum loan term for that loan. The Master Vehicle Loan is secured by all vehicles financed under the Master Vehicle Loan as well as certain amounts held in escrow for the benefit of the lender. Amounts held in escrow are recorded as restricted cash on the condensed consolidated balance sheets.

The Master Vehicle Loan contains customary affirmative and negative covenants that, among other things, limit Flexdrive's ability to enter into certain acquisitions or consolidations or engage in certain asset dispositions. Upon the occurrence of certain events of default, including bankruptcy and insolvency events with respect to Flexdrive or the Company, all amounts due under the Master Vehicle Loan may become immediately due and payable, among other remedies. As of March 31, 2024, Flexdrive was in compliance with all covenants related to the Master Vehicle Loan in all material respects. Further, the Company continued to guarantee the payments of Flexdrive for any amounts borrowed following the acquisition.

The fair values of the Non-revolving Loan and Master Vehicle Loan were \$1.6 million and \$134.5 million, respectively, as of March 31, 2024 and were determined based on quoted prices in markets that are not active, which are considered a Level 2 valuation input. As of March 31, 2024, the Company made repayments of \$20.6 million on these loans.

Maturities of long-term debt outstanding, including current maturities, as of March 31, 2024 were as follows (in thousands):

Remainder of 2024	\$	19,456
2025		426,874
2026		63,887
2027		12,956
2028		—
Thereafter		448,325
Total long-term debt outstanding	\$	971,498

#### **Vehicle Procurement Agreement**

Following the acquisition of Flexdrive by the Company on February 7, 2020, Flexdrive remained responsible for its obligations under a Vehicle Procurement Agreement ("VPA"), as amended, with a third-party (the "Procurement Provider"). Procurement services under the VPA include purchasing and upfitting certain motor vehicles as specified by Flexdrive, interim financing, providing certain fleet management services, including without limitation vehicle titling, registration and tracking services on behalf of Flexdrive. Pursuant to the terms of the VPA, Flexdrive will make the applicable payments to the Procurement Provider for the procurement services either directly or through an advance made by the Master Vehicle Loan or the Non-revolving Loan. Interest on interim financing under the VPA is based on the prime rate.

The Procurement Provider has a security interest in vehicles purchased until the full specified payment has been indefeasibly paid. The VPA contains customary affirmative and negative covenants restricting certain activities by Flexdrive.

As of March 31, 2024, the Company was in compliance with all covenants of the VPA. As of March 31, 2024, the outstanding borrowings from the interim financing under the VPA was \$77.8 million which is included within accrued and other current liabilities on the condensed consolidated balance sheets.

On March 11, 2019, the Procurement Provider entered into a \$95.0 million revolving credit facility with a third-party lender to finance the acquisition of motor vehicles on behalf of Flexdrive under the VPA. On September 17, 2020, the revolving credit facility was amended, extending the stated maturity date to December 31, 2021 and reducing the borrowing capacity to \$50.0 million. On March 11, 2019, Flexdrive entered into a Limited Non-Recourse Secured Continuing Guaranty and Subordination Agreement with the third-party lender to guarantee the Procurement Provider's performance for any amount borrowed under the revolving credit facility. As of March 31, 2024, there was a \$3.4 million exposure to loss under the terms of the guaratee.

#### ***Revolving Credit Facility & Other Financings***

On November 3, 2022, Lyft, Inc. entered into a revolving credit agreement (the "Revolving Credit Agreement") by and among the Company, as the borrower, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders party thereto from time to time. The Company amended the Revolving Credit Agreement on December 12, 2023, and on February 21, 2024, entered into Amendment No. 2 to Revolving Credit Agreement to, among other things: (a) solely for the purposes of the financial covenant test, replace total leverage with total net leverage, which allows the Company to subtract the lesser of (i)(x) to the extent free cash flow for the most recently ended trailing four quarters is greater than \$100.0 million, \$300.0 million and (y) otherwise, \$200.0 million and (ii) the amount of unrestricted cash and cash equivalents (as defined in Amendment No. 2 to the Revolving Credit Agreement) on its condensed consolidated balance sheets as of the calculation date and (b) permit the Company to repurchase up to a specified amount of the Company's common stock with the proceeds of a convertible note offering.

The Revolving Credit Agreement provides the Company with a senior secured revolving credit facility (the "Revolving Credit Facility") in an aggregate principal amount of \$420.0 million that matures on the earlier of (i) November 3, 2027 and (ii) February 13, 2025, if, as of such date, the Company's Liquidity (as defined in the Revolving Credit Agreement) minus the aggregate principal amount of the Company's 2025 Convertible Notes (as defined in the Revolving Credit Agreement) outstanding on such date is less than \$1.25 billion. Subject to certain conditions precedent, the Revolving Credit Agreement also grants the Company the option to increase the commitment under the Revolving Credit Facility by or obtain incremental term loans in an aggregate principal amount of up to \$300.0 million, plus, after June 30, 2024, an unlimited amount so long as the senior secured leverage ratio does not exceed 2.50:1.00. The Revolving Credit Facility provides for borrowings up to the amount of the facility, with a sublimit of \$168 million for the issuance of letters of credit.

Under the Revolving Credit Agreement, loans bear interest, at the Company's option, at an annual rate equal to either (i) the sum of (x) the Adjusted Term SOFR Rate (as defined in the Revolving Credit Agreement) plus (y) a variable rate based on the Company's total leverage ratio, ranging from 1.50% to 2.25% or (ii) the sum of (x) the highest of (A) the rate of interest last quoted by The Wall Street Journal as the prime rate in effect in the United States, (B) the greater of the rate calculated by the Federal Reserve Bank of New York as the federal funds effective rate or the rate that is published by the Federal Reserve Bank of New York as the overnight bank funding rate, in either case, plus 0.50%, and (C) the one-month Adjusted Term SOFR Rate plus 1.00% and (y) a variable rate based on the Company's total leverage ratio, ranging from 0.05% to 1.25%. The Company is required to pay a commitment fee between 0.225% and 0.375%, depending on the Company's total leverage ratio, per annum on the undrawn portion available under the Revolving Credit Facility.

The Revolving Credit Agreement contains customary affirmative and negative covenants and restrictions typical for a financing of this type that, among other things, restrict the Company and its restricted subsidiaries' ability to incur additional indebtedness, create liens, merge or consolidate or make certain dispositions, pay dividends and make distributions or other restricted payments, engage in transactions with affiliates, and make certain investments and acquisitions. The Revolving Credit Agreement also contains financial covenants that require the Company to maintain (a) a minimum liquidity amount of at least \$1.5 billion, tested on a quarterly basis, commencing with the quarter ending December 31, 2022 through the quarter ending June 30, 2024, (b) a total net leverage ratio not to exceed 3.50:1.00 commencing with the quarter ending September 30, 2024 through the quarter ending December 31, 2024 and commencing with the quarter ending March 31, 2025, a ratio not to exceed 3.00:1.00 (with an increase to 3.50:1.00 if the Company has an acquisition for cash consideration greater than \$75 million for the fiscal quarter during which such acquisition takes place and the three fiscal quarters immediately following such acquisition), and (c) a fixed charge coverage ratio of at least 1.25:1.00, commencing with the quarter ending September 30, 2024. The Revolving Credit Agreement contains customary events of default relating to, among other things, payment defaults, breach of representation or warranty or covenants, cross default to material indebtedness, bankruptcy-related defaults, judgment defaults, and the occurrence of certain change of control events. Non-compliance with one or more of the covenants and restrictions or the occurrence of an event of default could result in the full or partial principal balance of the Revolving Credit Agreement becoming immediately due and payable and termination of the commitments.

The Company's obligations under the Revolving Credit Agreement are guaranteed by certain of the Company's present and future material domestic subsidiaries. The Company's obligations under, and each guarantor's obligations under its guaranty of, the Revolving Credit Agreement are secured by a first priority interest on substantially all of the Company's or such guarantor's respective assets.

As of March 31, 2024, the Company was in compliance with all covenants related to the Revolving Credit Agreement and no amounts had been drawn under the Revolving Credit Agreement.

As of March 31, 2024, there were no other balances outstanding.

## 8. Common Stock

### *Restricted Stock Units*

The summary of restricted stock unit ("RSU") activity is as follows (in thousands, except per share data):

	Number of Shares	Weighted- Average Grant Date Fair Value	Aggregate Intrinsic Value
Nonvested units as of December 31, 2023	30,091	\$ 9.40	\$ 449,994
Granted	1,070	15.13	
Vested	(6,280)	11.25	
Canceled	(1,323)	12.14	
Nonvested units as of March 31, 2024	23,558	\$ 9.01	\$ 454,006

The fair value as of the respective vesting dates of RSUs that vested during the three months ended March 31, 2024 and 2023 was \$105.1 million and \$90.2 million, respectively. In connection with RSUs that vested in the three months ended March 31, 2024, the Company withheld 81,657 shares and remitted cash payments of \$1.5 million on behalf of the RSU holders to the relevant tax authorities.

As of March 31, 2024, the total unrecognized compensation cost was \$128.2 million. The Company expects to recognize this expense over the remaining weighted-average period of 1.2 years. Generally, RSUs granted after March 28, 2019 vest on the satisfaction of a service-based condition only. The Company recognizes compensation expense for such RSUs upon a straight-line basis over their requisite service periods.

### *Common Stock Repurchase*

In connection with the issuance of the 2029 Notes in February 2024, the Company repurchased 3,142,678 shares of its Class A common stock from investors in privately negotiated transactions for an aggregate repurchase price of approximately \$50.0 million. The shares were repurchased at fair value and the entire repurchase price was allocated to the repurchase of the shares. The par value of the shares retired is charged against common stock and the remaining repurchase price is allocated to additional paid-in capital on the condensed consolidated balance sheets. The Company retired the shares upon repurchase.

### *2019 Employee Stock Purchase Plan*

In March 2019, the Company's board of directors adopted, and the Company's stockholders approved, the 2019 Employee Stock Purchase Plan (the "ESPP"). The initial ESPP went into effect on March 27, 2019 and was amended on July 26, 2021 and July 18, 2022. Subject to any limitations contained therein, the ESPP allows eligible employees to contribute, through payroll deductions, up to 15% of their eligible compensation to purchase the Company's Class A common stock at a discounted price per share. The ESPP provides for consecutive, overlapping 12-month offering periods, subject to certain reset provisions as defined in the plan.

A total of 6,000,000 shares of Class A common stock were initially reserved for issuance under the ESPP. As of December 31, 2023, 13,414,259 additional shares of Class A common stock were reserved for issuance under the ESPP. On January 1, 2024, an additional 3,998,056 shares of Class A common stock were reserved for issuance under the ESPP. As of March 31, 2024, 5,151,945 shares of Class A common stock have been purchased under the 2019 ESPP. The number of shares reserved under the 2019 ESPP automatically increases on the first day of each calendar year beginning on January 1, 2020 in a number of shares equal to the least of (i) 7,000,000 shares of Class A common stock, (ii) one percent of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding fiscal year, or (iii) an amount determined by the administrator of the 2019 ESPP.

**9. Income Tax**

The Company's tax provision and the resulting effective tax rate for interim periods is determined based upon its estimated annual effective tax rate adjusted for the effect of discrete items arising in that quarter.

The Company's provision for income taxes has not been historically significant to the business as the Company has incurred operating losses to date. The provision for income taxes consists of federal and state taxes in the U.S. and foreign taxes in jurisdictions in which the Company conducts business.

The Company recorded income tax expense of \$2.6 million in the three months ended March 31, 2024, and \$2.7 million in the three months ended March 31, 2023. The effective tax rate was (8.96)% for the three months ended March 31, 2024, and (1.45)% for the three months ended March 31, 2023. The effective tax rate differs from the U.S. statutory tax rate primarily due to the valuation allowances on the Company's deferred tax assets as it is more likely than not that some or all of the Company's deferred tax assets will not be realized.

The Company's policy is to recognize interest and penalties associated with uncertain tax benefits as part of the income tax provision and include accrued interest and penalties with the related income tax liability on the Company's condensed consolidated balance sheets. To date, the Company has not recognized any interest and penalties in its condensed consolidated statements of operations, nor has it accrued for or made payments for interest and penalties. The Company has no unrecognized tax benefits as of March 31, 2024 and December 31, 2023.

**10. Net Loss Per Share**

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. The diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents outstanding for the period. For purposes of this calculation, stock options, RSUs, performance based restricted stock units ("PSUs"), the 2029 Notes, the 2025 Notes, and stock purchase rights granted under the Company's ESPP are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share when including them has an anti-dilutive effect. Basic and diluted net loss per share are the same for each class of common stock because they are entitled to the same liquidation and dividend rights.

The following table sets forth the computation of basic and diluted net loss per share for the periods indicated (in thousands, except per share data):

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (31,535)	\$ (187,649)
Weighted-average shares used in computing net loss per share, basic and diluted	401,553	373,727
Net loss per share, basic and diluted	\$ (0.08)	\$ (0.50)

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

	March 31,	
	2024	2023
Restricted stock units	9,514	12,064
2025 Notes <sup>(1)</sup>	10,178	19,471
2029 Notes <sup>(1)</sup>	21,821	—
Performance based restricted stock units	14,044	13,704
Stock options	523	911
ESPP	203	983
Total	56,283	47,133

(1) In connection with the issuance of the Notes, the Company entered into the Capped Calls, which were not included for purposes of calculating the number of diluted shares outstanding, as their effect would have been anti-dilutive. The Capped Calls are expected to reduce the potential dilution to the Company's Class A common stock (or, in the event a conversion of the Notes are settled in cash, to reduce the cash payment obligation) in the event that at the time of conversion of the Notes the Company's Class A common stock price exceeds the conversion price of the Notes. Refer to Note 7 "Debt" to the condensed consolidated financial statements for further information.

## 11. Related Party Transactions

The Company's transactions with related parties were immaterial for the three months ended March 31, 2024 and 2023.

## 12. Restructuring

### *April 2023 Restructuring Plan*

In April 2023, the Company announced a restructuring plan as part of its efforts to reduce operating costs. The plan involved the termination of approximately 1,072 employees, representing 26% of the Company's employees. As a result of the restructuring plan, in the second quarter of 2023, the Company recorded \$47.2 million in employee severance and other employee costs and \$9.7 million in net stock-based compensation expense related to equity compensation for employees impacted by the plan of termination. The Company also recorded \$6.3 million in impairment charges, fixed asset write-offs, accelerated depreciation and other costs to real estate operating lease right-of-use assets, which was primarily related to the cease use of certain facilities. As a result of the above, the Company incurred net restructuring charges of \$63.3 million in the quarter ended June 30, 2023. The restructuring plan has been completed and no future costs related to this plan are expected.

The following table summarizes the above restructuring related charges by line item within the Company's condensed consolidated statements of operations where they were recorded in the quarter ended June 30, 2023 (in thousands):

	Stock-Based Compensation	Severance and Other Employee Costs	Right-of-Use Asset Impairments and Other Costs	Accelerated Depreciation	Total
Cost of revenue	\$ 667	\$ 3,204	\$ —	\$ —	\$ 3,871
Operation and support	259	3,054	5,268	669	9,250
Research and development	4,539	21,254	—	—	25,793
Sales and marketing	1,045	5,191	—	—	6,236
General and administrative	3,213	14,535	400	—	18,148
Total	<u>\$ 9,723</u>	<u>\$ 47,238</u>	<u>\$ 5,668</u>	<u>\$ 669</u>	<u>\$ 63,298</u>

### *November 2022 Restructuring Plan*

In November 2022, the Company announced a restructuring plan to reduce operating expenses. As a result of the restructuring plan, in the fourth quarter of 2022, the Company recorded \$29.5 million in employee severance and other employee costs and \$9.5 million in net stock-based compensation expense related to equity compensation for employees impacted by the plan of termination.

The Company's plan of termination also included restructuring charges related to a decision to exit and sublease or cease use of certain facilities to align with the Company's anticipated operating needs. The Company reassessed its real estate asset groups and estimated the fair value of the space to be subleased using current market conditions. Where the carrying value of the individual asset groups exceeded their fair value, an impairment charge was recognized for the difference. During the year ended December 31, 2022, this included \$55.3 million in impairment charges related to real estate operating lease right-of-use assets, \$23.9 million in accelerated depreciation of certain fixed assets and \$2.1 million in write-off fixed assets not yet placed into service. As a result of the above, the Company incurred net restructuring charges of \$120.3 million in the year ended December 31, 2022.

In the first quarter of 2023, the Company finalized the exit of certain leases as part of the plan of termination and the Company completed a transaction for the divestiture of certain assets related to the Company's first party vehicle services business. As a result, the Company recorded \$10.5 million in impairment charges related to the cease use of certain facilities to real estate operating lease right-of-use assets and other costs, which included \$9.1 million of future payments associated with exiting certain facilities. The Company also incurred employee related charges, which include employee severance, benefits and stock-based compensation in the first quarter of 2023. As a result of the above, the Company incurred net restructuring charges of \$24.4 million in the quarter ended March 31, 2023. The restructuring plan has been completed and no future costs related to this plan are expected.

The following table summarizes the above restructuring related charges by line item within the Company's condensed consolidated statements of operations where they were recorded in the quarter ended March 31, 2023 (in thousands):

	Stock-Based Compensation	Severance and Other Employee Costs	Right-of-Use Asset Impairments and Other Costs	Accelerated Depreciation	Total
Cost of revenue	\$ —	\$ 1,101	\$ —	\$ —	\$ 1,101
Operation and support	205	3,127	9,453	305	13,090
Research and development	—	20	2,534	—	2,554
Sales and marketing	—	14	—	—	14
General and administrative	—	64	7,604	16	7,684
Total	\$ 205	\$ 4,326	\$ 19,591	\$ 321	\$ 24,443

As of March 31, 2024 and December 31, 2023, there were no restructuring-related liabilities.

### 13. Variable Interest Entities

#### *VIEs Related to Light Vehicles*

As part of its acquisition of PBSC, the Company acquired several joint ventures (“JVs”) which were deemed to be variable interest entities (“VIEs”) in accordance with ASC 810 *Consolidation* on the acquisition date. The Company determined that PBSC is the primary beneficiary of one of the acquired VIEs, in which it owns an 80% equity interest, as PBSC has the power to direct the majority of the activities of the VIE that most significantly impact its economic performance, the obligation to absorb losses and the right to receive benefits. As PBSC is the primary beneficiary of the VIE, the assets, liabilities, non-controlling interest, revenues and operating results are included in the condensed consolidated financial statements. Subsequent to the acquisition, PBSC entered into additional joint ventures deemed to be VIEs which were accounted for under the equity method which were immaterial.

The acquisition date fair value of the VIEs acquired as part of the PBSC acquisition was \$22.2 million, which exceeds the carrying value and is recorded within other investments in the condensed consolidated balance sheets. The maximum potential financial statement loss the Company would incur if these VIEs were to default on all their obligations would be the loss of the carrying value of these investments as well as any current or future investments, if any, PBSC were to make which was immaterial as of March 31, 2024.

Other than the VIE of which PBSC owns an 80% equity interest, the Company has determined that PBSC does not direct the activities that would significantly affect the economic performance of these VIEs. Therefore, the Company is not the primary beneficiary of these VIEs. As a result, the Company accounts for its investment in these VIEs under the equity method, and they are not consolidated into the Company’s condensed consolidated financial statements. In addition, the Company recognizes its proportionate share of the reported profits or losses of these VIEs in other income (expense), net in the condensed consolidated statements of operations, and as an adjustment to its investment in VIEs in the condensed consolidated balance sheets. The profits and losses of these unconsolidated VIEs were not material to the condensed consolidated statements of operations for the quarter ended March 31, 2024.

#### *Other VIEs*

During the second quarter of 2023, the Company contributed a business to a privately held company in exchange for an equity interest and a seat on the board of directors of such company. This privately held company was determined to be a VIE for which the Company lacks the power to direct the activities that most significantly impact the entity's economic performance. As the Company is not the primary beneficiary, it does not consolidate the VIE. However, due to the Company's ability to exercise significant influence, the investment will be accounted for under the equity method. The investment was recorded at its initial fair value of \$12.9 million and represents the Company's maximum exposure to the VIE. During the quarter ended March 31, 2024, the Company recognized an immaterial amount of equity earnings and there was no impairment of the investment.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Annual Report"). As discussed in the section titled "Note About Forward-Looking Statements," the following discussion contains forward-looking statements that involve risks and uncertainties. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" and other parts of this Quarterly Report on Form 10-Q and in our 2023 Annual Report. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Our fiscal year ends December 31.*

### **Our Business**

Lyft, Inc. (the "Company" or "Lyft") started a movement to revolutionize transportation. In 2012, we launched our peer-to-peer marketplace for on-demand ridesharing and have continued to pioneer innovations. Today, Lyft is one of the largest multimodal transportation networks in the United States and Canada. We have an important purpose, which is to get riders out into the world so they can live their lives together, and to provide drivers a way to work that gives them control over their time and money.

Our ridesharing marketplace connects drivers with riders via the Lyft mobile application (the "Lyft App") in cities across the United States and in select cities in Canada. We have established a scaled network of users brought together by our robust technology platform (the "Lyft Platform") that powers rides and connections every day. We leverage our technology platform, the scale and density of our user network and insights from a significant number of rides to improve our ridesharing marketplace efficiency and develop new offerings. We've also taken steps to ensure our network is well positioned to benefit from technological innovation in mobility.

Our offerings on the Lyft App include an expanded set of transportation modes in select cities, such as access to a network of shared bikes and scooters ("Light Vehicles") for shorter rides and first-mile and last-mile legs of multimodal trips.

Substantially all of our revenue is generated from our ridesharing marketplace that connects drivers and riders. We collect service fees and commissions from drivers for their use of our ridesharing marketplace. As drivers accept more rider leads, Gross Bookings and Rides increase, driving more revenue. We also generate revenue from licensing and data access agreements, the sale of bikes and bike station software and hardware sales, advertising services, riders renting Light Vehicles, drivers renting vehicles through Express Drive and by making our ridesharing marketplace available to organizations through our Lyft Business offerings, such as our Concierge and Lyft Pass programs.

Riders and drivers want and value choice, and we believe there remains an opportunity for growth in our marketplace. In September 2023, we launched Women+ Connect, a new feature that offers women and nonbinary drivers the option to turn on a preference within the Lyft App to prioritize matches with nearby women and nonbinary riders. In February 2024, we made the commitment to drivers that after external fees are subtracted, their guaranteed share of rider payments will be 70% or more each week. We are focused on delivering a great rideshare experience and will continue to innovate for drivers and riders, creating an increasingly differentiated service over time. We are committed to building a durable, healthy and profitable business for riders, drivers and shareholders.

Additionally, we aim to advocate through our commitment to social and environmental responsibility. Through our Lyft Up initiatives, we're working to make sure people have access to affordable, reliable transportation to get where they need to go - no matter their income or zip code. We can't talk about work that serves customer needs and social goals without mentioning our responsibility to our shared environment - the air we breathe and the resilience of communities we serve. We're working to make the Lyft Platform more sustainable by helping drivers transition to electric vehicles ("EVs"), riders take more sustainable transportation modes, and businesses reduce their carbon footprint. We've achieved significant growth in EV rides on our platform by investing in EV driver incentives, expanding the Express Drive EV rental program, helping drivers access discounted fast charging and advocating for smart EV policy.

We believe many users are loyal to Lyft because of our values, brand and commitment to social and environmental responsibility. Our values, brand and focus on customer experience are key differentiators for our business. We continue to believe that users are increasingly choosing services, including a transportation network, based on brand affinity and value alignment and we aim to make it easy for both drivers and riders to choose Lyft every time.

**Recent Developments**

*Transactions related to the issuance of the 2029 Notes*

In February 2024, we entered into Amendment No. 2 to our Revolving Credit Agreement to, among other things: (a) solely for the purposes of the financial covenant test, replace total leverage with total net leverage, which allows the Company to subtract the lesser of (i)(x) to the extent free cash flow for the most recently ended trailing four quarters is greater than \$100.0 million, \$300.0 million and (y) otherwise, \$200.0 million and (ii) the amount of unrestricted cash and cash equivalents (as defined in Amendment No. 2 to the Revolving Credit Agreement) on its condensed consolidated balance sheets as of the calculation date and (b) permit the Company to repurchase up to a specified amount of the Company's common stock with the proceeds of a convertible note offering.

In February 2024, we completed an offering of \$460 million aggregate principal amount of the 2029 Notes in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. We used the net proceeds of the offering to (1) repurchase a portion of our 2025 Notes concurrently with the pricing of the offering in separate and privately negotiated transactions with certain holders of its 2025 Notes, (2) pay the cost of the 2029 Capped Calls and (3) purchase approximately \$50 million of the Class A common stock from institutional investors through one of the initial purchasers of the 2029 Notes or its affiliate, acting as Lyft's agent, at a price per share equal to the last reported sale price of the Class A common stock on the Nasdaq Global Select Market on the date of the pricing of the 2029 Notes. Refer to Note 7 "Debt" and Note 8 "Common Stock" to the condensed consolidated financial statements for information regarding these transactions.

**Financial and Operational Results for the Three Months Ended March 31, 2024**

	Three Months Ended March 31,		2023 to 2024 % Change
	2024	2023	
<i>(in millions, except percentages)</i>			
<b>GAAP Financial Measures</b>			
Revenue	\$ 1,277.2	\$ 1,000.5	28%
Total costs and expenses	\$ 1,340.2	\$ 1,217.3	10%
Loss from operations	\$ (63.0)	\$ (216.8)	71%
Net loss	\$ (31.5)	\$ (187.6)	83%
<i>Net loss as a percentage of revenue</i>	<i>(2.5)%</i>	<i>(18.8)%</i>	87%
Net cash provided by (used in) operating activities	\$ 156.2	\$ (74.0)	311%
Net cash (used in) provided by investing activities	\$ (242.1)	\$ 449.4	(154)%
Net cash used in financing activities	\$ (31.4)	\$ (27.7)	13%
<b>Key Metrics and Non-GAAP Financial Measures</b>			
Active Riders	21.9	19.6	12%
Rides	187.7	153.0	23%
Gross Bookings	\$ 3,693.2	\$ 3,050.7	21%
Adjusted EBITDA <sup>(1)</sup>	\$ 59.4	\$ 22.7	162%
<i>Net loss as a percentage of Gross Bookings</i>	<i>(0.9)%</i>	<i>(6.2)%</i>	85%
<i>Adjusted EBITDA margin (calculated as a percentage of Gross Bookings)</i>	<i>1.6 %</i>	<i>0.7 %</i>	129%
Adjusted Net Income (Loss) <sup>(1)</sup>	\$ 60.0	\$ 27.7	117%
Free cash flow <sup>(1)(2)</sup>	\$ 127.1	\$ (120.8)	205%

(1) For more information regarding our use of our non-GAAP financial measures and reconciliations of these measures to the most comparable GAAP measures, see "Non-GAAP Financial Measures".

(2) Free cash flow is defined as net cash provided by (used in) operating activities less purchases of property and equipment and scooter fleet.

## Definitions of Key Metrics

### ***Gross Bookings and Adjusted EBITDA margin (calculated as a percentage of Gross Bookings)***

Gross Bookings is a key indicator of the scale and impact of our overall platform.

We define Gross Bookings as the total dollar value of transactions invoiced to rideshare riders including any applicable taxes, tolls and fees, excluding tips to drivers. Gross Bookings also includes amounts invoiced for other offerings, including but not limited to: Express Drive vehicle rentals, bike and scooter rentals, and amounts recognized for subscriptions, bike and bike station hardware and software sales, media, sponsorships, partnerships, and licensing and data access agreements. Adjusted EBITDA margin (calculated as a percentage of Gross Bookings) is calculated by dividing Adjusted EBITDA for a period by Gross Bookings for the same period. For the definition of Adjusted EBITDA, refer to “Non-GAAP Financial Measures”.

The increase in Gross Bookings in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 was due primarily to Rides growth which benefited from increased ride frequency, which is demonstrated by Rides growth exceeding Active Riders growth, and continued improvements in marketplace health.

The improvements in net loss as a percentage of Gross Bookings and Adjusted EBITDA margin (calculated as a percentage of Gross Bookings) in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 were due primarily to increased ride frequency, which is demonstrated by Rides growth exceeding Active Riders growth, as well as our cost-restructuring efforts initiated in previous years which helped us to partially offset the impact of increasing insurance costs and competitive pricing to net loss and Adjusted EBITDA.

### ***Rides***

Rides represent the level of usage of our multimodal platform.

We define Rides as the total number of rides including rideshare and bike and scooter rides completed using our multimodal platform that contribute to our revenue. These include any Rides taken through our Lyft App. If multiple riders take a private rideshare ride, including situations where one party picks up another party on the way to a destination, or splits the bill, we count this as a single rideshare ride. Each unique segment of a Shared Ride is considered a single Ride. For example, if two riders successfully match in Shared Ride mode and both complete their Rides, we count this as two Rides. We have largely shifted away from Shared Rides, and now only offer Shared Rides in limited markets. We include all Rides taken by riders via our Concierge offering, even though such riders may be excluded from the definition of Active Riders unless the ride is accessible in that rider’s Lyft App.

The increase in Rides in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 was due primarily to our improved marketplace health, which resulted in an increase in Active Riders and increased ride frequency.

### ***Active Riders***

The number of Active Riders is a key indicator of the scale of our user community.

We define Active Riders as all riders who take at least one ride during a quarter where the Lyft Platform processes the transaction. An Active Rider is identified by a unique phone number. If a rider has two mobile phone numbers or changed their phone number and that rider took rides using both phone numbers during the quarter, that person would count as two Active Riders. If a rider has a personal and business profile tied to the same mobile phone number, that person would be considered a single Active Rider. If a ride has been requested by an organization using our Concierge offering for the benefit of a rider, we exclude this rider in the calculation of Active Riders unless the ride is accessible in that rider’s Lyft App.

The increase in the number of Active Riders in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 was due primarily to our improved marketplace health and competitive pricing.

### ***Critical Accounting Estimates***

Our condensed consolidated financial statements and the related notes thereto are prepared in accordance with GAAP. The preparation of condensed consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

There have been no material changes to our critical accounting estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2023, except as described below.

## **Recent Accounting Pronouncements**

See Note 2 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for recently issued accounting pronouncements not yet adopted as of the date of this report.

## **Components of Results of Operations**

### ***Revenue Recognition***

Revenue consists of revenue recognized from fees paid by drivers for use of our Lyft Platform offerings, Concierge platform fees from organizations that use our Concierge offering, subscription fees paid by riders to access transportation options through the Lyft Platform, revenue from bikes and bike station hardware and software sales, revenue from licensing and data access agreements and revenue from arrangements to provide advertising services to third parties that are interested in reaching users of our platform. Revenue derived from these offerings is recognized in accordance with ASC 606 as described in the Critical Accounting Estimates above and in Note 2 of the notes to our condensed consolidated financial statements.

Revenue also consists of rental revenues recognized through leases or subleases primarily from Flexdrive and our network of Light Vehicles, which includes revenue generated from single-use ride fees paid by riders of Light Vehicles. Revenue derived from these offerings is recognized in accordance with ASC 842 as described in the Critical Accounting Estimates above and in Note 2 of the notes to our condensed consolidated financial statements.

We offer various incentive programs to drivers that are recorded as reduction to revenue if we do not receive a distinct good or service in consideration or if we cannot reasonably estimate the fair value of goods or services received.

### ***Cost of Revenue***

Cost of revenue primarily consists of costs directly related to revenue generating transactions through our multimodal platform which primarily includes insurance costs, payment processing charges, and other costs. Insurance costs consist of insurance generally required under TNC and city regulations for ridesharing, and bike and scooter rentals and also includes occupational hazard insurance for drivers in California. Payment processing charges include merchant fees, chargebacks and failed charges. Other costs included in cost of revenue are hosting and platform-related technology costs, personnel-related compensation costs, depreciation, amortization of technology-related intangible assets, asset write-off charges and costs related to Flexdrive, which include vehicle lease expenses and remarketing gains and losses related to the sale of vehicles. Gross profit is defined as revenue less cost of revenue.

### ***Operations and Support***

Operations and support expenses primarily consist of personnel-related compensation costs of local operations teams and teams who provide phone, email and chat support to users, Light Vehicle fleet operations support costs, driver background checks and onboarding costs, fees paid to third-parties providing operations support, facility costs and certain car rental fleet support costs. Light Vehicle fleet operations support costs include general repairs and maintenance, and other customer support activities related to repositioning bikes and scooters for rider convenience, cleaning and safety checks.

### ***Research and Development***

Research and development expenses primarily consist of personnel-related compensation costs and facilities costs. Such expenses include costs related to autonomous vehicle technology initiatives. Research and development costs are expensed as incurred.

### ***Sales and Marketing***

Sales and marketing expenses primarily consist of rider incentives, personnel-related compensation costs, driver incentives for referring new drivers or riders, advertising expenses, rider refunds and marketing partnerships with third parties. Sales and marketing costs are expensed as incurred.

### ***General and Administrative***

General and administrative expenses primarily consist of personnel-related compensation costs, professional services fees, certain insurance costs that are generally not required under TNC regulations, certain loss contingency expenses including legal accruals and settlements, insurance claims administrative fees, policy spend, depreciation, facility costs and other corporate costs. General and administrative expenses are expensed as incurred.

### ***Interest Expense***

Interest expense consists primarily of interest incurred on our 2025 Notes and 2029 Notes, as well as the related amortization of deferred debt issuance costs and debt discount. Interest expense also includes interest incurred on our Non-Revolving Loan and our Master Vehicle Loan.

**Other Income (Expense), Net**

Other income (expense), net consists primarily of interest earned on our cash and cash equivalents, sublease income and restricted and unrestricted short-term investments.

**Provision for Income Taxes**

Our provision for income taxes consists of federal and state taxes in the U.S. and foreign taxes in jurisdictions in which we conduct business. As we expand the scale of our international business activities, any changes in the U.S. and foreign taxation of such activities may increase our overall provision for income taxes in the future.

We have a valuation allowance for our U.S. deferred tax assets, including federal and state net operating loss carryforwards, or NOLs. We expect to maintain this valuation allowance until it becomes more likely than not that the benefit of our federal and state deferred tax assets will be realized.

**Results of Operations**

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

	Three Months Ended March 31,	
	2024	2023
	<i>(in thousands)</i>	
Revenue	\$ 1,277,201	\$ 1,000,548
Costs and expenses		
Cost of revenue	755,362	548,992
Operations and support	103,042	98,926
Research and development	100,023	196,904
Sales and marketing	145,472	115,941
General and administrative	236,253	256,540
Total costs and expenses	1,340,152	1,217,303
Loss from operations	(62,951)	(216,755)
Interest expense	(7,048)	(5,433)
Other income (expense), net	41,057	37,215
Loss before income taxes	(28,942)	(184,973)
Provision for (benefit from) income taxes	2,593	2,676
Net loss	\$ (31,535)	\$ (187,649)

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

	Three Months Ended March 31,	
	2024	2023
Revenue	100.0 %	100.0 %
Costs and expenses		
Cost of revenue	59.1	54.9
Operations and support	8.1	9.9
Research and development	7.8	19.7
Sales and marketing	11.4	11.6
General and administrative	18.5	25.6
Total costs and expenses	104.9	121.7
Loss from operations	(4.9)	(21.7)
Interest expense	(0.6)	(0.5)
Other income (expense), net	3.2	3.7
Loss before income taxes	(2.3)	(18.5)
Provision for (benefit from) income taxes	0.2	0.3
Net loss	(2.5)%	(18.8)%

**Comparison of the three months ended March 31, 2024 to the three months ended March 31, 2023**

**Revenue**

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Revenue	\$ 1,277,201	\$ 1,000,548	28 %

Revenue increased \$276.7 million, or 28%, in the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, primarily due to an increase of 23% in Rides and 12% in Active Riders as we benefited from increased ride frequency, which is demonstrated by Rides growth exceeding Active Riders growth, and continued improvements in marketplace health. Investments in driver supply, which are recorded as a reduction to revenue, decreased by \$78.6 million for the quarter ended March 31, 2024 as compared to the same quarter in the prior year as driver supply on the platform benefited from organic growth and drivers spending more time on the platform.

We expect revenue will fluctuate based upon factors such as ride volume, driver supply, pricing, incentives and seasonality specifically related to our network of Light Vehicles.

**Cost of Revenue**

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Cost of revenue	\$ 755,362	\$ 548,992	38 %

Cost of revenue increased \$206.4 million, or 38%, in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. The increase was due primarily to a \$194.5 million increase in insurance costs driven by recent economic factors including the high inflationary environment, increased litigation, and higher than expected paid losses across the commercial auto industry as well as an increase in ride volume. There was also an increase of \$21.3 million in transaction fees driven by higher ride volume. In addition, the increases were partially offset by a decrease of \$12.0 million in Light Vehicle related costs.

We expect to see cost of revenue increase in the near term on a year-over-year basis due to higher insurance costs driven by uncertainties of recent economic factors.

### Operations and Support

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Operations and support	\$ 103,042	\$ 98,926	4 %

Operations and support expenses were relatively flat in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. Operations and support expenses included a \$10.9 million decrease in facilities costs driven by restructuring events initiated in prior years, which included reductions in headcount and the cease use of certain facilities. These decreases were more than offset by increases of \$10.0 million in Light Vehicle fleet operations support costs and \$8.3 million in driver onboarding costs and rider and driver support costs.

### Research and Development

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Research and development	\$ 100,023	\$ 196,904	(49)%

Research and development expenses decreased \$96.9 million, or 49%, in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. The decrease was primarily due to a \$63.7 million decrease in stock-based compensation and a \$29.4 million decrease in personnel-related costs driven by a reduction in headcount after the restructuring events initiated in prior years.

### Sales and Marketing

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Sales and marketing	\$ 145,472	\$ 115,941	25 %

Sales and marketing expenses increased \$29.5 million, or 25%, in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. The increase was primarily due to a \$44.7 million increase in rider, driver and Light Vehicle rider incentive programs. This increase was partially offset by decreases of \$7.5 million in stock-based compensation and \$5.5 million in personnel-related costs driven by a reduction in headcount after the restructuring events initiated in prior years.

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
General and administrative	\$ 236,253	\$ 256,540	(8)%

General and administrative expenses decreased \$20.3 million, or 8%, in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. The decrease was primarily due to a \$20.5 million decrease in stock-based compensation costs and a \$10.7 million decrease in personnel-related costs driven by a reduction in headcount after the restructuring events initiated in prior years. There was also \$7.6 million in restructuring costs related to impairment charges related to real estate lease right-of-use assets and accelerated depreciation incurred in the first quarter of 2023. In addition, there were decreases of \$4.2 million in certain loss contingencies including legal and tax accruals and settlements and \$4.0 million in consulting and advisory costs. These decreases were partially offset by increases of \$15.3 million in an accrual for self-retained general business liabilities, \$6.4 million in bad debt expense and \$5.5 million in claims administration fees.

### Interest Expense

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Interest expense	\$ (7,048)	\$ (5,433)	30 %

Interest expense increased \$1.6 million, or 30%, in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023.

***Other Income (Expense), Net***

	Three Months Ended March 31,		% Change
	2024	2023	
	<i>(in thousands, except for percentages)</i>		
Other income (expense), net	\$ 41,057	\$ 37,215	10 %

Other income (expense), net increased \$3.8 million in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. The increase was primarily due to a \$5.1 million gain on extinguishment related to the repurchase of 2025 Notes and a \$4.5 million increase in interest income in the first quarter of 2024 compared to the same period in 2023 due to higher returns on investments related to the Federal Reserve's increases in interest rates. These increases were partially offset by a \$3.0 million decrease due to foreign currency exchange.

**Non-GAAP Financial Measures**

	<b>Three Months Ended March 31,</b>		<b>% Change</b>
	<b>2024</b>	<b>2023</b>	
<i>(in millions, except for percentages)</i>			
<b>GAAP Financial Measures</b>			
Revenue	\$ 1,277.2	\$ 1,000.5	28 %
Net loss	\$ (31.5)	\$ (187.6)	83 %
<i>Net loss as a % of revenue</i>	<i>(2.5)%</i>	<i>(18.8)%</i>	
Net cash provided by (used in) operating activities	\$ 156.2	\$ (74.0)	311 %
Net cash (used in) provided by investing activities	\$ (242.1)	\$ 449.4	(154)%
Net cash used in financing activities	\$ (31.4)	\$ (27.7)	13 %
<b>Key Metrics and Non-GAAP Financial Measures</b>			
Gross Bookings	\$ 3,693.2	\$ 3,050.7	21 %
Adjusted EBITDA	\$ 59.4	\$ 22.7	162 %
<i>Net loss as a percentage of Gross Bookings</i>	<i>(0.9)%</i>	<i>(6.2)%</i>	
<i>Adjusted EBITDA margin (calculated as a percentage of Gross Bookings)</i>	<i>1.6 %</i>	<i>0.7 %</i>	
Adjusted Net Income (Loss)	\$ 60.0	\$ 27.7	117 %
Free cash flow <sup>(1)</sup>	\$ 127.1	\$ (120.8)	205 %

(1) Free cash flow is defined as net cash provided by (used in) operating activities less purchases of property and equipment and scooter fleet.

**Adjusted EBITDA and Adjusted EBITDA margin (calculated as a percentage of Gross Bookings)**

Adjusted EBITDA is a key performance measure and Adjusted EBITDA margin (calculated as a percentage of Gross Bookings) is a key metric, both of which our management uses to assess our operating performance and the operating leverage in our business. Because Adjusted EBITDA and Adjusted EBITDA margin (calculated as a percentage of Gross Bookings) facilitate internal comparisons of our historical operating performance on a more consistent basis, we use these measures for business planning purposes. Net loss is the most directly comparable financial measure to Adjusted EBITDA. We calculate Adjusted EBITDA as GAAP net loss, adjusted for:

We calculate Adjusted EBITDA as net loss, adjusted for:

- interest expense;
- other income (expense), net;
- provision for (benefit from) income taxes;
- depreciation and amortization;
- stock-based compensation;
- payroll tax expense related to stock-based compensation;
- sublease income;
- restructuring charges, if any;
- net amount from claims ceded under the Reinsurance Agreement, if any;
- transaction costs related to certain legacy auto insurance liabilities, if any; and
- costs related to acquisitions and divestitures, if any.

Adjusted EBITDA margin (calculated as a percentage of Gross Bookings) is calculated by dividing Adjusted EBITDA for a period by Gross Bookings for the same period.

We announced restructuring plans in the fourth quarter of 2022 and second quarter of 2023 to reduce operating expenses. We believe the costs associated with the restructurings are distinguishable from ongoing operating costs and do not reflect current or expected performance of our ongoing operations. We believe the adjustment to exclude the costs related to restructuring from Adjusted EBITDA is useful to investors by enabling them to better assess our ongoing operating performance and provide for better comparability with our historically disclosed Adjusted EBITDA amounts. Refer to Note 12 “Restructuring” to the condensed consolidated financial statements for information regarding these restructuring plans.

We sublease certain office space and earn sublease income. Sublease income is included within other income, net on our condensed consolidated statement of operations, while the related lease expense is included within operating expenses and loss from operations. We believe the adjustment to include sublease income to Adjusted EBITDA is useful to investors by enabling them to better assess our operating performance, including the benefits of recent transactions, by presenting sublease income as a contra-expense to the related lease charges within our operating expenses.

For more information regarding the limitations of Adjusted EBITDA, Adjusted EBITDA margin (calculated as a percentage of Gross Bookings) and a reconciliation of net loss to Adjusted EBITDA, see the section titled “Reconciliation of Non-GAAP Financial Measures”.

#### ***Adjusted Net Income (Loss)***

Adjusted Net Income (Loss) is a measure used by our management to understand and evaluate our operating performance and trends. Net loss is the most directly comparable financial measure to Adjusted Net Income (Loss).

We define Adjusted Net Income (Loss) as net loss adjusted for:

- amortization of intangible assets;
- stock-based compensation;
- payroll tax expense related to stock-based compensation;
- restructuring charges, if any;
- net amount from claims ceded under the Reinsurance Agreement, if any;
- transaction costs related to certain legacy auto insurance liabilities, if any;
- costs related to acquisitions and divestitures, if any; and
- impairment charges, if any.

#### ***Free Cash Flow***

Free cash flow is a measure used by our management to understand and evaluate our operating performance and trends. We believe free cash flow is a useful indicator of liquidity that provides our management, board of directors, and investors with information about our ability to generate or use cash to enhance the strength of our balance sheet, further invest in our business and pursue potential strategic initiatives.

We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment and scooter fleet.

Free cash flow has certain limitations, including that it does not reflect our future contractual commitments and it does not represent the total increase or decrease in our cash balance for a given period. Free cash flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. For more information regarding the limitations of free cash flow and a reconciliation of net cash provided by (used in) operating activities to free cash flow, see the section titled “Reconciliation of Non-GAAP Financial Measures”.

#### ***Reconciliation of Non-GAAP Financial Measures***

We use our non-GAAP financial measures in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Furthermore, these 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 that are necessary to run our business. Thus, our non-GAAP financial measures should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

We compensate for these limitations by providing a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure. We encourage investors and others to review our financial information in its

entirety, not to rely on any single financial measure and to view our non-GAAP financial measures in conjunction with the respective most directly comparable GAAP financial measures.

Net loss is the most directly comparable financial measure to Adjusted EBITDA. The following table provides a reconciliation of net loss to Adjusted EBITDA (in millions):

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (31.5)	\$ (187.6)
Adjusted to exclude the following:		
Interest expense <sup>(1)</sup>	8.5	5.9
Other (income) expense, net	(41.1)	(37.2)
Provision for (benefit from) income taxes	2.6	2.7
Depreciation and amortization	32.4	27.2
Stock-based compensation	80.1	180.4
Payroll tax expense related to stock-based compensation	7.4	6.2
Sublease income	1.1	1.3
Restructuring charges <sup>(2)</sup>	—	23.9
Adjusted EBITDA <sup>(3)</sup>	<u>\$ 59.4</u>	<u>\$ 22.7</u>
Gross Bookings	<u>\$ 3,693.2</u>	<u>\$ 3,050.7</u>
<i>Net loss as a percentage of Gross Bookings</i>	<i>(0.9)%</i>	<i>(6.2)%</i>
<i>Adjusted EBITDA margin (calculated as a percentage of Gross Bookings)</i>	<i>1.6%</i>	<i>0.7%</i>

- (1) Includes \$1.4 million related to the interest component of vehicle-related finance leases in the three months ended March 31, 2024. Includes \$0.4 million related to the interest component of vehicle-related finance leases in the three months ended March 31, 2023. Refer to Note 5 “Leases” to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding the interest component of vehicle-related finance leases.
- (2) In the first quarter of 2023, we incurred restructuring charges of \$4.3 million of severance and other employee costs and \$19.6 million related to right-of-use-asset impairments and other costs due to ongoing transformational initiatives. Restructuring related charges for stock-based compensation of \$0.2 million and accelerated depreciation of \$0.3 million are included on their respective line items. Refer to Note 12 “Restructuring” to the condensed consolidated financial statements for information regarding the restructuring plan announced in November 2022.
- (3) Due to rounding, numbers presented may not calculate precisely to the totals provided.

Net loss is the most directly comparable financial measure to Adjusted Net Income (Loss). The following table provides a reconciliation of net loss to Adjusted Net Income (Loss) (in millions):

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (31.5)	\$ (187.6)
Adjusted for the following:		
Amortization of intangible assets	4.1	4.5
Stock-based compensation	80.1	180.4
Payroll tax expense related to stock-based compensation	7.4	6.2
Restructuring charges <sup>(1)</sup>	—	24.2
Adjusted Net Income (Loss) <sup>(2)</sup>	<u>\$ 60.0</u>	<u>\$ 27.7</u>

- (1) In the first quarter of 2023, we incurred restructuring charges of \$4.3 million of severance and other employee costs, \$19.6 million related to right-of-use asset impairments and other costs and \$0.3 million related to accelerated depreciation of certain fixed assets due to ongoing transformational initiatives. In addition, restructuring related charges for the stock-based compensation of \$0.2 million are included on their respective line items. Refer to Note 12 “Restructuring” to the condensed consolidated financial statements for information regarding the restructuring plan announced in November 2022.
- (2) Due to rounding, numbers presented may not calculate precisely to the totals provided.

Net cash provided by (used in) operating activities is the most directly comparable financial measure to free cash flow. The following table provides a reconciliation of net cash provided by (used in) operating activities to free cash flow (in millions):

	Three Months Ended March 31,	
	2024	2023
Net cash provided by (used in) operating activities	\$ 156.2	\$ (74.0)
Less: purchases of property and equipment and scooter fleet	(29.1)	(46.8)
Free cash flow <sup>(1)</sup>	\$ 127.1	\$ (120.8)

(1) Due to rounding, numbers presented may not calculate precisely to the totals provided.

### Cash Flows

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

	Three Months Ended March 31,	
	2024	2023
Net cash provided by (used in) operating activities	\$ 156,177	\$ (74,040)
Net cash (used in) provided by investing activities	(242,091)	449,371
Net cash used in financing activities	(31,363)	(27,743)
Effect of foreign exchange on cash, cash equivalents and restricted cash and cash equivalents	(528)	17
Net change in cash, cash equivalents and restricted cash and cash equivalents	\$ (117,805)	\$ 347,605

### Operating Activities

Cash provided by operating activities was \$156.2 million for the three months ended March 31, 2024, which consisted of a net loss of \$31.5 million primarily offset by changes in working capital of \$97.4 million. The year over year decrease in net loss from \$187.6 million to \$31.5 million was a result of increase in our revenues and the actions we have taken to reduce our operating expenses. Net loss was also offset by non-cash adjustments for stock-based compensation expense of \$80.1 million, which decreased year over year due to a reduction in headcount driven by the restructuring activities initiated in prior years, and depreciation and amortization expense of \$32.4 million. The changes in working capital were primarily driven by insurance, which saw (i) an increase in our insurance reserves due to a rise in commercial auto insurance rates on a per mile basis compared to the prior year and an increase in ride volume in the first quarter of 2024 compared to previous quarters and (ii) an increase in accounts payable which was primarily due to the timing of insurance claim payments.

Cash used in operating activities was \$74.0 million for the three months ended March 31, 2023 which consisted of a net loss of \$187.6 million and changes in working capital of \$(77.0) million. Net loss was offset by non-cash stock-based compensation expense of \$180.4 million and depreciation and amortization expense of \$27.2 million. The changes in working capital were primarily driven by (i) a decrease in our insurance reserves as insurance payments outpaced accruals in the period, which was offset by (ii) impairments of operating lease right-of-use assets as part of the restructuring activities initiated in the fourth quarter of 2022.

### Investing Activities

Cash used in investing activities was \$242.1 million for the three months ended March 31, 2024, which primarily consisted of proceeds from sales and maturities of marketable securities of \$0.9 billion. This was partially offset by purchases of marketable securities of \$1.1 billion.

Cash provided by investing activities was \$449.4 million for the three months ended March 31, 2023, which primarily consisted of proceeds from sales and maturities of marketable securities of \$1.1 billion. This was partially offset by purchases of marketable securities of \$598.6 million.

### Financing Activities

Cash used in financing activities was \$31.4 million for the three months ended March 31, 2024, which primarily consisted of repayment of loans of \$20.6 million and principal payments on finance lease obligations of \$11.5 million. This also included a net cash inflow of \$0.2 million related to transactions related to the issuance of our 2029 Notes which included \$460.0 million in proceeds from the issuance of the 2029 Notes and expenditures of \$350.0 million related to the settlement of

the 2025 Notes, \$50.0 million related to the repurchase of Class A Common Stock, \$47.9 million related to the purchase of capped calls and \$11.9 million in payments of debt issuance costs.

Cash used in financing activities was \$27.7 million for the three months ended March 31, 2023, which primarily consisted of repayment of loans of \$21.1 million and principal payments on finance lease obligations of \$5.7 million.

### **Liquidity and Capital Resources**

As of March 31, 2024, our principal sources of liquidity were cash and cash equivalents of approximately \$507.9 million and short-term investments of approximately \$1.2 billion, exclusive of restricted cash, cash equivalents and investments of \$1.2 billion, and a revolving credit facility in an aggregate principal amount of \$420 million as described below. Cash and cash equivalents consisted of institutional money market funds, certificates of deposits, commercial paper, corporate bonds and U.S. government securities that have an original maturity of less than three months and are readily convertible into known amounts of cash. Also included in cash and cash equivalents are certain money market deposit accounts and cash in transit from payment processors for credit and debit card transactions. Short-term investments consisted of commercial paper, certificates of deposit, corporate bonds, term deposits and U.S. government securities, which mature in 12 months or less. Restricted cash, cash equivalents and investments consisted primarily of amounts held in separate trust accounts and restricted bank accounts as collateral for insurance purposes and amounts pledged to secure certain letters of credit. That portion of our cash and cash equivalents that is not invested is held at several large financial institutions and our investments are focused on the preservation of capital, fulfillment of our liquidity needs, and maximization of investment performance within the parameters set forth in our investment policy and subject to market conditions. The investment policy sets forth credit rating minimums, permissible allocations, and limits our exposure to specific investment types. We believe these policies mitigate our exposure to any risk concentrations.

On November 3, 2022, we entered into a Revolving Credit Agreement with certain lenders which provides for a \$420 million senior secured revolving secured credit facility ("Revolving Credit Facility") maturing on the earlier of (i) November 3, 2027 and (ii) February 13, 2025, if, as of such date, our Liquidity (as defined in the Revolving Credit Agreement) minus the aggregate principal amount of the 2025 Notes outstanding on such date is less than \$1.25 billion. We are obligated to pay interest on loans under the Revolving Credit Facility and other customary fees for a credit facility of this size and type, including an upfront fee and an unused commitment fee. The interest rate for the Revolving Credit Facility is determined based on calculations using certain market rates as set forth in the Revolving Credit Agreement. In addition, the Revolving Credit Facility contains restrictions on payments including cash payments of dividends. The Revolving Credit Facility provides for borrowings up to the amount of the facility, with a sublimit of \$168 million for the issuance of letters of credit. We entered into Amendment No. 1 to the Revolving Credit Facility on December 12, 2023 and Amendment No. 2 on February 21, 2024 which amended the existing agreement to, among other things: (a) solely for the purposes of the financial covenant test, replace total leverage with total net leverage, which allows us to subtract the lesser of (i)(x) to the extent free cash flow for the most recently ended trailing four quarters is greater than \$100.0 million, \$300.0 million and (y) otherwise, \$200.0 million and (ii) the amount of unrestricted cash and cash equivalents (as defined in the Amended Agreement) on our condensed consolidated balance sheets as of the calculation date and (b) permit us to repurchase up to a specified amount of our common stock with the proceeds of a convertible note offering.

We collect the fare and related charges from riders on behalf of drivers at the time the ride is delivered using the rider's authorized payment method, and we retain any fees owed to us before making the remaining disbursement to drivers. Accordingly, we maintain no accounts receivable from drivers. Our contracts with insurance providers require reinsurance premiums to be deposited into trust accounts with a third-party financial institution from which the insurance providers are reimbursed for claims payments. Our restricted reinsurance trust investments as of March 31, 2024 and December 31, 2023 were \$1.1 billion and \$837.3 million, respectively.

We have \$1.7 billion in unrestricted cash and cash equivalents and short-term investments as of March 31, 2024. We also have the ability to borrow an aggregate principal amount of up to \$420.0 million under the Revolving Credit Facility, none of which has been drawn as of March 31, 2024, and \$59.1 million in letters of credit were issued under the Revolving Credit Facility as of March 31, 2024. We believe that this provides sufficient liquidity to meet our working capital and capital expenditures needs for at least the next 12 months. In the quarter ended March 31, 2024, we reported a second consecutive quarter of positive free cash flow. We plan to continue to actively manage and optimize our cash balances and liquidity, capital expenditures, working capital and operating expenses. In particular, we continue to actively monitor the impact of the uncertain macroeconomic environment, including tightening credit markets, inflation and changing interest rates and have made adjustments to our expenses and cash flow which include headcount reductions announced in the fourth quarter of 2022 and second quarter of 2023. We have also incurred restructuring charges related to the exit and sublease or cease use of certain facilities to align with our anticipated operating needs in the first quarter of 2023. Refer to Note 12 "Restructuring" to the condensed consolidated financial statements for information regarding these reductions in workforce.

Our future capital requirements will depend on many factors, including, but not limited to our growth, the effectiveness of our efforts to align our expenses with our current operating needs, our ability to attract and retain drivers and riders on our platform, the continuing market acceptance of our offerings, the timing and extent of spending to support our efforts to develop our platform, actual insurance payments for which we have made reserves, and the expansion of sales and marketing activities. Further, we may in the future enter into arrangements to acquire or invest in businesses, products, services and technologies. For example, we intend to invest further in EVs in order to achieve compliance with the California Clean Miles Standard which sets the target that 90% of rideshare miles in California must be in EVs by the end of 2030; the Massachusetts' Climate Bill; New York City's goal to get to 100% of rideshare rides in EVs or wheelchair accessible vehicles by 2030, and the City of Toronto's push to bring the industry to 100% electric by 2030. From time to time, we have and we may in the future seek additional equity or debt financing to fund capital expenditures, strategic initiatives or investments and our ongoing operations, or to refinance our existing or future indebtedness. In the event that we decide, or are required, to seek additional financing from outside sources, we may not be able to raise it on terms acceptable to us or at all. The terms of any additional financings or refinancings may place limits on our financial and operating flexibility. If we raise additional funds through further issuances of equity or equity-linked securities, our existing stockholders could suffer dilution in their percentage ownership of us, and any new securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. If we are unable to raise additional capital when desired, our business, financial condition and results of operations could be adversely affected.

#### **Contractual Obligations and Commitments**

As of March 31, 2024, there have been no other material changes from the contractual obligations and commitments previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to market risks in the ordinary course of our business, which primarily relate to fluctuations in interest rates. Such fluctuations to date have not been significant.

As of March 31, 2024, we had unrestricted cash, cash equivalents and short-term investments of approximately \$1.7 billion, which consisted primarily of institutional money market funds, certificates of deposits, commercial paper, corporate bonds, U.S. government and agency securities, and a term deposit, which each carry a degree of interest rate risk, and restricted cash, cash equivalents and restricted investments of \$1.2 billion. As of March 31, 2024, we had long-term debt of \$971.5 million, 40% of which consisted of the fixed-rate 2025 Notes we issued in May 2020, and 46% of which consisted of the fixed-rate 2029 Notes we issued in February 2024. A hypothetical 100 basis points change in interest rates would not have a material impact on our financial condition or results of operations due to immateriality.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer concluded that, as of such date, due to the deficiency as described below, our disclosure controls and procedures were not effective at a reasonable assurance level.

In the previous period, our principal executive officer and principal financial officer have concluded that as of December 31, 2023, due to a deficiency related to the review of our forward-looking, non-GAAP directional commentary for fiscal year 2024 that resulted in a clerical error (the "Clerical Error") in our press release announcing our financial results for the fourth quarter and fiscal year 2023 which was furnished with our Current Report on Form 8-K dated February 13, 2024, our disclosure controls and procedures were not effective at a reasonable assurance level. The Clerical Error was promptly corrected on our earnings call and in an updated press release and supplemental slides on February 13, 2024 and in an amendment to the Form 8-K filed with the SEC on February 14, 2024. The Clerical Error is unrelated to our internal control over financial reporting. In order to remediate the deficiency, we have designed and implemented control activities related to the review of forward-looking directional commentary. The deficiency will not be considered remediated until the applicable remediated disclosure controls operate for a sufficient period of time and management has concluded, through testing, that these disclosure controls are operating effectively. Therefore, this deficiency remains unremediated as of March 31, 2024.

#### **Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Limitations on Effectiveness of Controls and Procedures**

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

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

See discussion of Legal Proceedings in [Note 6](#) to the condensed consolidated financial statements included in [Part I, Item 1](#) of this Quarterly Report on Form 10-Q.

### ITEM 1A. RISK FACTORS

*Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Our business, financial condition, results of operations or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment. For the purposes of this “Item 1A. Risk Factors” section, “riders are passengers who request rides from drivers in our ridesharing marketplace and renters of a shared bike, scooter or automobile.*

#### **Risk Factor Summary**

Our business operations are subject to numerous risks, factors and uncertainties, including those outside of our control, that could cause our actual results to be harmed, including risks regarding the following:

##### *General economic factors*

- general macroeconomic conditions;
- natural disasters, economic downturns, public health crises or political crises;

##### *Operational factors*

- our limited operating history;
- our financial performance and any inability to achieve or maintain profitability in the future;
- competition in our industries;
- the unpredictability of our results of operations and uncertainty regarding the growth of the ridesharing and other markets;
- our ability to attract and retain qualified drivers and riders;
- our insurance coverage, the adequacy of our insurance reserves, and the ability of third-party insurance providers to service our auto-related insurance claims;
- our reputation and brand;
- illegal or improper activity of users of our platform;
- the accuracy of background checks on potential or current drivers and our third party providers' ability to effectively conduct such background checks;
- changes to our pricing practices;
- the growth and development of our network of Light Vehicles and the quality of and supply chain for our Light Vehicles;
- our autonomous vehicle technology, partnerships with other companies who offer autonomous vehicle technologies, and the overall development of the autonomous vehicle industry;
- claims from riders, drivers or third parties;
- our ability to manage our growth;

- actual or perceived security or privacy breaches or incidents and resulting interruptions in our availability or the availability of other systems and providers;
- our reliance on third parties, such as Amazon Web Services, vehicle rental partners, payment processors and other service providers;
- our ability to operate our Express Drive program;
- our nascent advertising business, Lyft Media;
- our use of artificial intelligence and machine learning;
- the development of new offerings on our platform and management of the complexities of such expansion;
- inaccuracies in or changes to our key metrics and estimates;
- our ability to offer high-quality user support and to deal with fraud;
- our ability to effectively manage our Wait & Save offerings;
- our ability to effectively manage our pricing methodologies;
- our company culture;
- our reliance on key personnel and our ability to attract and retain personnel;
- changes in the Internet, mobile device accessibility, mobile device operating systems and application marketplaces;
- the interoperability of our platform across third-party applications and services;
- defects, errors or vulnerabilities in our technology and that of third-party providers or system failures;
- factors relating to our intellectual property rights as well as the intellectual property rights of others;
- our presence outside the United States and any future international expansion;

*Regulatory and Legal factors*

- changes in laws and the adoption and interpretation of administrative rules and regulations;
- the classification status of drivers on our platform;
- intellectual property litigation;
- compliance with laws and regulations relating to privacy, data protection and the protection or transfer of personal data;
- litigation and other proceedings arising in the ordinary course of our business;
- compliance with additional laws and regulations as we expand our offerings;
- our ability to maintain an effective system of disclosure controls and internal control over financial reporting;
- changes in tax laws;
- assertions from taxing authorities that we should have collected or in the future should collect additional taxes;
- costs related to operating as a public company;
- climate change and related regulatory developments;

*Financing and Transactional Risks*

- our future capital requirements and our ability to service our current and future debt, financial covenants and other operational restrictions contained in our current debt agreements, and counterparty risk with respect to our capped call transactions;
- our ability to make and successfully integrate acquisitions and investments or complete divestitures, joint ventures, partnerships or other strategic transactions;

- our tax liabilities, ability to use our net operating loss carryforwards and future changes in tax matters;

*Governance Risks and Risks related to Ownership of our Capital Stock*

- the dual class structure of our common stock, its concentration of voting power with our Co-Founders and its impact on our stock price;
- the volatility of the trading price of our Class A common stock;
- provisions of Delaware law and our certificate of incorporation and bylaws that may make a merger, tender offer or proxy contest difficult; and
- exclusive forum provisions in our bylaws.

**Risks Related to General Economic Factors**

*A deterioration of general macroeconomic conditions could materially and adversely affect our business and financial results.*

Our business and results of operations are subject to global economic conditions. Deteriorating macroeconomic conditions, including slower growth or recession, inflation and related increases in interest rates, increases to fuel and other energy costs or vehicle costs, changes in the labor market or decreases in consumer spending power or confidence, are likely to result in decreased discretionary spending and reduced demand for our platform. Further, changes in corporate spending, including cost-cuts and layoffs, may adversely impact business travel, commuting and other business-related expenditures and impact our Lyft Business customers. In addition, uncertainty and volatility in the banking and financial services sectors, inflation and higher interest rates, increased fuel and other energy costs, increased labor and benefits costs and increased insurance costs have, and may continue to, put pressure on economic conditions, which has led, and could lead, to greater operating expenses. For example, inflation has increased in recent years and is expected to further increase medical costs and vehicle repair costs, including increased prices of new and used vehicle parts, which has resulted in increases in our insurance costs. Similarly, these factors, as well as increased fuel costs, increase our costs as well as costs for drivers on our platform. Many of these factors are out of our control and make it difficult to accurately forecast gross bookings, revenues and operating results, particularly in the long-term, and could negatively affect our ability to meet our target operating performance and our (and our strategic partners') ability to make decisions about future investments and strategies. Further, we may need to make changes to our business to respond to these conditions and be able to compete effectively. For example, as a result of the increase in gas prices at certain points in 2022, in order to support drivers on our platform, we implemented a temporary per ride fuel surcharge in most markets, which we removed in September 2022. Similarly, we have adjusted our pricing in response to competitive pressures caused by changes in our marketplace, which has in the past contributed to a decline in our revenue and may cause a decline in revenue in future quarters. An economic downturn resulting in a prolonged recessionary period would likely have a further adverse effect on our revenue, financial condition and results of operations.

*Our business could be adversely affected by natural disasters, public health crises, political crises, economic downturns or other unexpected events.*

A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood or significant power outage, could disrupt our operations, mobile networks, the Internet or the operations of our third-party technology providers. In particular, our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity and increasingly for fires. The impact of climate change may increase these risks. In addition, any public health crises, such as the COVID-19 pandemic, other epidemics, political crises, such as terrorist attacks, war and other political or social instability and other geopolitical developments, or other catastrophic events, whether in the United States or abroad, could adversely affect our operations or the economy as a whole. For example, we have offices and employees in Belarus and Ukraine that have been and may continue to be adversely affected by the current war in the region, including displacement of our employees. The impact of any natural disaster, act of terrorism or other disruption to us or our third-party providers' abilities could result in driver supply and rider demand imbalances, decreased demand for our offerings or a delay in the provision of our offerings, or increase our costs and operating expenses, which could adversely affect our business, financial condition and results of operations. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate.

**Risks Related to Operational Factors**

*Our limited operating history and our evolving business make it difficult to evaluate our future prospects and the risks and challenges we may encounter.*

While we have primarily focused on ridesharing since our ridesharing marketplace launched in 2012, our business continues to evolve. We regularly expand our platform features, offerings and services and change our pricing methodologies. Through the acquisition of PBSC Urban Solutions Inc. ("PBSC") in May 2022, we expanded our business to include licensing

of certain of our technology and sales of bikes and stations. In recent periods, we have also reevaluated and changed our cost structure and focused our business model. For example, in February 2023, we closed the sale of our vehicle service center business and we have announced that we are considering strategic alternatives for our Light Vehicles business. Our evolving business, industry and markets make it difficult to evaluate our future prospects and the risks and challenges we may encounter. Risks and challenges we have faced and expect to face include our ability to:

- forecast our gross bookings, revenue and operating results and budget for and manage our expenses;
- attract new qualified drivers and new riders, and retain existing qualified drivers and existing riders in a cost-effective manner;
- effectively and competitively price our services and determine appropriate pricing methodologies;
- successfully develop new platform features, offerings and services to enhance the experience of users;
- comply with existing and new or modified laws and regulations applicable to our business;
- manage our platform and our business assets and expenses in light of economic and other developments, including changes in rider behavior and demand for our services;
- plan for and manage capital expenditures for our current and future offerings, including our network of Light Vehicles and certain vehicles in the Express Drive program, and manage our supply chain and supplier relationships related to our current and future offerings;
- develop, manufacture, source, deploy, sell, maintain and ensure utilization of our assets, including our network of Light Vehicles and certain vehicles in the Express Drive program;
- anticipate and respond to macroeconomic changes and changes in market dynamics in the markets in which we operate;
- maintain and enhance the value of our reputation and brand;
- effectively manage our growth and business operations;
- successfully expand our geographic reach and manage our international operations;
- hire, integrate and retain talented people at all levels of our organization; and
- right-size our real estate portfolio.

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

***Our financial performance in recent periods may not be indicative of future performance, and we may not be able to achieve or maintain profitability in the future.***

Prior to COVID-19, we grew rapidly. In 2020, due to COVID-19 and the related government and public health measures, our revenue declined significantly. Although our revenue has since recovered, the timeline for a full recovery of rideshare demand, driver supply and other aspects of our business in each of our markets is uncertain. Accordingly, our recent revenue growth rate and financial performance, including prior to the effects of COVID-19, the decline related to COVID-19 and recent growth rates compared to periods in the midst of the COVID-19 pandemic, may not be indicative of our future performance. Further, we have incurred net losses each year since our inception, and we expect that our financial performance, including Adjusted EBITDA, will continue to fluctuate in future periods. We can provide no assurances that we will achieve or maintain Adjusted EBITDA profitability in the future, on a quarterly or annual basis, or that we will ever achieve profitability on a GAAP basis.

While we remain focused on operating efficiently, our expenses will likely increase in the future as we develop and launch new offerings and platform features, expand in existing and new markets and continue to invest in our platform and customer engagement. In addition, certain costs, such as insurance and driver pay and incentives have increased or fluctuated as a result of the COVID-19 pandemic, macroeconomic factors and the development and maturation of our business and the

rideshare industry, and may continue to do so. We may be unable to accurately predict these costs and our investments may not result in increased revenue or growth in our business. For example, we have incurred and will continue to incur additional costs and expenses associated with the passage of Proposition 22 in California, HB 2076 in Washington and implementation of operational changes as part of an agreement with the New York Attorney General, including providing drivers in these states with new earnings opportunities and protections, including contributions towards on-the-job injury insurance, other benefits and minimum guaranteed earnings. In addition, various jurisdictions have introduced legislation setting high earnings standards and increasing other costs to the business including insurance. Due to various factors, including inflation, we anticipate that our insurance costs will continue to increase and will impact our profitability. Furthermore, we have expanded over time to include more asset-intensive offerings such as our network of Light Vehicles and Flexdrive. These offerings and programs require significant capital investments and recurring costs, including debt payments, maintenance, depreciation, asset life and asset replacement costs, and if we are not able to maintain sufficient levels of utilization of such assets, such offerings are otherwise not successful or we decide to shut down any such offerings, our investments may not generate sufficient returns and our financial condition may be adversely affected. In addition to the above, a determination in, resolution of, or settlement of, any legal proceeding related to driver classification matters may require us to significantly alter our existing business model and operations (including potentially suspending or ceasing operations in impacted jurisdictions), increase our costs and impact our ability to add qualified drivers to our platform and grow our business, which could have an adverse effect on our business, financial condition and results of operations, and our ability to achieve or maintain profitability in the future. Additionally, stock-based compensation expense related to RSUs and other equity awards is expected to continue to be a significant expense for the foreseeable future, and as of March 31, 2024, we had \$128.2 million of unrecognized stock-based compensation expense related to all unvested awards, net of estimated forfeitures, that will be recognized over a weighted-average period of approximately 1.2 years. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition and results of operations could be adversely affected.

As our business evolves, our revenue growth rates and results of operations will fluctuate due to a number of reasons, which may include changes in the macroeconomic environment, slowing demand for our offerings, increasing competition or changes in market dynamics, a decrease in the growth of our overall market or market saturation, public health crises, increasing regulatory costs and challenges and resulting changes to our business model and our failure to capitalize on growth opportunities. If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or maintain profitability.

***We face intense competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations.***

The market for TaaS networks is intensely competitive and characterized by rapid changes in technology, shifting levels of supply and demand and frequent introductions of new services and offerings. We expect competition to continue, both from current competitors and new entrants in the market that may be well-established and enjoy greater resources or other strategic or technological advantages. If we are unable to anticipate or successfully react to competitive challenges in a timely manner, our competitive position could weaken, or fail to improve, and we could experience fluctuations or a decline in market share, a decline in gross bookings, revenue or growth stagnation that could adversely affect our business, financial condition and results of operations. Our market share has fluctuated over time and we have had to take actions, such as price cuts, that have negative impacts on our financial results in the short term, either because of decreased revenue or increased investments, or both, that we believe will benefit our company in the long term.

Our main ridesharing competitor in the United States and Canada is Uber, though we also compete with other transportation network companies and taxi cab and livery companies, as well as traditional automotive manufacturers and technology companies. Our main competitors in bike and scooter sharing include Lime, Bird, Fifteen and Tier. We also compete with other manufacturers of bike and scooter sharing equipment for sales of such equipment, particularly in markets outside of the United States.

Additionally, there are other non-U.S.-based TaaS network companies, bike and scooter sharing companies, consumer vehicle rental companies, non-ridesharing transportation network companies and traditional automotive manufacturers that may expand into the United States and Canada. There are also a number of companies developing autonomous vehicle technology and TaaS offerings that may compete with us in the future, including Alphabet (Waymo, which is offering autonomous ride-hailing services in certain markets), Amazon (Zoox), Apple, Aurora, Baidu, General Motors (Cruise), Motional, and Tesla as well as many other technology companies and automobile manufacturers and suppliers. We anticipate continued challenges from current competitors as well as from new entrants into the TaaS market.

Certain of our competitors and potential competitors have greater financial, technical, marketing, research and development, manufacturing and other resources, greater name recognition, longer operating histories or a larger user base than we do. They may be able to devote greater resources to the development, promotion and sale of offerings and offer lower prices

than we do, which could adversely affect our results of operations. Further, they may have greater resources to deploy towards the research, development and commercialization of new technologies, including autonomous vehicle technology or Light Vehicles, or they may have other financial, technical or resource advantages. These factors may allow our competitors or potential competitors to derive greater gross bookings, revenue and profits from their existing user bases, attract and retain qualified drivers and riders at lower costs, offer more attractive pricing on their platforms or respond more quickly to new and emerging technologies, revenue opportunities and trends. Our current and potential competitors may also establish cooperative or strategic relationships, or consolidate, amongst themselves or with third parties that may further enhance their resources and offerings.

We believe that our ability to compete effectively depends upon many factors both within and beyond our control, and if we are unable to compete successfully, our business, financial condition and results of operations could be adversely affected.

***Our results of operations vary and are difficult to predict from period-to-period, which could cause the trading price of our Class A common stock to decline.***

Our results of operations have historically varied from period-to-period and we expect that our results of operations will continue to do so for a variety of reasons, many of which are outside of our control and difficult to predict. Because our results of operations may vary significantly from quarter-to-quarter and year-to-year, the results of any one period should not be relied upon as an indication of future performance. We have presented many of the factors that may cause our results of operations to fluctuate in this “Risk Factors” section. Fluctuations in our results of operations may cause such results to fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the trading price of our Class A common stock to decline.

***The ridesharing market and the market for our other offerings, such as our network of Light Vehicles, are still in relatively early stages of growth and development and if such markets do not continue to grow, grow more slowly than we expect or fail to grow as large or otherwise develop as we expect, our business, financial condition and results of operations could be adversely affected.***

Prior to COVID-19, the ridesharing market grew rapidly, but it is still relatively new, and it is uncertain to what extent market acceptance will continue to grow, if at all. In addition, the market for our other offerings, such as our network of Light Vehicles, is relatively new and unproven, and it is uncertain whether demand for bike and scooter sharing will continue to grow and achieve wide market acceptance. In July 2023, we announced that we are exploring strategic alternatives for our Light Vehicles business. Our success will depend to a substantial extent on the willingness of people to widely adopt ridesharing and our other offerings across a variety of use cases. In response to the COVID-19 pandemic, we paused our Shared Rides offerings, and we were temporarily restricted from operating our scooter share program in one jurisdiction due to public health and safety measures. We had to suspend or discontinue these offerings from time to time due to various concerns. In the event of significant public health concerns, such as COVID-19, or other events beyond our control, we may be required or believe it is advisable to suspend such offerings again. If the public does not perceive ridesharing or our other offerings as beneficial, or chooses not to adopt them as a result of concerns regarding public health or safety, affordability, longer-term behavioral and social shifts due to the COVID-19 pandemic, or for other reasons, whether as a result of incidents on our platform or on our competitors’ platforms, health concerns, or otherwise, then the market for our offerings may not further develop, may develop more slowly than we expect or may not achieve the growth potential we expect. Additionally, from time to time we re-evaluate the markets in which we operate and the performance of our offerings, and we have discontinued and may in the future discontinue operations in certain markets as a result of such evaluations. For example, we now offer Shared Rides exclusively in connection with business-to-business partnerships and only in select markets. Any of the foregoing risks and challenges could adversely affect our business, financial condition and results of operations.

***If we fail to cost-effectively attract and retain qualified drivers on our platform, or to increase the utilization of our platform by existing drivers, our business, financial condition and results of operations could be harmed.***

Our continued growth depends in part on our ability to cost-effectively attract and retain qualified drivers who satisfy our screening criteria and procedures and to increase their utilization of our platform. To attract and retain qualified drivers, we have, among other things, offered sign-up and referral bonuses and provided access to third-party vehicle rental programs for drivers who do not have or do not wish to use their own vehicle. Drivers are generally able to switch between our platform and competing platforms. If we do not continue to provide drivers with flexibility on our platform, compelling opportunities to increase earnings and other incentive programs, such as demand-based bonuses, that are comparable or superior to those of our competitors and other companies in the app-based work industry or other industries, or if drivers become dissatisfied with our programs and benefits or our requirements for drivers, including requirements regarding the vehicles they drive, we may fail to attract new drivers, retain current drivers or increase their utilization of our platform, or we may experience complaints, negative publicity, strikes or other work stoppages that could adversely affect our users and our business. For example, during the COVID-19 pandemic, we experienced a shortage of available drivers relative to rider demand in certain markets and offered increased incentives to improve driver supply. Our revenue and results of operations have in prior periods been negatively

impacted by supply incentives, and to the extent that driver availability remains limited and we offer increased incentives to improve supply, our revenue and results of operations may be negatively impacted in the future. Additionally, following the passage of Proposition 22 in California, drivers have been able to access the earning opportunities described in the ballot measure. In addition, in connection with a settlement with the New York Attorney General, the Company is implementing certain operational changes that may entail increased costs. Further, other jurisdictions may adopt similar laws and regulations, which would likely increase our expenses. Ongoing litigation seeking to reclassify drivers as employees is pending in multiple jurisdictions, including as described in the “Legal Proceedings” subheading in Note 6, Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. If such litigation is successful in one or more jurisdictions, we may be required to classify drivers as employees rather than independent contractors in those jurisdictions, and we may incur significant expenses to resolve the matters at issue in the litigation. If this occurs, we may need to develop and implement an employment model that we have not historically used or to cease operations, whether temporarily or permanently, in affected jurisdictions. We may face specific risks relating to our ability to onboard drivers as employees, our ability to partner with third-party organizations to source drivers and our ability to effectively utilize employee drivers to meet rider demand.

If drivers are unsatisfied with our partners, including our third-party vehicle rental partners, our ability to attract and retain qualified drivers and to increase their utilization of our platform could be adversely affected. Further, incentives we provide to attract drivers could fail to attract and retain qualified drivers or fail to increase utilization, or could have other unintended adverse consequences. In addition, changes in certain laws and regulations, including immigration, labor and employment laws or background check requirements, may result in a shift or decrease in the pool of qualified drivers, which may result in increased competition for qualified drivers or higher costs of recruitment, operation and retention. As part of our business operations or research and development efforts, data on the vehicle may be collected and drivers may be uncomfortable or unwilling to drive knowing that data is being collected. Other factors outside of our control, such as concerns about personal health and safety, increases in the price of gasoline, vehicles or insurance, or concerns about the availability of government or other assistance programs if drivers continue to drive on our platform, may also reduce the number of drivers on our platform or their utilization of our platform, or impact our ability to onboard new drivers. If we fail to attract qualified drivers on favorable terms, fail to increase their utilization of our platform or lose qualified drivers to our competitors, we may not be able to meet the demand of riders, including maintaining a competitive price of rides to riders, and our business, financial condition and results of operations could be adversely affected.

***If we fail to cost-effectively attract new riders, or to increase utilization of our platform by existing riders, our business, financial condition and results of operations could be harmed.***

Our success depends in part on our ability to cost-effectively attract new riders, retain existing riders and increase utilization of our platform by current riders. Riders have a wide variety of options for transportation, including personal vehicles, rental cars, taxis, public transit and other ridesharing and bike and scooter sharing offerings. Rider preferences may also change from time to time. To expand our rider base, we must appeal to new riders who have historically used other forms of transportation or other ridesharing or bike and scooter sharing platforms. We believe that our paid marketing initiatives have been and will continue to be critical in promoting awareness of our offerings, which in turn drives new rider growth and rider utilization. However, our reputation, brand and ability to build trust with existing and new riders may be adversely affected by complaints and negative publicity about us, our offerings, our policies, including our pricing algorithms and pricing policies, the quality of our service, including timely pick-ups, drivers on our platform, or our competitors, even if factually incorrect or based on isolated incidents. Further, if existing and new riders do not perceive the transportation services provided by drivers on our platform to be reliable, safe and affordable, or if we fail to offer new and relevant offerings and features on our platform, we may not be able to attract or retain riders or to increase their utilization of our platform. As we continue to expand into new geographic areas, we will be relying in part on referrals from our existing riders to attract new riders, and therefore we must ensure that our existing riders remain satisfied with our offerings. In addition, we have experienced and may continue to experience seasonality in both ridesharing and Light Vehicle rentals during the winter months, which may harm our ability to attract and retain riders during such periods. We have experienced volatility in the health of our overall marketplace, and demand for our platform has not returned to pre-COVID-19 pandemic levels in all markets. We cannot predict whether these impacts will continue, including longer term. If we fail to continue to grow our rider base, retain existing riders or increase the overall utilization of our platform by existing riders, we may not be able to provide drivers with an adequate level of ride requests, and our business, financial condition and results of operations could be adversely affected. In addition, if we do not achieve sufficient utilization of our asset-intensive offerings such as our network of Light Vehicles, our business, financial condition and results of operations could be adversely affected.

***We rely substantially on our wholly-owned subsidiary and deductibles to insure auto-related risks and on third-party insurance policies to insure and reinsure our operations-related risks. If our insurance or reinsurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able***

***to mitigate the risks facing our business, which could adversely affect our business, financial condition and results of operations.***

From the time a driver becomes available to accept rides in the Lyft Driver App until the driver logs off and is no longer available to accept rides, we, through our wholly-owned insurance subsidiary and deductibles, often bear substantial financial risk with respect to auto-related incidents, including auto liability, uninsured and underinsured motorist, auto physical damage, first party injury coverages including personal injury protection under state law and general business liabilities up to certain limits. To comply with certain United States and Canadian province insurance regulatory requirements for auto-related risks, we procure a number of third-party insurance policies which provide the required coverage in such jurisdictions. In all U.S. states, our insurance subsidiary reinsures a portion, which may change from time to time, of the auto-related risk from some third-party insurance providers. In connection with our reinsurance and deductible arrangements, we deposit funds into trust accounts with a third-party financial institution from which some third-party insurance providers are reimbursed for claims payments. If we fail to comply with state insurance regulatory requirements or other regulations governing insurance coverage, our business, financial condition and results of operations could be adversely affected. If any of our third-party insurance providers or administrators who handle the claim on behalf of the third-party insurance providers become insolvent, they could be unable to pay any claims that we make.

We also procure third-party insurance policies to cover various operations-related risks including employment practices liability, workers' compensation, business interruptions, cybersecurity and data breaches, crime, directors' and officers' liability and general business liabilities, including product liability. For certain types of operations-related risks or future risks related to our new and evolving offerings, we may not be able to, or may choose not to, acquire insurance. In addition, we may not obtain enough insurance to adequately mitigate such operations-related risks or risks related to our new and evolving offerings, and we may have to pay high premiums, self-insured retentions or deductibles for the coverage we do obtain. Additionally, if any of our insurance or reinsurance providers becomes insolvent, it could be unable to pay any operations-related claims that we make. Certain losses may be excluded from insurance coverage including, but not limited to losses caused by intentional act, pollution, contamination, virus, bacteria, terrorism, war and civil unrest.

The amount of one or more auto-related claims or operations-related claims has exceeded and could continue to exceed our applicable aggregate coverage limits, for which we have borne and could continue to bear a portion of the excess, in addition to amounts already incurred in connection with deductibles, self-insured retentions or otherwise paid by our insurance subsidiary. Insurance providers have raised premiums and deductibles for many types of coverages and for a variety of commercial risks and are likely to do so in the future. As a result, our insurance and claims expenses could increase, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced to manage pricing pressure. Our business, financial condition and results of operations could be adversely affected if (i) cost per claim, premiums or the number of claims significantly exceeds our historical experience, (ii) we experience a claim in excess of our coverage limits, (iii) our insurance providers fail to pay on our insurance claims, (iv) we experience a claim for which coverage is not provided, (v) the number of claims and average claim cost under our deductibles or self-insured retentions differs from historic averages or (vi) an insurance policy is canceled or non-renewed.

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

We establish insurance reserves for claims incurred but not yet paid and claims incurred but not yet reported and any related estimable expenses, and we periodically evaluate and, as necessary, adjust our actuarial assumptions and insurance reserves as our experience develops or new information is learned. We employ various predictive modeling and actuarial techniques and make numerous assumptions based on available historical experience and industry statistics to estimate our insurance reserves. Estimating the number and severity of claims, as well as related judgment or settlement amounts, is inherently difficult, subjective and speculative. While an independent actuarial firm periodically reviews our reserves for appropriateness and provides claims reserve valuations, a number of external factors can affect the actual losses incurred for any given claim, including but not limited to the length of time the claim remains open, increases in healthcare costs, increases in automotive costs (including rental vehicles), legislative and regulatory developments, judicial developments and unexpected events such as the COVID-19 pandemic. Such factors can impact the reserves for claims incurred but not yet paid as well as the actuarial assumptions used to estimate the reserves for claims incurred but not yet reported and any related estimable expenses for current and historical periods. The automotive insurance industry has experienced rising costs due to, among other things, inflation, supply chain challenges, and the increasing cost of medical care, which has driven an increase in actual losses in recent periods, and we expect these costs to continue to drive increased actual losses. Additionally, we have encountered in the past, and may encounter in the future, instances of insurance fraud, which could increase our actual insurance-related costs. For any of the foregoing reasons, our actual losses for claims and related expenses may deviate, individually or in the aggregate, from the insurance reserves reflected in our condensed consolidated financial statements. If we determine that our estimated insurance reserves are inadequate, we may be required to increase such reserves at the time of the determination, which could result in an increase to our net loss in the period in which the shortfall is determined and negatively impact our financial

condition and results of operations. For example, we have in the past experienced adverse development where we have needed to increase historical reserves attributable to liabilities in prior periods.

***We rely on a limited number of third-party insurance service providers for our auto-related insurance claims, and if such providers fail to service insurance claims to our expectations or we do not maintain business relationships with them, our business, financial condition and results of operations could be adversely affected.***

We rely on a limited number of third-party insurance service providers to service our auto-related claims. If any of our third-party insurance service providers fails to service claims to our expectations, discontinues or increases the cost of coverage or changes the terms of such coverage in a manner not favorable to drivers or to us, we cannot guarantee that we would be able to secure replacement coverage or services on reasonable terms in an acceptable time frame or at all. If we cannot find alternate third-party insurance service providers on terms acceptable to us, we may incur additional expenses related to servicing such auto-related claims using internal resources.

In recent periods, the automotive insurance industry has experienced rising costs due to, among other things, inflation, supply chain challenges, and the cost of medical care, which has harmed our business, financial condition and results of operations, including through increased insurance renewal costs, and we expect it to continue to negatively impact the automotive insurance industry and our business, financial condition and results of operations.

We have, from time to time, sold portions of retained insurance risk to third-parties, including as described in the “Insurance Reserves” subheading in Note 6, Supplemental Financial Statement Information to the consolidated financial statements included in our Annual Report on Form 10-K. These transactions may cause us to incur additional expenses in the total cost of this risk, and we are subject to recapture of the risk if any third party reinsurer were to default on their reinsurance obligation.

Any negative publicity related to any of our third-party insurance service providers could adversely affect our reputation and brand and could potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

***Our reputation, brand and the network effects among the drivers and riders on our platform are important to our success, and if we are not able to maintain and continue developing our reputation, brand and network effects, our business, financial condition and results of operations could be adversely affected.***

We believe that building a strong reputation and brand as a safe, reliable and affordable platform and continuing to increase the strength of the network effects among the drivers and riders on our platform are critical to our ability to attract and retain qualified drivers and riders. The successful development of our reputation, brand and network effects will depend on a number of factors, many of which are outside our control. Negative perception of our platform or company may harm our reputation, brand and networks effects, including as a result of:

- complaints or negative publicity about us, drivers on our platform, riders, our product offerings, our ability to deliver on product promises, pricing or our policies and guidelines, including our practices and policies with respect to drivers, or the ridesharing industry, even if factually incorrect or based on isolated incidents;
- illegal, negligent, reckless or otherwise inappropriate behavior by drivers or riders or third parties, or concerns about the safety of our platform or ridesharing in general;
- a failure to provide drivers with a sufficient level of ride requests, charge drivers fees and commissions that are competitive or provide drivers with competitive fares and incentives;
- a failure to offer riders competitive ride pricing and pick-up times or the desired range of ride types;
- actual or perceived disruptions of or defects in our platform, such as privacy or data security breaches or incidents, site outages, payment disruptions or other incidents that impact the reliability of our offerings;
- litigation over, or investigations by regulators into, our platform or our business, including any adverse resolution of such litigation or investigations;
- users’ lack of awareness of, or compliance with, our policies, changes to our policies that are negatively received, or a failure to enforce our policies in a manner perceived as effective, fair and transparent;
- a failure to operate our business in a way that is consistent with our stated values and mission, including modification or discontinuation of our community or sustainability programs, illegal or otherwise inappropriate behavior by our management team or other employees or contractors, or negative perception of our treatment of employees;

- inadequate or unsatisfactory user support service experiences;
- negative responses by drivers or riders to new offerings on our platform;
- accidents, defects or other negative incidents involving autonomous vehicles or Light Vehicles on our platform or Light Vehicles sold to third parties;
- political or social policies or activities, including our response to employee sentiment related to these matters; or
- any of the foregoing with respect to our competitors, to the extent such resulting negative perception affects the public's perception of us or our industry as a whole.

If we do not successfully maintain and develop our brand, reputation and network effects and successfully differentiate our offerings from competitive offerings, our business may not grow, we may not be able to compete effectively and we could lose existing qualified drivers or existing riders or fail to attract new qualified drivers or new riders, any of which could adversely affect our business, financial condition and results of operations. In addition, changes we may make to enhance and improve our offerings and balance the needs and interests of the drivers and riders on our platform may be viewed positively from one group's perspective (such as riders) but negatively from another's perspective (such as drivers), or may not be viewed positively by either drivers or riders. If we fail to balance the interests of drivers and riders or make changes that they view negatively, drivers and riders may stop using our platform, take fewer rides or use alternative platforms, any of which could adversely affect our reputation, brand, business, financial condition and results of operations.

***Illegal, improper or otherwise inappropriate activity of users, whether or not occurring while utilizing our platform, has and could continue to expose us to liability and harm our business, brand, financial condition and results of operations.***

Illegal, improper or otherwise inappropriate activities by users, including the activities of individuals who may have previously engaged with, but are not then receiving or providing services offered through, our platform or individuals who are intentionally impersonating users of our platform could adversely affect our brand, business, financial condition and results of operations. These activities may include criminal activity such as assault, theft, unauthorized use of credit and debit cards or bank accounts, as well as other misconduct such as sharing of rider or driver accounts. While we have implemented various measures intended to anticipate, identify and address the risk of these types of activities, these measures may not adequately address, and are unlikely to prevent, all illegal, improper or otherwise inappropriate activity by these parties from occurring in connection with our offerings. Such conduct has and could continue to expose us to liability or adversely affect our brand or reputation. At the same time, if the measures we have taken to guard against these illegal, improper or otherwise inappropriate activities, such as our requirement that all drivers undergo annual background checks or our two-way rating system and related policies, are too restrictive and inadvertently prevent qualified drivers and riders otherwise in good standing from using our offerings, or if we are unable to implement and communicate these measures fairly and transparently or are perceived to have failed to do so, the growth and retention of the number of qualified drivers and riders on our platform and their utilization of our platform could be negatively impacted. Further, any negative publicity related to the foregoing, whether such incident occurred on our platform, on our competitors' platforms, or on any ridesharing platform, could adversely affect our reputation and brand or public perception of the ridesharing industry as a whole, which could negatively affect demand for platforms like ours, and potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could harm our business, financial condition and results of operations.

***We rely on third-party background check providers to screen potential and existing drivers, and if such providers fail to provide accurate information, or if providers are unable to complete background checks because of data access restrictions, court closures or other unforeseen government shutdowns, or if we do not maintain business relationships with them, our business, financial condition and results of operations could be adversely affected.***

We rely on third-party background check providers to screen the records of potential and existing drivers to help identify those that are not qualified to utilize our platform pursuant to applicable laws or our internal standards. Our business has been and may continue to be adversely affected to the extent we cannot attract or retain qualified drivers as a result of such providers being unable to complete certain background checks, or being significantly delayed in completing certain background checks, because of data access restrictions, or to the extent that they do not meet their contractual obligations, our expectations or the requirements of applicable laws or regulations. If any of our third-party background check providers terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we may need to find an alternate provider, and may not be able to secure similar terms or replace such partners in an acceptable time frame. If we cannot find alternate third-party background check providers on terms acceptable to us, we may not be able to timely onboard potential drivers, and as a result, our platform may be less attractive to qualified drivers. Further, if the background checks conducted by our third-party background check providers do not meet our expectations or the requirements under applicable laws and regulations, unqualified drivers may be permitted to provide rides on our platform, and as a result, our reputation and brand could be adversely affected and we could be subject to increased regulatory or litigation exposure.

We are also subject to a number of laws and regulations applicable to background checks for potential and existing drivers on our platform. If we or drivers on our platform fail to comply with applicable laws, rules and legislation, our reputation, business, financial condition and results of operations could be adversely affected.

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

***Changes to our pricing could adversely affect our ability to attract or retain qualified drivers and riders.***

Demand for our offerings is highly sensitive to the price of rides, the rates for time and distance driven, incentives paid to drivers and the fees we charge drivers. Many factors, including operating costs, legal and regulatory requirements or constraints and our current and future competitors' pricing and marketing strategies including increased incentives for drivers, could significantly affect our pricing strategies. Certain of our competitors offer, or may in the future offer, lower-priced or a broader range of offerings. Similarly, certain competitors may use marketing strategies that enable them to attract or retain qualified drivers and riders at a lower cost than we do. This includes the use of algorithms to set dynamic prices for riders and earnings for drivers that are dependent on various factors, such as the route, time of day, and pick-up and drop-off locations of riders. From time to time, we have made pricing changes and spent significant amounts on marketing and both rider and driver incentives, and we expect that, from time to time, we will be required, through competition, regulation or otherwise, to reduce the price of rides for riders, increase the incentives we pay to drivers on our platform or reduce the fees we charge the drivers on our platform, or to increase our marketing and other expenses to attract and retain qualified drivers and riders in response to competitive pressures. These actions may adversely affect our business and financial results and may not have the desired benefits. At times, in certain geographic markets, we have offered, and may continue to offer, driver incentives that cause the total amount of the fare that a driver retains, combined with the driver incentives a driver receives from us, to increase, at times meeting or exceeding the amount of gross bookings we generate for a given ride. Furthermore, the economic sensitivity of drivers and riders on our platform may vary by geographic location, and as we expand, our pricing methodologies may not enable us to compete effectively in these locations. Local regulations may affect our pricing in certain geographic locations, which could amplify these effects. For example, state and local laws and regulations regarding pricing limitations during government declared States of Emergency have imposed limits on prices for certain services, and state and local laws and regulations have imposed minimum earnings standards for drivers, which, at times, have caused us to increase prices in certain markets, including California, New York and Washington. We have tested or launched, and expect to in the future test or launch, new pricing strategies and initiatives, such as our earnings commitment, subscription packages and driver or rider loyalty programs. We have also modified, and expect to in the future modify, existing pricing methodologies, such as our up-front pricing policy. To the extent any strategies, initiatives or modifications to our pricing methodologies lead to real or perceived harm to driver earnings, our ability to attract or retain qualified drivers may be adversely affected. Any of the foregoing actions may not ultimately be successful in attracting and retaining qualified drivers and riders or may result in loss of market share, negative public perception and harm to our reputation.

While we continue to maintain that drivers on our platform are independent contractors in legal and administrative proceedings, our arguments may ultimately be unsuccessful. A determination in, resolution of, or settlement of, any legal proceeding, whether we are party to such legal proceeding or not, that classifies a driver utilizing a ridesharing platform as an employee, may require us to revise our pricing and earnings methodologies to account for such a change to driver classification. Proposition 22 in California, HB 2076 in Washington and an agreement with the New York Attorney General have enabled us to provide additional earning opportunities to drivers in those states, including guaranteed earnings. The transition has required, and will continue to require, additional costs and we expect to face other challenges as we transition drivers to these new models, including changes to our pricing. We have also tested or launched, and may in the future test or launch, certain changes to the rates, fees and payment structure for drivers on our platform, which may not ultimately be successful in attracting and retaining qualified drivers. Moreover, successful litigation to overturn Proposition 22, litigation over Lyft's compliance with Proposition 22, or the reclassification of drivers on our platform as employees could reduce the available supply of drivers as drivers leave the platform due to the changes in flexibility under an employment model. While we do and will attempt to optimize ride prices and balance supply and demand in our ridesharing marketplace, our assessments may not be accurate. We have experienced in the past and may experience in the future underpricing or overpricing of our offerings due to changes we make to the technology used in our pricing. In addition, if the offerings on our platform change, then we may need to revise our pricing methodologies. As we continue to launch new and develop existing asset-intensive offerings such as our network of Light Vehicles and certain vehicles in our Express Drive program, factors such as maintenance, debt service, depreciation, asset life, supply chain efficiency and asset replacement may affect our pricing methodologies. In addition, we have established environmental programs that may also affect our pricing. Any such changes to our pricing methodologies or our ability to efficiently price our offerings could adversely affect our business, financial condition and results of operations.

***If we are unable to efficiently grow and further develop our network of Light Vehicles, which may not grow as we expect or become profitable over time, and manage the related risks, our business, financial condition and results of operations could be adversely affected.***

While some major cities have widely adopted bike and scooter sharing, there can be no assurance that new markets we enter will accept, or existing markets will continue to accept, bike and scooter sharing, and even if they do, that we will be able to execute on our business strategy or that our related offerings will be successful in such markets. For example, although we have exclusive rights to operate bike or scooter sharing programs in certain jurisdictions, we have faced competition in contravention of such rights and have incurred costs to defend against such challenges. A negative determination in other legal disputes regarding bike and scooter sharing, including an adverse determination regarding our existing rights to operate, could adversely affect our competitive position and results of operations. Additionally, we may from time to time be denied permits to operate, or be temporarily restricted from operating due to public health and safety measures, our bike share program or scooter share program in certain jurisdictions. While we do not expect any denial or suspension in an individual region to have a material impact, these denials or suspensions in the aggregate could adversely affect our business and results of operations. Even if we are able to successfully develop and implement our network of Light Vehicles, there may be heightened public skepticism of this nascent service offering. In particular, there could be negative public perception surrounding bike and scooter sharing, including the overall safety and the potential for injuries occurring as a result of accidents involving an increased number of bikes and scooters on the road, and the general safety of the bikes and scooters themselves. Such negative public perception may result from incidents on our platform or incidents involving our competitors' offerings.

We design and contract to manufacture bikes and scooters using a limited number of external suppliers, and a continuous, stable and cost-effective supply of bikes and scooters that meets our standards is critical to our operations. We expect to continue to rely on external suppliers in the future. There can be no assurance we will be able to maintain our existing relationships with these suppliers and continue to be able to source our bikes and scooters on a stable basis, at a reasonable price or at all. We also design and contract to manufacture certain assets related to our network of Light Vehicles and we rely on a small number of suppliers, and in some instances a sole supplier, for components and manufacturing services. Similarly, we rely on external vendors to provide field services to our bike and scooter operations. There can be no assurance we will be able to maintain our existing relationships with these vendors. Also, from time to time we transition these services in one or more geographies from one vendor to another, and the transition process could interrupt or otherwise adversely affect our operations.

The revenue we generate from our network of Light Vehicles may fluctuate from quarter to quarter due to, among other things, seasonal factors including weather. Our limited operating history makes it difficult for us to assess the exact nature or extent of the effects of seasonality on our network of Light Vehicles, however, we generally experience a decline in demand for our bike and scooter rentals over the winter season and an increase during more temperate and dry seasons. Additionally, from time to time we may re-evaluate the markets in which we operate and the performance of our network of Light Vehicles, and we have discontinued and may in the future discontinue operations in certain markets as a result of such evaluations. For example, in July 2022, November 2022 and March 2023, we discontinued our shared scooter programs in San Diego and Los Angeles and our shared bike and scooter program in Minneapolis, respectively, due to a number of factors including onerous contractual requirements, institutionalized theft, and lack of public investment. In 2023, we announced that we would explore strategic alternatives for our Light Vehicles business, which may take any of several forms. Any divestiture, investment, joint venture or other strategic transaction or arrangement would involve risks and could change the direction and operation of our Light Vehicles business. Any of the foregoing risks and challenges could adversely affect our business, financial condition and results of operations.

***Challenges relating to the supply chain for our Light Vehicles could adversely affect our business, financial condition and results of operations.***

The supply chain for our bikes and scooters exposes us to multiple potential sources of delivery failure or shortages and our acquisition of PBSC, a producer and seller of bikes, has increased that exposure. In the event that our supply of bikes and scooters or key components is interrupted or there are significant increases in prices, our business, financial condition and results of operations could be adversely affected. Changes in business conditions, force majeure, any public health crises, such as the COVID-19 pandemic, governmental or regulatory changes and other factors beyond our control have affected and could continue to affect our suppliers' ability to deliver products and our ability to deploy products to the market, or deliver products to third parties, on a timely basis.

We incur significant costs related to the design, purchase, sourcing and operations of our network of Light Vehicles and we expect to continue incurring such costs as we operate our network of Light Vehicles. The prices and availability of bikes and scooters and related products may fluctuate depending on factors beyond our control including market and economic conditions, tariffs, changes to import or export regulations and demand. Substantial increases in prices of these assets or the cost of our operations would increase our costs and reduce our margins, which could adversely affect our business, financial condition and results of operations. Further, customs authorities may challenge or disagree with our classification, valuation or

country of origin determinations of our imports. Such challenges could result in tariff liabilities, including tariffs on past imports, as well as penalties and interest. Although we have reserved for potential payments of possible tariff liabilities in our financial statements, if these liabilities exceed such reserves, our financial condition could be harmed.

Our bikes and scooters or components thereof, including bikes and scooters and components that we design and contract to manufacture using third-party suppliers, have experienced and may in the future experience quality problems, product issues or acts of vandalism or theft from time to time, which could result in decreased usage of our network of Light Vehicles or loss of our bikes or scooters. There can be no assurance we will be able to detect and fix all product issues, vandalism or theft of our Light Vehicles. Failure to do so could result in lost revenue, litigation or regulatory challenges, including personal injury or products liability claims, and harm to our reputation.

***If we are unable to efficiently develop, enable, or implement partnerships with other companies to offer autonomous vehicle technologies on our platforms in a timely manner, our business, financial condition and results of operations could be adversely affected.***

We currently partner and have partnered in the past with several companies to develop autonomous vehicle technology and offerings. Autonomous driving is a new and evolving market, which makes it difficult to predict its acceptance, its growth, and the magnitude and timing of necessary investments and other trends, including when it may be more broadly or commercially available. Our initiatives may not perform as expected, which would reduce the return on our investments in this area and our current or future partners may decide to terminate or scale back their partnerships with us. For example, in October 2022, one of our autonomous vehicle partners announced its wind-down, and as a result we incurred a total impairment charge of \$135.7 million consisting of impairments of our non-marketable equity investment in such company and other assets. Following the sale of our Level 5 self-driving vehicle division in 2021, we no longer develop our own autonomous vehicle technology, so we must develop and maintain partnerships with other companies to offer autonomous vehicle technology on our platforms, and if we are unable to do so, or if we do so at a slower pace or at a higher cost or if our technology is less capable relative to our competitors, or if our efforts to optimize our strategy with regard to our autonomous vehicle technology development are not successful, our business, financial condition and results of operations could be adversely affected. Likewise, if our current or future autonomous vehicle technology partners are delayed or prevented from developing autonomous vehicle technology, our business, financial condition and results of operations could be adversely affected. For example, a general decrease in available capital, as well as an increase in regulatory scrutiny could delay or prevent the development of autonomous vehicle technology by our partners.

***The autonomous vehicle industry may not continue to develop, or autonomous vehicles may not be adopted by the market, which could adversely affect our prospects, business, financial condition and results of operations.***

We have invested, and plan to continue to invest, in the development of autonomous vehicle-related technology for use on our platform. Autonomous driving involves a complex set of technologies, including the continued development of sensing, computing and control technology. We have relied on building strategic partnerships with third-party developers of such technologies, as such technologies are costly and in varying stages of maturity. There is no assurance that these current or future partnerships will result in the development of market-viable technologies or commercial success in a timely manner or at all. In order to gain acceptance, the reliability of autonomous vehicle technology must continue to advance.

Additional challenges to the development and deployment of autonomous vehicle technology, all of which are outside of our control, include:

- market acceptance of autonomous vehicles;
- state, federal or municipal licensing requirements, safety standards, and other regulatory measures;
- necessary changes to infrastructure to enable adoption;
- concerns regarding electronic security and privacy;
- levels of investment by developers of autonomous vehicle technology; and
- public perception regarding the safety of autonomous vehicles for drivers, riders, pedestrians and other vehicles on the road.

There are a number of existing laws, regulations and standards that may apply to autonomous vehicle technology, including vehicle standards that were not originally intended to apply to vehicles that may not have a human driver. Such regulations continue to rapidly evolve, which may increase the likelihood of complex, conflicting or otherwise inconsistent regulations, which may delay our ability to bring autonomous vehicle technology to market or significantly increase the compliance costs associated with this business strategy. In addition, there can be no assurance that the market will accept autonomous vehicles or the timing of such acceptance, if at all, and even if it does, that we will be able to execute on our

business strategy or that our offerings will be successful in the market. Even if autonomous vehicle technology is successfully developed and implemented, there may be heightened public skepticism of this nascent technology and its adopters. In particular, there could be negative public perception surrounding autonomous vehicles, including the overall safety and the potential for injuries or death occurring as a result of accidents involving autonomous vehicles and the potential loss of income to human drivers resulting from widespread market adoption of autonomous vehicles. Such negative public perception may result from incidents on our platform, incidents on our partners' or competitors' platforms, or events around autonomous vehicles more generally. Any of the foregoing risks and challenges could adversely affect our prospects, business, financial condition and results of operations.

***Claims from riders, drivers or third parties that allege harm, whether or not our platform is in use, adversely affect our business, brand, financial condition and results of operations.***

We are regularly subject to claims, lawsuits, investigations and other legal proceedings relating to injuries to, or deaths of, riders, drivers or third-parties that are attributed to us through our offerings. We are also subject to claims alleging that we are directly or vicariously liable for the acts of the drivers on our platform or for harm related to the actions of drivers, riders, or third parties, or the management and safety of our platform and our assets, including harm caused by criminal activity. We are also subject to personal injury claims whether or not such injury actually occurred as a result of activity on our platform. For example, platform users and third parties have in the past asserted legal claims against us in connection with personal injuries related to the actions of a driver or rider who may have previously utilized our platform, but was not at the time of such injury. We have incurred expenses to settle personal injury claims, which we sometimes choose to settle for reasons including expediency, protection of our reputation and to prevent the uncertainty of litigating, and we expect that such expenses will continue to increase as our business grows and we face increasing public scrutiny. Regardless of the outcome of any legal proceeding, any injuries to, or deaths of, any riders, drivers or third parties could result in negative publicity and harm to our brand, reputation, business, financial condition and results of operations. Our insurance policies and programs may not provide sufficient coverage to adequately mitigate the potential liability we face, especially where any one incident, or a group of incidents, could cause disproportionate harm, and we may have to pay high premiums or deductibles for our coverage and, for certain situations and/or categories of claims, we may not be able to secure coverage at all.

As we operate our network of Light Vehicles, we are subject to an increasing number of claims, lawsuits, investigations or other legal proceedings related to injuries to, or deaths of, riders of our Light Vehicles, including potential indemnification claims. In some cases, we could be required to indemnify governmental entities or operating partners for claims arising out of issues, including issues that may be outside of our control, such as the condition of the public right of way. Any such claims arising from the use of our Light Vehicles, regardless of merit or outcome, could lead to negative publicity, harm to our reputation and brand, significant legal, regulatory or financial exposure or decreased use of our Light Vehicles. Further, the bikes and scooters we design and contract to manufacture using third-party suppliers and manufacturers, including certain assets and components we design and have manufactured for us, have in the past contained and could in the future contain design or manufacturing product issues, which could also lead to injuries or death to riders. There can be no assurance we will be able to detect, prevent, or fix all product issues, and failure to do so could harm our reputation and brand or result in personal injury or products liability claims or regulatory proceedings. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

***Our Light Vehicles have experienced product issues from time to time, which has in the past resulted in, and, in the future may result in, product recalls and removal from service, injuries, litigation, enforcement actions and regulatory proceedings, and could adversely affect our business, brand, financial condition and results of operations.***

We design, contract to design and manufacture, sell, and directly and indirectly modify, maintain and repair bikes and scooters for our network of Light Vehicles. Such bikes and scooters have in the past contained, and, in the future may contain, product issues related to their design, materials or construction, may be improperly maintained or repaired or may be subject to vandalism. These product issues, improper maintenance or repair or vandalism have in the past unexpectedly interfered, and could in the future unexpectedly interfere, with the intended operations of the bikes or scooters, and have resulted, and could in the future result, in other safety concerns, including alleged injuries to riders or third parties. Although we, our contract manufacturers, and our third-party service providers test our bikes and scooters before they are deployed onto our network or sold, there can be no assurance we will be able to detect or prevent all product issues.

Failure to detect, prevent, fix or timely report real or perceived product issues and vandalism, or to properly maintain or repair our bikes and scooters has resulted or may result in a variety of consequences including product recalls and removal from service, service interruptions, alleged injuries, litigation, enforcement actions, including fines or penalties, regulatory proceedings, and negative publicity. Even if injuries to riders or third parties are not the result of any product issues in, vandalism of, or the failure to properly maintain or repair our bikes or scooters, we may incur expenses to defend or settle any claims or respond to regulatory inquiries, and our brand and reputation may be harmed. Any of the foregoing risks could also result in decreased usage of our network of Light Vehicles and adversely affect our business, brand, financial conditions and results of operations.

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

We expect to continue to grow our business, infrastructure and operations over time. Growth has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. While our headcount has grown across the United States and internationally, from time to time we have undertaken restructuring actions to better align our financial model and our business. For example, we have from time to time implemented reductions in force to reduce operating expenses and adjust cash flows in light of ongoing economic challenges. We may need to take additional restructuring actions in the future to align our business with the market. Steps we take to manage our business operations, including workplace policies for employees, and to align our operations with our strategies for future growth may adversely affect our reputation and brand, our ability to recruit, retain and motivate highly skilled personnel.

Our ability to manage our growth and business operations effectively and to integrate new employees, technologies and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to retain, attract, train, motivate and manage employees. Continued growth could strain our ability to develop and improve our operational, financial and management controls, enhance our reporting systems and procedures, recruit, train and retain highly skilled personnel and maintain user satisfaction. Additionally, if we do not effectively manage the growth of our business and operations, the quality of our offerings could suffer, which could negatively affect our reputation and brand, business, financial condition and results of operations.

***Any actual or perceived security or privacy breach or incident could interrupt our operations, harm our brand and adversely affect our reputation, brand, business, financial condition and results of operations.***

Our business involves the collection, storage, transmission and other processing of our users' personal data and other sensitive data. Additionally, we maintain other confidential, proprietary, or otherwise sensitive information relating to our business, including intellectual property, and similar information we receive from third parties. Unauthorized parties have in the past gained access, and may in the future gain access, to systems or facilities we maintain or use in our business through various means, including gaining unauthorized access into our systems or facilities or those of our service providers, partners or users on our platform, or attempting to fraudulently induce our employees, service providers, partners, users or others into disclosing rider names, passwords, payment card information or other sensitive information, which may in turn be used to access our information technology systems, or attempting to fraudulently induce our employees, partners, customers or others into manipulating payment information, resulting in the fraudulent transfer of funds to criminal actors. In addition, users on our platform could have vulnerabilities on their own devices that are entirely unrelated to our systems and platform, but could mistakenly attribute their own vulnerabilities to us. Further, breaches or incidents experienced by other companies may also be leveraged against us. For example, credential stuffing attacks are common and sophisticated actors can mask their attacks, making them difficult to identify and prevent. Certain efforts may be state-sponsored or supported by significant financial and technological resources, making them even more difficult to detect.

Although we have developed systems and processes that are designed to protect our users' data and prevent breaches and incidents, these measures cannot guarantee total security or prevent incidents from impacting our platform. Our information technology and infrastructure are subject to cyberattacks, breaches and incidents, including ransomware or other malware, which have resulted in and may result in interruptions to our operations or unavailability of our platform. Further, third parties may be able to access our users' personal information and payment card data that are accessible through those systems. Additionally, as we expand our operations, including licensing or sharing data with third parties, have employees or third-party relationships in jurisdictions outside the United States, or expand work-from-home practices of our employees, our exposure to cyberattacks, breaches and incidents may increase. As a result of conflicts such as the war in Ukraine, there may be a heightened risk of potential cyberattacks by state actors or others. Further, employee and service provider error, malfeasance or other vulnerabilities, bugs or errors in the storage, use or transmission of personal information could result in an actual or perceived breach or incident. In the past, there have been allegations regarding violations of our policies restricting access to personal information we store, and we may be subject to these types of allegations in the future. Our service providers also face various security threats, and we and our third-party service providers may not have the resources or technical sophistication to anticipate, prevent, respond to, or mitigate cyberattacks or security breaches or incidents, and we or they may face difficulties or delays in identifying and responding to cyberattacks, breaches and incidents.

Any actual or perceived breach or incident affecting us or other parties with which we share data or are processing data on our behalf could interrupt our operations, result in our platform being unavailable or otherwise disrupted, result in loss, alteration, unavailability or unauthorized use, disclosure or other processing of data, result in fraudulent transfer of funds, harm our reputation and brand, damage our relationships with third-party partners, result in regulatory investigations and other proceedings, private claims, demands, litigation and other proceedings, loss of our ability to accept credit or debit card payments, increased card processing fees, and other significant legal, regulatory and financial exposure and lead to loss of driver or rider confidence in, or decreased use of, our platform, any of which could adversely affect our business, financial condition and results of operations. In addition, any actual or perceived compromise, breach or incident impacting autonomous

vehicles, whether through our platform or our competitors', could result in legal, regulatory and financial exposure and lead to loss of rider confidence in our platform, which could significantly undermine our business. Further, any cyberattacks directed toward, or breaches or incidents impacting, our competitors could reduce confidence in the ridesharing industry as a whole and, as a result, reduce confidence in us.

We incur significant costs in an effort to detect and prevent security breaches and other security-related incidents and we expect our costs will increase as we continue to implement systems and processes designed to prevent and otherwise address security breaches and incidents. In the event of a future breach or incident, we could be required to expend additional significant capital and other resources in an effort to respond to or prevent further breaches or incidents, which may require us to divert substantial resources. Moreover, we could be required or otherwise find it appropriate to expend significant capital and other resources to respond to, notify third parties of, and otherwise address the breach or incident and its root cause.

Additionally, defending against claims or litigation based on any actual or perceived privacy or security breach or incident, regardless of their merit, could be costly and divert management's attention. We cannot be certain that our insurance coverage will be adequate for such liabilities, that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition and results of operations.

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

We currently host our platform and support our operations using Amazon Web Services, or AWS, a third-party provider of cloud infrastructure services. We do not have control over the operations of the facilities of AWS that we use. AWS' facilities are vulnerable to damage or interruption from natural disasters, cyber attacks, terrorist attacks, power outages and similar events or acts of misconduct. Our platform's continuing and uninterrupted performance is critical to our success. We have experienced, and expect that in the future we will experience interruptions, delays and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. In addition, any changes in AWS' service levels may adversely affect our ability to meet the requirements of users. Since our platform's continuing and uninterrupted performance is critical to our success, sustained or repeated system failures would reduce the attractiveness of our offerings. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand and the usage of our offerings increases. Any negative publicity arising from these disruptions could harm our reputation and brand and may adversely affect the usage of our offerings.

Our commercial agreement with AWS will remain in effect until terminated by AWS or us. AWS may only terminate the agreement for convenience after complying with a one-year advance notice requirement. AWS may also terminate the agreement for cause upon a breach of the agreement or for failure to pay amounts due, in each case, subject to AWS providing prior written notice and a 30-day cure period. In the event that our agreement with AWS is terminated or we add additional cloud infrastructure service providers, we may experience significant costs or downtime in connection with the transfer to, or the addition of, new cloud infrastructure service providers. Any of the above circumstances or events may harm our reputation and brand, reduce the availability or usage of our platform, lead to a significant short term loss of revenue, increase our costs and impair our ability to attract new users, any of which could adversely affect our business, financial condition and results of operations.

On February 1, 2022 we entered into an addendum to our commercial agreement with AWS, pursuant to which we committed to spend an aggregate of at least \$350 million between February 2022 and January 2026 on AWS services, with a minimum amount of \$80 million in each of the four years. If we fail to meet the minimum purchase commitment during any year, we may be required to pay the difference, which could adversely affect our financial condition and results of operations.

***We rely on third-party and affiliate vehicle rental partners for our Express Drive program, as well as third-party vehicle supply, fleet management and finance partners to support our Express Drive program, and if we cannot manage our relationships with such parties and other risks related to our Express Drive program, our business, financial condition and results of operations could be adversely affected.***

We rely on third-party and affiliate vehicle rental partners as well as third-party vehicle supply, fleet management and finance partners to supply vehicles to drivers for our Express Drive program. If any of our third-party vehicle rental partners or third-party vehicle supply, fleet management and finance partners terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, the availability of vehicles for drivers in certain markets could be adversely impacted, and we may need to find an alternate provider, and may not be able to secure similar terms or replace such partners in an acceptable time frame. Similarly, in the event that vehicle manufacturers issue recalls that affect the usage of the

supply of vehicles or automotive parts is interrupted, including as a result of public health crises, such as the COVID-19 pandemic, affecting vehicles in these partners' fleets, the supply of vehicles available from these partners could become constrained. In addition, in May 2020, Hertz filed for bankruptcy protection, which affected its ability to meet the requirements of our Express Drive program. If we cannot find alternate third-party vehicle rental providers on terms acceptable to us, or these partners' fleets are impacted by events such as vehicle recalls, we may not be able to meet the driver and consumer demand for rental vehicles, and as a result, our platform may be less attractive to qualified drivers and consumers. In addition, due to a number of factors, including our agreements with our vehicle rental partners and our auto-related insurance program, we incur an incrementally higher insurance cost from our Express Drive program compared to the corresponding cost from the rest of our ridesharing marketplace offerings. If Flexdrive, Lyft's independently managed subsidiary, is unable to manage costs of operating Flexdrive's fleet and potential shortfalls between such costs and the rental fees collected from drivers, Lyft and Flexdrive may update the pricing methodologies related to Flexdrive's offering in Lyft's Express Drive program which could increase prices, and in turn adversely affect our ability to attract and retain qualified drivers through the Express Drive program.

Any negative publicity related to any of our third-party and affiliate vehicle rental partners, including publicity related to quality standards or safety concerns, could adversely affect our reputation and brand and could potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

***Our Express Drive program and potential future fleet businesses expose us to certain risks, including reductions in the utilization of vehicles in the fleets.***

For the Express Drive vehicle rental program for drivers operated by our independently managed subsidiary, Flexdrive, a portion of the fleet is sourced from a range of auto manufacturers. In addition, we have established environmental programs that may limit the range of auto manufacturers or vehicles that Flexdrive sources or purchases from. To the extent that any of these auto manufacturers significantly curtail production, increase the cost of purchasing cars or decline to provide cars to Flexdrive on terms or at prices consistent with past agreements, despite sourcing vehicles from the used car market and other efforts to mitigate, Flexdrive may be unable to obtain a sufficient number of vehicles for Lyft to operate the Express Drive business without significantly increasing fleet costs or reducing volumes. Similarly, where events, such as natural disasters or public health crises such as the COVID-19 pandemic, make operating rental locations difficult or impossible, or adversely impact rider demand, the demand for or Flexdrive's ability to make vehicles available for rent through the Express Drive program has been and could continue to be adversely affected, resulting in reduced utilization of the vehicles in the fleets.

Although new vehicle inventory supply is improving, Flexdrive has previously experienced and may in the future experience production and delivery delays which can hinder its ability to meet demand and grow the fleet. New vehicle production delays also lead to holding onto existing vehicles longer which in turn leads to increased costs relating to those vehicles.

The costs of the fleet vehicles may also be adversely impacted by the relative strength of the used car market. Flexdrive currently sells vehicles through auctions, third-party resellers and other channels in the used vehicle marketplace. Such channels may not produce stable used vehicle prices and Flexdrive has experienced a softening in the used car market. It may be difficult to estimate the residual value of vehicles used in ridesharing, such as those rented to drivers through our Express Drive program. If Flexdrive is unable to obtain and maintain the fleet of vehicles cost-efficiently or if Flexdrive is unable to accurately forecast the residual values of vehicles in the fleet, our business, financial condition and results of operations could be adversely affected.

***We rely on third-party payment processors to process payments made by riders and payments made to drivers on our platform, and if we cannot manage our relationships with such third parties and other payment-related risks, our business, financial condition and results of operations could be adversely affected.***

We rely on a limited number of third-party payment processors to process payments made by riders and payments made to drivers on our platform. If any of our third-party payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternate payment processor, and may not be able to secure similar terms or replace such payment processor in an acceptable time frame. Further, the software and services provided by our third-party payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or make timely payments to drivers on our platform, any of which could make our platform less convenient and attractive to users and adversely affect our ability to attract and retain qualified drivers and riders.

Nearly all rider payments and driver payouts are made by credit card, debit card or through third-party payment services, which subjects us to certain payment network or service provider operating rules, to certain regulations and to the risk of fraud. We may in the future offer new payment options to riders that may be subject to additional operating rules, regulations and risks. We may also be subject to a number of other laws and regulations relating to the payments we accept from riders, including with respect to money laundering, money transfers, privacy, data protection and information security. If we fail to

comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our offerings less convenient and attractive to riders. If any of these events were to occur, our business, financial condition and results of operations could be adversely affected.

For example, if we are deemed to be a money transmitter as defined by applicable regulation, we could be subject to certain laws, rules and regulations enforced by multiple authorities and governing bodies in the United States and numerous state and local agencies who may define money transmitter differently. For example, certain states may have a more expansive view of who qualifies as a money transmitter. Additionally, outside of the United States, we could be subject to additional laws, rules and regulations related to the provision of payments and financial services, and if we expand into new jurisdictions, the foreign regulations and regulators governing our business that we are subject to will expand as well. If we are found to be a money transmitter under any applicable regulation and we are not in compliance with such regulations, we may be subject to fines or other penalties in one or more jurisdictions levied by federal, state or local regulators, including state Attorneys General, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, forfeiture of significant assets or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny.

For various payment options, we are required to pay fees such as interchange and processing fees that are imposed by payment processors, payment networks and financial institutions. These fees are subject to increases, which could adversely affect our business, financial condition, and results of operations. Additionally, our payment processors require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks and which include, among other obligations, requirements to comply with security standards. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit us from providing certain offerings to some users, be costly to implement or difficult to follow, and if we fail or are alleged to fail to comply with applicable rules or requirements of payment card networks, we may be subject to fines or higher transaction fees and may lose our ability to accept online payments or other payment card transactions. We have agreed to reimburse our payment processors for fines they are assessed by payment card networks if we or the users on our platform violate these rules. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

***We rely on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition and results of operations could be adversely affected.***

Our success depends in part on our relationships with other third-party service providers. For example, we rely on third-party encryption and authentication technologies licensed from third parties that are designed to securely transmit personal information provided by drivers and riders on our platform. Further, from time to time, we enter into strategic commercial partnerships in connection with the development of new technology, the growth of our qualified driver base, the provision of new or enhanced offerings for users on our platform and our expansion into new markets. If any of our partners terminates its relationship with us, or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternate provider, and may not be able to secure similar terms or replace such providers in an acceptable time frame. Similarly, in the event that our strategic partners experience a disruption in their operations, our ability to continue providing certain product offerings could become constrained. If we cannot find alternate partners, we may not be able to meet the demand for these product offerings, and as a result, these offerings and our platform may become less attractive. We also rely on other software and services supplied by third parties, such as communications and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain errors or vulnerabilities, are compromised or experience outages. Any of these risks could increase our costs and adversely affect our business, financial condition and results of operations. Further, any negative publicity related to any of our third-party partners, including any publicity related to quality standards or safety concerns, could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure. In addition, in certain cases, we rely on these third-party partners to provide certain data that is important to the management of our business. Errors in the data, or failure to provide data in a timely manner, could adversely affect our ability to manage our business and could impact the accuracy of our financial reporting.

We use and incorporate technology and intellectual property from third parties into our platform, products, and services. We cannot be certain that such technology, intellectual property, or third parties are not infringing the intellectual property rights of others or that these third parties have sufficient rights to the technology or intellectual property in all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our platform or products containing that technology or provide services using that technology could be severely limited and our business could be harmed. Additionally, if we are unable to access necessary technology from third parties, we may be forced to acquire or

develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards and may subject us to certain risks discussed in the preceding paragraph that are currently borne by third parties. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed or if we are unable to develop such alternate technology at commercially reasonable levels of risk, we may not be able to offer certain functionality as part of our offerings, which could adversely affect our business, financial condition and results of operations.

***Our advertising business, Lyft Media, is nascent and subject to various risks and uncertainties, which may adversely affect our business and financial results.***

We have introduced Lyft Media, a media and advertising business from which we earn revenue from third parties who advertise through various offerings on our platform. We have limited experience and operating history offering media and advertising on our platform, and our efforts to develop Lyft Media and generate revenue are still in the early stages. We may never generate sufficient revenue to offset our investment or achieve the returns we expect.

Lyft Media and our ability to generate and increase revenue from Lyft Media are subject to various risks and uncertainties, including:

- our ability to attract and retain advertisers, particularly because our advertisers do not have long-term commitments with us;
- our ability to deliver advertisements in an effective manner;
- our ability to compete effectively for advertising spend, including our ability to create products and offerings that are perceived as valuable to advertisers;
- the impact of seasonal, cyclical or other shifts in advertising spend, including the impact of macroeconomic conditions;
- the availability, accuracy, utility, and security of analytics and measurement solutions offered by us or third parties that demonstrate the value of our ads to marketers, or our ability to further improve such tools;
- our failure to increase the number of riders who engage with Lyft Media;
- changes in our viewer demographics that make us less attractive to advertisers;
- adverse legal developments relating to advertising, including with respect to ad targeting and measurement tools;
- our inability to deliver advertisements due to hardware, software or network limitations;
- changes in third-party policies such as changes to mobile device operating systems that impose heightened restrictions on our access and use of user data by allowing users to more easily opt-out of tracking of activity across devices, which may negatively impact the ability to measure, deliver and select ads to be served;
- regulatory, legislative and industry developments relating to the collection and use of information and other privacy considerations, including regulations related to ad targeting and measurement tools;
- product changes or advertising inventory management decisions we may make that change the type, size or frequency of advertisements displayed on Lyft Media;
- adverse media reports or other negative publicity involving us, our business or advertisers on our platform that may impact our brand and reputation and the willingness of advertisers to advertise on our platform;
- any liability, brand or reputational harm from advertisements shown on our platform;
- any uncertainty related to third party agreements to manage, sell ads, or otherwise to provide services to products in the Lyft Media ecosystem;
- advertisers may not agree to reformat or change their advertisements to comply with our guidelines;
- any driver, rider or third-party dissatisfaction due to advertisements; and
- our ability to increase or maintain driver adoption and use of Lyft Media products.

These and other factors could harm our Lyft Media business and the ability of our Lyft Media business to achieve the return on investment we expect which could harm our business.

*Use of artificial intelligence and machine learning may present additional risks, including risks associated with algorithm development or use, the data sets used, and/or a complex, developing regulatory environment.*

We use artificial intelligence (“AI”) (including machine learning and automated decision making) for our internal work streams and productivity as well as in our platform, offerings, services and features, which may present additional risks, including risks inherent in its use. We are making investments in expanding our AI capabilities in our platform, offerings, services and features, including ongoing deployment and improvement of existing machine learning and AI technologies, as well as developing new features using AI technologies, including, for example, generative AI. AI algorithms or automated processing of data may be flawed and datasets may be insufficient or contain inaccurate or biased information, which can create discriminatory outcomes. AI algorithms may use third-party inputs with unclear intellectual property rights or interests. Intellectual property ownership and license rights, including copyright, of generative and other AI output, have not been fully interpreted by courts or fully addressed by federal or state regulations. The United States and other countries are considering comprehensive legal compliance frameworks specifically for AI, which is a trend that may increase now that the European Commission has proposed the first such framework. In addition, there may be legislation or regulations from government bodies that similarly impose compliance obligations for AI. Any failure or perceived failure by us or our service providers to comply with such requirements could have an adverse impact on our business. AI use or management by us or others, including decisions based on automated processing or profiling, inappropriate or controversial data practices, or insufficient disclosures regarding machine learning, automated decision making, and algorithms, have and could impair the operationality or acceptance of AI solutions or subject us to lawsuits, regulatory investigations or other harm, such as negative impacts to the value of our intellectual property or our brand. These deficiencies could also undermine the decisions, predictions or analysis AI applications produce, or lead to unintentional bias and discrimination, subjecting us to competitive harm, legal liability, and brand or reputational harm. The rapid evolution of AI may require us to allocate additional resources to help implement AI in order to minimize unintended or harmful impacts, and may also require us to make additional investments in the development of proprietary datasets, machine learning models or other systems, which may be costly.

*If we are not able to successfully develop new offerings on our platform and enhance our existing offerings, our business, financial condition and results of operations could be adversely affected.*

Our ability to attract new qualified drivers and new riders, retain existing qualified drivers and existing riders and increase utilization of our offerings will depend in part on our ability to successfully create and introduce new offerings and to improve upon and enhance our existing offerings. As a result, we may introduce significant changes to our existing offerings or develop and introduce new and unproven offerings. If these new or enhanced offerings are unsuccessful, including as a result of any inability to obtain and maintain required permits or authorizations or other regulatory constraints or because they fail to generate sufficient return on our investments, our business, financial condition and results of operations could be adversely affected. Furthermore, new driver or rider demands regarding service or platform features, the availability of superior competitive offerings or a deterioration in the quality of our offerings or our ability to bring new or enhanced offerings to market quickly and efficiently could negatively affect the attractiveness of our platform and the economics of our business and require us to make substantial changes to and additional investments in our offerings or our business model. In addition, we frequently experiment with and test different offerings and marketing strategies. For example, in September 2023, we launched Women+ Connect, an offering with a goal of increasing women drivers on the platform by helping match women and nonbinary drivers with women and nonbinary passengers. Additionally, in February 2024, we launched a driver earnings commitment where we promise a driver will earn at least 70% of weekly passenger payments after external fees. If a driver’s weekly earnings are below the 70% commitment, they will receive a true-up payment for the difference. Any significant inability to deliver on the commitment could lead to brand and reputational harm and create potential legal risk. If these experiments and tests are unsuccessful, or if the offerings and strategies we introduce based on the results of such experiments and tests do not perform as expected, our ability to attract new qualified drivers and new riders, retain existing qualified drivers and existing riders and maintain or increase utilization of our offerings may be adversely affected.

Developing and launching new offerings or enhancements to the existing offerings on our platform involves significant risks and uncertainties, including risks related to the reception of such offerings by existing and potential future drivers and riders, increases in operational complexity, unanticipated delays or challenges in implementing such offerings or enhancements, increased strain on our operational and internal resources (including an impairment of our ability to accurately forecast rider demand and the number of drivers using our platform), our dependence on strategic commercial partnerships, and negative publicity in the event such new or enhanced offerings are perceived to be unsuccessful. We have scaled our business rapidly, and significant new initiatives have in the past resulted in, and in the future may result in, operational challenges affecting our business. In addition, developing and launching new offerings and enhancements to our existing offerings may involve significant up-front capital investments and such investments may not generate sufficient returns on investment. Further, from time to time we may reevaluate, discontinue and/or reduce these investments and decide to discontinue one or more offerings. For example, we shut down our vehicle services offering and parking offering, which were initially launched in 2021. Any of the foregoing risks and challenges could negatively impact our ability to attract and retain qualified drivers and riders, our ability to increase utilization of our offerings and our visibility into expected results of operations, and could

adversely affect our business, financial condition and results of operations. Additionally, since we are focused on building our community and ecosystems for the long-term, our near-term results of operations may be impacted by our investments in the future.

***If we are unable to successfully manage the complexities associated with our multimodal platform, our business, financial condition and results of operations could be adversely affected.***

Our expansion, either through our first party offerings or third-party offerings through our partnerships, into bike and scooter sharing, other modes of transportation and vehicle rental program has increased the complexity of our business. These new offerings have required us to develop new expertise and marketing and operational strategies, and have subjected us to new laws, regulations and risks. For example, our Wait & Save offering, which enables riders to opt for a longer wait time but pay a lower fare than for a Standard ride, while drivers earn the same as they do for a Standard ride, involves inherent challenges in predicting the future locations of drivers. We also face the risk that our network of Light Vehicles, our Nearby Transit offering, which integrates third-party public transit data into the Lyft App, and other future transportation offerings could reduce the use of our ridesharing offering. Additionally, from time to time we reevaluate our offerings on our multimodal platform and have in the past decided and may again decide to discontinue or modify an offering or certain features. Such actions may negatively impact revenue in the short term and may not provide the benefits we expect in the long term. If we are unable to successfully manage the complexities associated with our expanding multimodal platform, including the effects our new and evolving offerings have on our existing business, our business, financial condition and results of operations could be adversely affected.

***Our metrics and estimates, including the key metrics included in this report, are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may harm our reputation and negatively affect our business.***

We regularly review and may adjust our processes for calculating our metrics used to evaluate our growth, measure our performance and make strategic decisions. These metrics are calculated using internal company data and have not been evaluated by a third-party. Our metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or the assumptions on which we rely, and we may make material adjustments to our processes for calculating our metrics in order to enhance accuracy, reflect newly available information, address errors in our methodologies, or other reasons, which may result in changes to our metrics. The estimates and forecasts we disclose relating to the size and expected growth of our addressable market may prove to be inaccurate. Even if the markets in which we compete meet the size estimates and growth we have forecasted, our business could fail to grow at similar rates, if at all. Further, as our business develops, we may introduce, revise or cease reporting certain metrics if we change how we manage our business such that new metrics are appropriate, if we determine that revisions are required to accurately or appropriately measure our performance, or if one or more metrics no longer represents an effective way to evaluate our business. If investors or analysts do not consider our metrics to be accurate representations of our business or compare our metrics to third party estimates or similarly titled metrics of our competitors or others in our industry that are not calculated on the same basis, or if we discover material inaccuracies in our metrics, then the trading price of our Class A common stock and our business, financial condition and results of operations could be adversely affected.

***Any failure to offer high-quality user support may harm our relationships with users and could adversely affect our reputation, brand, business, financial condition and results of operations.***

Our ability to attract and retain qualified drivers and riders is dependent in part on the ease and reliability of our offerings, including our ability to provide high-quality support, including both in-person and remote support. Users on our platform depend on our support organization to resolve any issues relating to our offerings, such as being overcharged for a ride, leaving something in a driver's vehicle or reporting a safety incident. Our ability to provide effective and timely support is largely dependent on our ability to attract and retain service providers who are qualified to support users and sufficiently knowledgeable regarding our offerings. As we continue to grow our business and improve our offerings, we will face challenges related to providing quality support services at scale. If we grow our international rider base and the number of international drivers on our platform, our support organization will face additional challenges, including those associated with delivering support in languages other than English. Any failure to provide efficient and effective user support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, brand, business, financial condition and results of operations.

***Failure to deal effectively with fraud could harm our business.***

We have in the past incurred, and may in the future incur, losses from various types of fraud, including use of stolen or fraudulent credit card data, claims of unauthorized payments by a rider, attempted payments by riders with insufficient funds, fraud committed by drivers, riders or third parties, and fraud committed by riders in concert with drivers. Bad actors use increasingly sophisticated methods to engage in illegal activities, including those involving personal information, such as unauthorized use of another person's identity, account information or payment information and unauthorized acquisition or use of credit or debit card details, bank account information and mobile phone numbers and accounts. Under current card payment

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

We have also incurred, and may in the future incur, losses from fraud and other misuse of our platform by drivers and riders. As an example of losses, we have previously and continue to experience reduced revenue from actual and alleged unauthorized rides fulfilled and miles traveled in connection with our Concierge offering. If we are unable to adequately anticipate and address such misuse either through increased controls, platform solutions or other means, our partner relationships, business, financial condition and results of operations could be adversely affected.

***If we fail to effectively balance driver supply and rider demand on our Wait & Save and Priority Pickup offerings, our business, financial condition and results of operations could be adversely affected.***

If we fail to efficiently balance driver supply and rider demand on our Wait & Save and Priority Pickup offerings and manage the related pricing methodologies and logistics, our business, financial condition and results of operations could be adversely affected. Wait & Save enables riders to opt for a longer wait time but pay a lower fare than for a Standard ride, while drivers earn the same as they do for a Standard ride. Priority Pickup enables riders to pay an additional fee for prioritized ride matching with the goal of achieving a shorter wait time. Both Priority Pickup and Wait & Save allow for the rider to be matched with the best-located driver and involve inherent challenges in predicting the future location of drivers. Accordingly, if our algorithms are unable to consistently match Wait & Save and Priority Pickup riders, or with appropriate drivers, then our business, financial condition and results of operations could be adversely affected.

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

With our up-front pricing methodology, we quote a price to riders of our ridesharing offering before they request a ride. We earn platform and service fees from drivers. Service fees are a set fee per ride. Platform fees are variable fees, based upon the amount paid by a rider, which is generally based on an up-front quoted fare, less the amount earned by the driver (which is based on one or both of the following: (a) the actual time and distance for the trip, or (b) an up-front fare), the service fee, any applicable driver bonuses or incentives, and any pass-through amounts paid to drivers and third parties. For more information on platform fees, see our Terms of Service, including the Driver Addendum. As we do not control the driver's actions at any point in the transaction to limit the time and distance for the trip, we take on risks related to the driver's actions which may not be fully mitigated. Additionally, Shared Rides, a limited-scope offering for business-to-business partnerships in select markets, enables unrelated parties traveling along similar routes to generate a discounted fare at the cost of possibly longer travel times. The fare charged for the Shared Ride is decoupled from the payment made to the driver as we do not adjust the driver payment based on the success or failure of a match. We may incur a loss from a transaction where an up-front quoted fare paid by a rider is less than the amount we committed to the driver. In addition, riders' price sensitivity varies by geographic location, among other factors, and if we are unable to effectively account for such variability in our breadth of offerings or up-front prices, our ability to compete effectively in these locations could be adversely affected. From time to time we adjust our prices due to these factors, which may harm our results of operations. We also utilize certain AI and machine-learning technologies and algorithms to optimize our pricing and marketplace. Errors in AI, machine-learning technologies, algorithms, or the inputted data, including insufficient data sets or biased information, or the processing of the data may lead to discriminatory or other adverse outcomes. If we are unable to effectively manage our pricing methodologies in conjunction with our existing and future pricing and incentive programs, our business, financial condition and results of operations could be adversely affected.

***Our company culture has contributed to our success and if we cannot maintain this culture as we grow, our business could be harmed.***

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

- failure to identify, attract, reward and retain people in leadership positions in our organization who share and further our culture, values and mission;
- the increasing size and geographic diversity of our workforce;
- our flexible workplace strategies, which enable certain of our employees to work in a hybrid workplace environment or remotely;

- adherence to our internal policies and core values, including our diversity, equity and inclusion practices and initiatives;
- competitive pressures to move in directions that may divert us from our mission, vision and values;
- the continued challenges of a rapidly-evolving industry;
- the impact of our cost reduction initiatives, including reductions in force and other actions we may take to drive operating efficiencies;
- the increasing need to develop expertise in new areas of business that affect us;
- perception of our treatment of employees or our response to employee sentiment related to political or social causes or actions of management;
- the departure of our co-founders from their operational roles and transitions among our executive leadership;
- the provision of employee benefits in a hybrid and remote work environment; and
- the integration of new personnel and businesses from acquisitions.

From time to time, we have undertaken workforce reductions in order to better align our operations with our strategic priorities, manage our cost structure or in connection with acquisitions. For example, in response to the effects of the macroeconomic environment and efforts to reduce operating expenses, we have from time to time implemented reductions in force. These actions may adversely affect employee morale, our culture and our ability to attract and retain personnel. If we are not able to maintain our culture, our business, financial condition and results of operations could be adversely affected.

***We depend on our key personnel and other highly skilled personnel, and if we fail to attract, retain, motivate or integrate our personnel, our business, financial condition and results of operations could be adversely affected.***

Our success depends in part on the continued service of our senior management team, key technical employees and other highly skilled personnel and on our ability to identify, hire, develop, motivate, retain and integrate highly qualified personnel for all areas of our organization. In the second quarter of 2023, our co-founders, Logan Green and John Zimmer, transitioned from their management roles and David Risher, a member of our board of directors, became Chief Executive Officer. Kristin Sverchek, a senior executive of the Company, succeeded Mr. Zimmer as President, and we have also experienced transitions in other executive leadership roles, including our Chief Financial Officer. We may not be successful in attracting and retaining qualified personnel to fulfill our current or future needs and actions we take in response to economic and other factors impacting our business may harm our reputation or impact our ability to recruit qualified personnel in the future. Also, all of our U.S.-based employees, including our management team, work for us on an at-will basis, and there is no assurance that any such employee will remain with us. Our competitors may be successful in recruiting and hiring members of our management team or other key employees, and it may be difficult for us to find suitable replacements on a timely basis, on competitive terms or at all. If we are unable to attract and retain the necessary personnel, particularly in critical areas of our business, we may not achieve our strategic goals.

We face intense competition for highly skilled personnel, especially in the San Francisco Bay Area where we have a substantial presence and need for highly skilled personnel. This competition has intensified in recent periods, and could continue to intensify for such personnel. To attract and retain top talent, we have had to offer, and we believe we will need to continue to offer, competitive compensation and benefits packages. Job candidates and existing personnel often consider the value of the equity awards they receive in connection with their employment. The decline in our stock price and our cost reduction initiatives may adversely affect our ability to attract and retain highly qualified personnel, and we may experience increased attrition or we may need to provide additional cash or equity compensation to retain employees. Certain of our employees have received significant proceeds from sales of our equity in private transactions and many of our employees have received and may continue to receive significant proceeds from sales of our equity in the public markets, which may reduce their motivation to continue to work for us. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train and integrate such employees, and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate new hires, our efficiency, ability to meet forecasts and employee morale, productivity and retention could suffer, which could adversely affect our business, financial condition and results of operations.

***Our business could be adversely impacted by changes in the Internet and mobile device accessibility of users and unfavorable changes in or our failure to comply with existing or future laws governing the Internet and mobile devices.***

Our business depends on users' access to our platform via a mobile device and the Internet. We may operate in jurisdictions that provide limited Internet connectivity, particularly as we expand internationally. Internet access and access to a

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

Moreover, we are subject to a number of laws and regulations specifically governing the Internet and mobile devices that are constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth and availability of the Internet and online offerings, require us to change our business practices or raise compliance costs or other costs of doing business. These laws and regulations, which continue to evolve, cover taxation, privacy and data protection, information security, pricing, copyrights, distribution, mobile and other communications, advertising practices, consumer protections, web and app accessibility, antitrust and competition, the provision of online payment services, unencumbered Internet access to our offerings and the characteristics and quality of online offerings, among other things. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and brand, a loss in business and proceedings or actions against us by governmental entities or others, which could adversely impact our results of operations.

***We rely on mobile operating systems and application marketplaces to make our apps available to the drivers and riders on our platform, and if we do not effectively operate with or receive favorable placements within such application marketplaces and maintain high rider reviews, our usage or brand recognition could decline and our business, financial results and results of operations could be adversely affected.***

We depend in part on mobile operating systems, such as Android and iOS, and their respective application marketplaces to make our apps available to the drivers and riders on our platform. Any changes in such systems and application marketplaces that degrade the functionality of our apps or give preferential treatment to our competitors' apps could adversely affect our platform's usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit us from making our apps available to drivers and riders, make changes that degrade the functionality of our apps, increase the cost of using our apps, impose terms of use unsatisfactory to us or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of our apps, overall growth in our rider or driver base could slow. Our apps have experienced fluctuations in the number of downloads in the past, and we anticipate similar fluctuations in the future. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our apps. Additionally, in order to deliver high-quality apps, we need to ensure that our offerings are designed to work effectively with a range of mobile technologies, systems, networks and standards. We may not be successful in developing or maintaining relationships with key participants in the mobile industry that enhance drivers' and riders' experience. If drivers or riders on our platform encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, our business, financial condition and results of operations could be adversely affected.

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

We have integrations with a variety of productivity, collaboration, travel, data management and security vendors. As our offerings expand and evolve, including to the extent we continue to develop autonomous technology, we may have an increasing number of integrations with other third-party applications, products and services. Third-party applications, products and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors or technology partners may take actions which disrupt the interoperability of our platform with their own products or services, or exert strong business influence on our ability to, and the terms on which we operate and distribute our platform. As our respective products evolve, we expect the types and levels of competition to increase. Should any of our competitors or technology partners modify their products, standards or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to competitive products or services, our products, platform, business, financial condition and results of operations could be adversely affected.

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

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. We rely heavily on a software engineering practice known as "continuous deployment," which refers to the frequent release of our software code, sometimes multiple times per day. This practice increases the risk that errors and vulnerabilities are present in the software code underlying our platform. The third-

party software that we incorporate into our platform may also be subject to errors or vulnerability. Any errors or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity, a loss of users or loss of revenue and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of data of users on our platform, or otherwise result in a security breach or incident. We may need to expend significant financial and development resources to analyze, correct, eliminate or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects or vulnerabilities could adversely affect our business, financial condition and results of operations as well as negatively impact our reputation or brand.

Further, our systems, or those of third parties upon which we rely, may experience service interruptions or degradation because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware or other events. Our systems also may be subject to break-ins, sabotage, theft and intentional acts of vandalism, including by our own employees. Some of our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures and similar events.

We have experienced and will likely continue to experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our offerings. These events have resulted in, and similar future events could result in, losses of revenue or additional costs and expenses. A prolonged interruption in the availability or reduction in the availability, speed or other functionality of our offerings could adversely affect our business and reputation and could result in the loss of users. Moreover, to the extent that any system failure or similar event results in harm or losses to the users using our platform, we may make voluntary payments to compensate for such harm or the affected users could seek monetary recourse or contractual remedies from us for their losses and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address.

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

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

Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software.

Although we have policies and processes for using open source software to avoid subjecting our platform and offerings to conditions we do not intend, the terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our platform and offerings. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Moreover, we cannot assure you that our processes for controlling our use of open source software in our platform will be effective. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our offerings on terms that are not economically feasible, to re-engineer our platform, to discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition and results of operations.

***Our presence outside the United States and our international expansion strategy will subject us to additional costs and risks and our plans may not be successful.***

Since 2017, we have provided and expanded our offerings in international markets. In addition, we have several international offices that support our business. We also transact internationally to source and manufacture bikes and scooters and may increase our business in international regions in the future. Operating outside of the United States may require

significant management attention to oversee operations over a broad geographic area with varying cultural norms and customs, in addition to placing strain on our finance, analytics, compliance, legal, engineering and operations teams. We may incur significant operating expenses and may not be successful in our international expansion for a variety of reasons, including:

- recruiting and retaining talented and capable employees in foreign countries and maintaining our company culture across all of our offices;
- competition from local incumbents that better understand the local market, may market and operate more effectively and may enjoy greater local affinity or awareness;
- differing demand dynamics, which may make our offerings less successful;
- public health concerns or emergencies, such as the COVID-19 pandemic and other highly communicable diseases or viruses;
- complying with varying laws and regulatory standards, including with respect to privacy, data protection, cybersecurity, tax, trade compliance, anti-bribery and anti-corruption, and local regulatory restrictions and disclosure requirements;
- ineffective legal protection of our intellectual property rights in certain countries or theft or unauthorized use or publication of our intellectual property and other confidential business information;
- obtaining any required government approvals, licenses or other authorizations;
- varying levels of Internet and mobile technology adoption and infrastructure;
- currency exchange restrictions or costs and exchange rate fluctuations;
- political, economic, or social instability, which has caused disruptions in certain of our office locations, including in Belarus and Ukraine as a result of the war;
- tax policies, treaties or laws that could have an unfavorable business impact; and
- limitations on the repatriation and investment of funds as well as foreign currency exchange restrictions.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake may not be successful, which may result in shutting down international operations or closing international offices, which could result in additional costs and cash requirements, any of which may harm our business, financial condition and results of operations. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition and results of operations could be adversely affected.

In addition, international expansion has increased our risks in complying with laws and standards in the U.S. and other jurisdictions, including with respect to customs, anti-corruption, anti-bribery, political activity, export controls and trade and economic sanctions. Continued international expansion, including possible engagement with foreign government entities and organizations as customers for our Light Vehicle offerings, including bike-share products through PBSC, may further increase such compliance risks. We cannot assure you that our employees and agents will not take actions in violation of applicable laws, for which we may be ultimately held responsible. In particular, any violation of applicable anti-corruption, anti-bribery, lobbying, export controls, sanctions and similar laws could result in adverse media coverage, investigations, significant legal fees, loss of export privileges, severe criminal or civil penalties or suspension or debarment from U.S. government contracts, and/or substantial diversion of management's attention, all of which could have an adverse effect on our reputation, brand, business, financial condition and results of operations.

#### **Risks Related to Regulatory and Legal Factors**

*Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure to comply with such laws and regulations could harm our business, financial condition and results of operations.*

We are subject to a wide variety of laws in the United States and other jurisdictions. Laws, regulations and standards governing issues such as TNCs, public companies, ridesharing, worker classification, labor and employment, anti-discrimination, payments, gift cards, whistleblowing and worker confidentiality obligations, product liability, defects, recalls, auto maintenance and repairs, personal injury, marketing, advertising, text messaging, subscription services, intellectual property, AI, securities, consumer protection, taxation, privacy, data security, competition, unionizing and collective action,

antitrust, arbitration agreements and class action waiver provisions, terms of service, web and mobile application accessibility, autonomous vehicles, bike and scooter sharing, insurance, vehicle rentals, money transmittal, non-emergency medical transportation, healthcare fraud, waste, and abuse, environmental health and safety, greenhouse gas emissions and EVs, background checks, public health, anti-corruption, anti-bribery, political contributions, lobbying, import and export restrictions, trade and economic sanctions, foreign ownership and investment, foreign exchange controls and delivery of goods are often complex and subject to varying interpretations, in many cases due to their lack of specificity. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state and local administrative agencies.

The ridesharing industry, Light Vehicle sharing industry and our business model are relatively nascent and rapidly evolving. When we introduced a peer-to-peer ridesharing marketplace in 2012, the laws and regulations in place at the time did not directly address our offerings. Laws and regulations that were in existence at that time, and some that have since been adopted, were often applied to our industry and our business in a manner that limited our relationships with drivers or otherwise inhibited the growth of our ridesharing marketplace. We have been proactively working with federal, state and local governments and regulatory bodies to ensure that our ridesharing marketplace and other offerings are available broadly in the United States and Canada. In part due to our efforts, a large majority of U.S. states have adopted laws related to TNCs to address the unique issues of the ridesharing industry. New laws and regulations and changes to existing laws and regulations continue to be adopted, implemented and interpreted in response to our industry and related technologies. As we expand our business into new markets or introduce new offerings into existing markets, regulatory bodies or courts may claim that we or users on our platform are subject to additional requirements, or that we are prohibited from conducting our business in certain jurisdictions, or that users on our platform are prohibited from using our platform, either generally or with respect to certain offerings. Certain jurisdictions and governmental entities, including airports, require us to obtain permits, pay fees or comply with certain reporting and other operational requirements to provide our ridesharing, bike and scooter sharing, and Flexdrive offerings. These jurisdictions and governmental entities may reject our applications for permits, revoke or suspend existing or deny renewals of permits to operate, delay our ability to operate, increase their fees, charge new types of fees, or impose fines and penalties, including as a result of errors in, or failures to comply with, reporting or other requirements related to our product offerings. Any of the foregoing actions by these jurisdictions and governmental entities could adversely affect our business, financial condition and results of operations.

Recent financial, political and other events have increased the level of regulatory scrutiny on larger companies, technology companies in general and companies engaged in dealings with independent contractors, such as ridesharing and delivery companies. Regulatory bodies may enact new laws or promulgate new regulations that are adverse to our business, or, due to changes in our operations and structure or partner relationships as a result of changes in the market or otherwise, they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business. See the risk factor entitled “Challenges to contractor classification of drivers that use our platform may have adverse business, financial, tax, legal and other consequences to our business.” Such regulatory scrutiny or action may create different or conflicting obligations from one jurisdiction to another, and may have a negative outcome that could adversely affect our business, operations, financial condition, and results of operations. Additionally, we have invested and from time to time we will continue to invest resources in an attempt to influence or challenge legislation and other regulatory matters pertinent to our operations, particularly those related to the ridesharing industry, which may negatively impact the legal and administrative proceedings challenging the classification of drivers on our platform as independent contractors if we are unsuccessful or lead to additional costs and expenses even if we are successful. These activities may not be successful, and any negative outcomes could adversely affect our business, operations, financial condition and results of operations.

Our industry is increasingly regulated. We have been subject to intense regulatory pressure from state, provincial and municipal regulatory authorities across the United States and Canada, and a number of them have imposed limitations on ridesharing and bike and scooter sharing, and certain jurisdictions have adopted rules governing minimum driver earnings for ridesharing platforms. Other jurisdictions in which we currently operate or may want to operate have and could continue to consider legislation regulating driver earnings. We could also face similar regulatory restrictions from foreign regulators as we expand operations internationally, particularly in areas where we face competition from local incumbents. In addition, we may face regulations relating to new or developing technologies. For example, the European Commission has proposed the EU Artificial Intelligence Act, which would impose operational and regulatory requirements relating to the use of AI technologies, and other jurisdictions may adopt laws and regulations relating to AI. Adverse changes in laws or regulations at all levels of government or bans on or material limitations to our offerings could adversely affect our business, financial condition and results of operations.

Our success, or perceived success, and increased visibility has driven, and may continue to drive, some businesses that perceive our business model negatively to raise their concerns to local policymakers and regulators. These businesses and their trade association groups or other organizations have and may continue to take actions and employ significant resources to shape the legal and regulatory regimes in jurisdictions where we may have, or seek to have, a market presence in an effort to change

such legal and regulatory regimes in ways intended to adversely affect or impede our business and the ability of drivers and riders to utilize our platform.

Any of the foregoing risks could harm our business, financial condition and results of operations.

***Challenges to contractor classification of drivers that use our platform may have adverse business, financial, tax, legal and other consequences to our business.***

We are regularly subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations and other legal and regulatory proceedings at the federal, state and municipal levels challenging the classification of drivers on our platform as independent contractors. The tests governing whether a driver is an independent contractor or an employee vary by governing law and are typically highly fact sensitive. Laws and regulations that govern the status and misclassification of independent contractors are subject to changes and divergent interpretations by various authorities which can create uncertainty and unpredictability for us. For more information regarding the litigation in which we have been involved, see the “Legal Proceedings” subheading in Note 6. Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. Further, in 2021, the U.S. Secretary of Labor expressed his view that in some cases “gig workers should be classified as employees” and that further review was ongoing. On January 10, 2024, the U.S. Department of Labor issued a new final rule containing interpretive guidance for the classification of workers as employees or independent contractors, reverting back to a multi-factor “economic realities” test to determine if a worker was properly classified under the federal Fair Labor Standards Act (“FLSA”). The rule became effective on March 11, 2024. On June 13, 2023, the National Labor Relations Board (“NLRB”) issued a ruling in Atlanta Opera, reverting back to a more expansive federal test for classifying independent contractors under the National Labor Relations Act (“NLRA”), the federal law that governs collective bargaining. We continue to maintain that drivers on our platform are independent contractors in such legal and administrative proceedings and intend to continue to defend ourselves vigorously in these matters, as applicable, but our arguments may ultimately be unsuccessful. A determination in, resolution of, or settlement of, any legal proceeding, whether we are party to such legal proceeding or not, related to driver classification matters, could harm our business, financial condition and results of operations, including as a result of:

- monetary exposure arising from or relating to alleged failure to withhold and remit taxes, unpaid wages and wage and hour laws and requirements (such as those pertaining to failure to pay minimum wage and overtime, or to provide required breaks and wage statements), unlawful deductions, expense reimbursement, restitution, statutory and punitive damages, penalties, including related to the California Private Attorneys General Act, and government fines;
- injunctions prohibiting continuance of existing business practices;
- claims for employee benefits, social security, workers’ compensation and unemployment;
- claims of discrimination, harassment and retaliation under civil rights laws;
- claims under new or existing laws pertaining to unionizing, collective bargaining and other concerted activity;
- other claims, charges or other proceedings under laws and regulations applicable to employers and employees, including risks relating to allegations of joint employer liability or agency liability; and
- harm to our reputation and brand.

In addition to the harms listed above, a determination in, resolution of, or settlement of, any legal proceeding related to driver classification matters may require us to significantly alter our existing business model and/or operations (including suspending or ceasing operations in impacted jurisdictions), increase our costs and impact our ability to add qualified drivers to our platform and grow our business, which could have an adverse effect on our business, financial condition and results of operations and our ability to achieve or maintain profitability in the future.

We have been involved in numerous legal proceedings related to driver classification. We are currently involved in several putative class actions, several representative actions brought, for example, pursuant to California’s Private Attorneys General Act, several multi-plaintiff actions and thousands of individual claims, including those brought in arbitration or compelled pursuant to our Terms of Service to arbitration, challenging the classification of drivers on our platform as independent contractors. We are also involved in administrative audits related to driver classification in California, Oregon, Wisconsin, Illinois, New York, Pennsylvania, and New Jersey. See the section titled “Legal Proceedings” for additional information about these types of legal proceedings.

***Claims by others that we infringed their proprietary technology or other intellectual property rights could harm our business.***

Companies in the markets in which we operate are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. In addition, certain companies and rights holders seek to enforce and monetize patents or other intellectual property rights they own, have purchased or otherwise obtained. As our business continues to evolve, the possibility of intellectual property rights claims against us grows based on the following: increase in public profile, increases in the number of competitors in our markets, our continued development of new technologies, new products and services, and new intellectual property, as well as potential international expansion. In addition, various products and services of ours host, integrate, or otherwise rely on third party content or intellectual property, including our Lyft Media efforts, which provides a platform for third-party promotional advertisements, and our marketing and brand journalism efforts. From time to time third parties may assert, and in the past have asserted, claims of infringement of intellectual property rights against us. See the section titled “Legal Proceedings” for additional information about these types of legal proceedings. In addition, third parties have sent us correspondence regarding various allegations of intellectual property infringement and, in some instances, have sought to initiate licensing discussions. Although we believe that we have meritorious defenses, there can be no assurance that we will be successful in defending against these allegations or reaching a business resolution that is satisfactory to us. Our competitors and others may now and in the future have significantly larger and more mature patent portfolios than us. In addition, we have faced, and may again in the future face, litigation involving patent holding companies or other adverse patent owners who have no relevant product or service revenue and against whom our own patents may therefore provide little or no deterrence or protection. Many potential litigants, including some of our competitors and patent-holding companies, have the ability to dedicate substantial resources to assert their intellectual property rights. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim, could distract our management from our business and could require us to cease use of such intellectual property. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, we risk compromising our confidential information during this type of litigation. We may be required to pay substantial damages, royalties or other fees in connection with a claimant securing a judgment against us, we may be subject to an injunction or other restrictions that prevent us from using or distributing our intellectual property, or we may agree to a settlement that prevents us from distributing our offerings or a portion thereof, which could adversely affect our business, financial condition and results of operations.

With respect to any intellectual property rights claim, we may have to seek out a license to continue operations found to be in violation of such rights, which may not be available on favorable or commercially reasonable terms and may significantly increase our operating expenses. Some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. If a third-party does not offer us a license to its intellectual property on reasonable terms, or at all, we may be required to develop alternative, non-infringing technology or other intellectual property, which could require significant time (during which we would be unable to continue to offer our affected offerings), effort and expense and may ultimately not be successful. Any of these events could adversely affect our business, financial condition and results of operations.

***Failure to protect or enforce our intellectual property rights could harm our business, financial condition and results of operations.***

Our success is dependent in part upon protecting our intellectual property rights and technology (such as code, information, data, processes and other forms of information, knowhow and technology), or “intellectual property,” and as we grow, we expect to continue to develop intellectual property that is important for our existing or future business. We rely on a combination of patents, copyrights, trademarks, service marks, trade dress, trade secret laws and contractual restrictions to establish and protect our intellectual property. However, the steps we take to protect our intellectual property may not be sufficient or effective, and may vary by jurisdiction. Even if we do detect violations, we may need to engage in litigation to enforce our rights. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive and could divert management attention. While we take precautions designed to protect our intellectual property, it may still be possible for competitors and other unauthorized third parties to copy our technology, reverse engineer our data and use our proprietary information to create or enhance competing solutions and services, which could adversely affect our position in our rapidly evolving and highly competitive industry. Some license provisions that protect against unauthorized use, copying, transfer and disclosure of our technology may be unenforceable under the laws of certain jurisdictions and foreign countries. The laws of some countries do not provide the same level of protection of our intellectual property as do the laws of the United States and effective intellectual property protections may not be available or may be limited in foreign countries. Our domestic and international intellectual property protection and enforcement strategy is influenced by many considerations including costs, where we have business operations, where we might have business operations in the future, legal protections available in a specific jurisdiction, and/or other strategic considerations. As such, we do not have identical or analogous intellectual property protection in all jurisdictions, which could risk freedom to operate in certain jurisdictions if we were to expand. As we expand our international activities, our exposure to unauthorized use, copying, transfer and disclosure of proprietary information will likely increase. We may need to expend additional resources to protect, enforce or defend our intellectual property rights

domestically or internationally, which could impair our business or adversely affect our domestic or international operations. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with our third-party providers and strategic partners. We cannot assure you that these agreements will be effective in controlling access to, and use and distribution of, our platform and proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our offerings. Competitors and other third parties may also attempt to access, aggregate, and/or reverse engineer our data which would compromise our trade secrets and other rights. We also enter into strategic partnerships, joint development and other similar agreements with third parties where intellectual property arising from such partnerships may be jointly-owned or may be transferred or licensed to the counterparty. Such arrangements may limit our ability to protect, maintain, enforce or commercialize such intellectual property rights, including requiring agreement with or payment to our joint development partners before protecting, maintaining, licensing or initiating enforcement of such intellectual property rights, and may allow such joint development partners to register, maintain, enforce or license such intellectual property rights in a manner that may affect the value of the jointly-owned intellectual property or our ability to compete in the market.

We may be required to spend significant resources in order to monitor and protect our intellectual property rights, and some violations may be difficult or impossible to detect. Litigation to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our intellectual property and proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could impair the functionality of our platform, delay introductions of enhancements to our platform, result in our substituting inferior or more costly technologies into our platform or harm our reputation or brand. In addition, we may be required to license additional technology from third parties to develop and market new offerings or platform features, which may not be on commercially reasonable terms or at all and could adversely affect our ability to compete.

Our industry has also been subject to attempts to steal intellectual property, including by foreign actors. We, along with others in our industry, have been the target of attempted thefts of our intellectual property and may be subject to such attempts in the future. Although we take measures to protect our property, if we are unable to prevent the theft of our intellectual property or its exploitation, the value of our investments may be undermined and our business, financial condition and results of operations may be negatively impacted.

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

We receive, transmit, store and otherwise process a large volume of personal information and other data relating to users on our platform, as well as other individuals such as our employees. Numerous local, municipal, state, federal and international laws and regulations address privacy, data protection and the collection, storing, sharing, use, disclosure and protection of certain data, including the California Online Privacy Protection Act, the Personal Information Protection and Electronic Documents Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act, Canada's Anti-Spam Law, the Telephone Consumer Protection Act of 1991, or TCPA, the U.S. Federal Health Insurance Portability and Accountability Act of 1996, as amended by the HITECH Act, or HIPAA, Section 5(c) of the Federal Trade Commission Act, the California Consumer Privacy Act, or CCPA, and the California Privacy Rights Act, or CPRA, which became operative as of January 1, 2023. The scope of data protection laws may continually change, through new legislation, amendments to existing legislation and changes in enforcement, and may be inconsistent from one jurisdiction to another. For example, the CPRA requires new disclosures to California consumers and affords such consumers new data rights and abilities to opt-out of certain sharing of personal information. The CPRA provides for fines of up to \$7,500 per violation, which can be applied on a per-consumer basis. Aspects of the CPRA and its interpretation and enforcement remain unclear. Additionally, several states in the U.S., including California and other states where we do business, have enacted legislation relating to privacy and information security, and the U.S. federal government and other states are also contemplating federal and state privacy legislation. These new and modified laws, including the CPRA, and other changes in laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations that require enhanced protection of data or new obligations with regard to data retention, transfer or disclosure, could greatly increase the cost of providing our offerings, require significant changes to our operations and our data processing practices and policies, may require us to incur additional compliance-related costs and expenses, and may even prevent us from providing certain offerings in jurisdictions in which we currently operate and in which we may operate in the future.

Further, as we continue to expand our offerings and user base, we may become subject to additional privacy-related laws and regulations. For example, in connection with the sale of our Level 5 self-driving vehicle division to Woven Planet, we have entered into certain data sharing and other agreements with Woven Planet to facilitate and accelerate the development of

autonomous vehicle technology. In addition, our Lyft Media efforts provide third party promotional advertisements, including those that may be personalized to users. Changes in the law or regulatory landscape could limit or prohibit activities in regard to any new offerings we undertake. Further, the collection and storage of data in connection with the use of our Concierge and Lyft Pass for Healthcare offerings by healthcare partners subjects us to compliance requirements under HIPAA. HIPAA and its implementing regulations contain requirements on covered entities and business associates regarding the use, collection, security, storage and disclosure of individuals' protected health information, or PHI. Contracted healthcare entities including healthcare providers, health plans, and transportation managers using our Concierge or Lyft Pass for Healthcare offerings are either covered entities or business associates under HIPAA. We must also comply with HIPAA as we use and disclose the PHI of riders in our capacity as a business associate of other contracted healthcare covered entities or other contracted business associates of a healthcare covered entity. Compliance obligations under HIPAA include privacy, security and breach notification obligations and could subject us to increased liability for any unauthorized uses or disclosures of PHI determined to be a "breach." If we knowingly breach the HITECH Act's requirements, we could be exposed to criminal liability. A breach of our safeguards and processes could expose us to significant civil penalties that range from \$100 - \$50,000 per violation, with an annual maximum per violation calendar year cap of over \$2,000,000 for "willful neglect" violations, and the possibility of civil litigation.

Additionally, we have incurred, and expect to continue to incur, significant expenses in an effort to comply with privacy, data protection and information security standards imposed by law, regulation, or contractual obligations. In particular, with laws and regulations such as the CCPA and CPRA imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, we may face challenges in addressing their requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in an effort to do so. In particular, with regard to HIPAA, we may incur increased costs as we perform our obligations to our healthcare customers under our agreements with them. As we consider expansion of business offerings and markets and as laws and regulations change, we expect to incur additional costs related to privacy, data protection and information security standards and protocols imposed by laws, regulations, industry standards or contractual obligations related to such offerings and face additional risks that such expansion could be inconsistent with, or fail or be alleged to fail to meet all requirements of such laws, regulations or obligations.

Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that our practices, offerings or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. Our failure, or the failure by our third-party providers or partners, to comply with applicable laws, regulations or other actual or asserted obligations relating to privacy, data protection or information security, or any compromise of security that results in unauthorized access to, or unauthorized loss, unavailability, corruption, use, release or other processing of personal information or other driver or rider data, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing drivers and riders from using our platform or result in fines or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition and results of operations. Additionally, the perception of concerns relating to privacy, data protection or information security, whether or not valid, may harm our reputation and brand and adversely affect our business, financial condition and results of operations.

***We are regularly subject to claims, lawsuits, government and regulatory investigations and other proceedings that may adversely affect our business, financial condition and results of operations.***

We are regularly subject to claims, lawsuits, arbitration proceedings, government and regulatory investigations and other legal and regulatory proceedings in the ordinary course of business, including those involving personal injury, property damage, worker classification, driver earnings, labor and employment, anti-discrimination, commercial disputes, competition, consumer complaints (e.g., claims brought under the TCPA or other laws), intellectual property disputes, compliance with regulatory requirements, securities laws, and other matters, and we may become subject to additional types of claims, lawsuits, government investigations and legal or regulatory proceedings as our business grows and as we deploy new offerings, including proceedings related to product liability or our acquisitions, data privacy, advertising, securities issuances or business practices. We are also regularly subject to claims, lawsuits, arbitration proceedings, government investigations and other legal and regulatory proceedings seeking to hold us liable for the actions of independent contractor drivers on our platform. See the section titled "Legal Proceedings" for additional information about these types of legal proceedings.

The results of any such claims, lawsuits, arbitration proceedings, government investigations or other legal or regulatory proceedings cannot be predicted with certainty. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, be harmful to our reputation, require significant management attention and divert significant resources. Determining reserves for our pending litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines and penalties that could adversely affect our business, financial condition and results of operations. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees,

injunctions or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, financial condition and results of operations. Furthermore, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business, commercial, and government partners and current and former directors and officers.

A determination in, resolution of, or settlement of, any legal proceeding, whether we are party to such legal proceeding or not, that involves our industry, could harm our business, financial condition and results of operations. For example, a determination related to driver classification matters, whether we are party to such determination or not, could cause us to incur significant expenses or require substantial changes to our business model.

In addition, we regularly include arbitration provisions in our Terms of Service with the drivers and riders and other parties on our platform. These provisions are intended to streamline the litigation process for all parties involved, as arbitration can in some cases be faster and less costly than litigating disputes in state or federal court. However, arbitration may become more costly for us or the volume of arbitration may increase and become burdensome, and the use of arbitration provisions may subject us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. In order to minimize these risks to our reputation and brand, we have in the past and may continue to limit our use of arbitration provisions or be required to do so in a legal or regulatory proceeding, either of which could increase our litigation costs and exposure. For example, effective May 2018, we ended mandatory arbitration of sexual misconduct claims by users and employees.

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

***As we expand our offerings, we may become subject to additional laws and regulations, and any actual or perceived failure by us to comply with such laws and regulations or manage the increased costs associated with such laws and regulations could adversely affect our business, financial condition and results of operations.***

As we continue to expand our offerings and user base, we may become subject to additional laws and regulations, which may differ or conflict from one jurisdiction to another. Many of these laws and regulations were adopted prior to the advent of our industry and related technologies and, as a result, do not contemplate or address the unique issues faced by our industry.

For example, contracting with healthcare entities and transportation managers representing healthcare entities may subject us to certain healthcare related laws and regulations. These laws and regulations may impose additional requirements on us and our platform in providing access to rides for healthcare partners. Additional requirements may arise related to the collection and storage of data and systems infrastructure design, all of which could increase the costs associated with our offerings to healthcare partners. With respect to healthcare rides matched through the Lyft Platform and provided to Medicaid or Medicare Advantage beneficiaries, we are subject to healthcare fraud, waste and abuse laws that impose penalties for violations. Significant violations of such laws could lead to our loss of Medicaid provider enrollment status and could also potentially result in exclusion from participation in federal and state healthcare programs. Further, we may in certain circumstances be or become considered a government contractor with respect to certain of our services, which would expose us to certain risks such as the government's ability to unilaterally terminate contracts, the public sector's budgetary cycles and funding authorization, and the government's administrative and investigatory processes.

Despite our efforts to comply with applicable laws, regulations and other obligations relating to our offerings, it is possible that our practices, offerings or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. Our failure, or the failure by our third-party providers or partners, to comply with applicable laws or regulations or any other obligations relating to our offerings, could harm our reputation and brand, discourage new and existing drivers and riders from using our platform, lead to refunds of ride fares or result in fines or proceedings by governmental agencies or private claims and litigation, any of which could adversely affect our business, financial condition and results of operations.

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

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the listing standards of the Nasdaq Global Select Market. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial

reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of our controls and systems do not perform as expected, we may experience deficiencies in our controls and we may not be able to meet our financial reporting obligations.

Our current controls and any new controls that we develop may become inadequate because of changes in the conditions in our business, including increased complexity resulting from any international expansion, flexible work arrangements, new offerings on our platform or from strategic transactions, including acquisitions and divestitures. Further, weaknesses or deficiencies in our disclosure controls or our internal control over financial reporting have been discovered in the past, and other weaknesses or deficiencies may be discovered in the future. Our disclosure controls and procedures or our internal control over financial reporting are not expected to prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause errors in our reporting. For example, our management determined that the clerical error in our forward-looking, non-GAAP directional commentary for fiscal year 2024 contained in our initial press release issued on February 13, 2024 resulted in the conclusion that our disclosure controls and procedures were not effective as of December 31, 2023 at a reasonable assurance level. While we have taken actions to remediate the deficiency that we believe resulted in the error, failure of our disclosure controls and procedures or internal control over financial reporting to be effective could cause investors to lose confidence in our reported financial and other information, which would likely adversely affect the market price of our Class A common stock. We may also be subject to public scrutiny, regulatory inquiries and legal proceedings if such failure results in an error in our financial reporting. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq Global Select Market.

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

***Changes in U.S. and foreign tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.***

We are subject to tax laws, regulations, and policies of the U.S. federal, state, and local governments and of comparable taxing authorities in foreign jurisdictions. As various levels of governments and international organizations become increasingly focused on tax reform, changes in tax laws, as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates and otherwise adversely affect our tax positions and/or our tax liabilities. For example, the United States passed the Inflation Reduction Act in 2022, which introduced a 1% excise tax on stock buybacks that could impact us in connection with a settlement of the capped call transactions. Further, a provision of the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures in the year incurred and requires the capitalization and amortization of such costs. The Organization for Economic Cooperation and Development (“OECD”) released Pillar Two model rules defining a 15% global minimum tax for large multinational companies. The OECD continues to release additional guidance and countries are in various stages of implementation with widespread adoption of the Pillar Two Framework expected in the near future. Any of these or other developments or changes in tax laws or rulings in jurisdictions in which we operate could adversely affect our effective tax rate and our operating results.

***Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, gross receipts, value added or similar taxes and may successfully impose additional obligations on us, and any such assessments or obligations could adversely affect our business, financial condition and results of operations.***

The application of indirect taxes, such as payroll tax, sales and use tax, value-added tax, goods and services tax, business tax and gross receipts tax, to businesses like ours and to drivers is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations, and as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business or to drivers’ businesses.

In addition, local governments are increasingly looking for ways to increase revenue, which has resulted in discussions about tax reform and other legislative action to increase tax revenue, including through indirect taxes. For example, it is becoming more common for local governments to impose per trip fees specifically on TNC rides. Such taxes may adversely affect our financial condition and results of operations.

In certain jurisdictions, we collect and remit indirect taxes. However, tax authorities have raised and may continue to raise questions about or challenge or disagree with our calculation, reporting, or collection of taxes, and may require us to collect taxes in jurisdictions in which we do not currently do so or to remit additional taxes and interest, and could impose associated penalties and interest. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so or to collect additional taxes in a jurisdiction in which we currently collect taxes, could result in substantial tax liabilities, including taxes on past transactions, as well as penalties and interest, and could discourage drivers and riders from utilizing our offerings or could otherwise harm our business, financial condition, and results of operations. Although we have reserved for potential payments of possible past tax liabilities in our financial statements, if these liabilities exceed such reserves, our financial condition could be harmed.

Additionally, one or more states, localities or other taxing jurisdictions may seek to impose additional reporting, record-keeping or indirect tax collection obligations on businesses like ours. For example, taxing authorities in the United States and other countries have identified e-commerce platforms as a means to calculate, collect, and remit indirect taxes for transactions taking place over the Internet, and are considering related legislation. New legislation may require us or drivers to incur substantial costs in order to comply, including costs associated with tax calculation, collection, remittance and audit requirements, which could make our offerings less attractive and could adversely affect our business, financial condition and results of operations.

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

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

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

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

***Climate change may have a long-term impact on our business.***

We have established environmental programs, such as requiring our suppliers to ensure the efficient use of raw materials, water, and energy resources via our Supplier Code of Conduct, and we recognize that there are inherent climate-related risks wherever business is conducted. For example, our San Francisco, California headquarters is projected to be vulnerable to future water scarcity and sea level rise due to climate change, as well as climate-related events including wildfires and associated power shut-offs. Climate-related events, including the increasing frequency of extreme weather events and their impact on critical infrastructure in the U.S. and elsewhere, have the potential to disrupt our business, our third-party suppliers, and the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. Additionally, we are subject to emerging climate change policies such as California's Clean Miles Standard

and Incentive Program and California SB 253 and SB 261, which impose greenhouse gas and EV requirements on our industry, and efforts to meet those requirements as well as failure to do so could have adverse impacts on our costs and ability to operate in California, as well as public goodwill towards our company. Massachusetts, New York City and Toronto are developing or have developed and implemented rules to address the environmental impact of rideshare, and other jurisdictions are likely to consider similar rules and regulations in the future.

In addition, the SEC recently adopted climate rules that will require disclosure regarding climate related information in our annual report, including material climate related risks, greenhouse gas emissions, material climate related goals and targets as well as governance related to climate related risks. These rules have been voluntarily stayed by the SEC pending judicial review, but, if implemented, will require significant management time and attention as well as increased compliance costs. We often advocate for EV programs that can be efficiently accessed by drivers on our platform and rental car operators, and any failure of such programs to address EV capital costs, EV charging costs, and EV charging infrastructure in the context of transportation network companies' unique needs could challenge our ability to progress toward internal and external EV targets. Furthermore, these EV programs are asset-intensive and require significant capital investments and recurring costs, including debt payments, maintenance, depreciation, asset life and asset replacement costs, and if we are not able to maintain sufficient levels of utilization of such assets or such offerings are otherwise not successful, our investments may not generate sufficient returns and our financial condition may be adversely affected. If we are not able to allocate sufficient capital or other resources to these programs and achievement of these goals, we may not be able to make progress toward or achieve such commitments and goals in a timely manner or at all, or we may need to modify or terminate certain programs or goals. We may also enter into arrangements with third parties for financing, leasing or otherwise, to enable us to meet our commitments and other legal or regulatory requirements. Such transactions may require us to provide guarantees for financing. We may also benefit from certain tax credits for EVs and, if such tax credits expire or are terminated or we are otherwise unable to use them, we may not realize the benefits we have planned and our business and financial condition and results of operations may be negatively affected. If we fail, or are perceived to fail, to make such progress or achievements, or to maintain environmental practices that meet evolving stakeholder expectations, or if we revise any of our commitments, initiatives, or goals, our brand and reputation could be harmed and we may face criticism from the media or our stakeholders, and our business, financial condition and results of operations could be adversely affected.

### **Risks Related to Financing and Transactional Factors**

*We may require additional capital, which may not be available on terms acceptable to us or at all.*

Historically, we funded our capital-intensive operations and capital expenditures primarily through equity and debt issuances and cash generated from our operations. To support our growing business, we must have sufficient capital to continue to make significant investments in our offerings, including potential new offerings. In November 2022, we entered into a \$420.0 million revolving credit agreement, and since May 2020, we have issued \$850.7 million in aggregate principal amount of convertible notes. From time to time, we may seek additional equity or debt financing, including by the issuance of securities, to finance our operations and growth or to refinance our existing indebtedness, among other things. If we raise additional funds through the issuance of equity, equity-linked or debt securities, such as our 2025 Notes and 2029 Notes, those securities may have rights, preferences or privileges senior to those of our Class A common stock, and our existing stockholders may experience dilution. Further, we have secured debt financing which has resulted in fixed obligations and certain restrictive covenants, and any debt financing secured by us in the future would result in increased fixed obligations and could involve additional restrictive covenants relating to our capital-raising activities and other financial and operational matters, as well as liens on some or all of our assets, which may make it more difficult for us to obtain additional capital and to pursue business opportunities.

We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans and operating performance and the condition of the capital markets at the time we seek financing. Additionally, uncertain and volatile macroeconomic conditions, including economic instability or uncertainty, and other events beyond our control, such as slowing growth in the worldwide economy, inflation and higher interest rates, as well as the instability and volatility in the banking and financial services sector, and the war in Ukraine, have negatively impacted the financing markets, and may impact our access to capital and make additional capital more difficult or available only on terms less favorable to us. We cannot be certain that additional financing will be available to us on favorable terms, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, and our business, financial condition and results of operations could be adversely affected.

*If we are unable to make acquisitions and investments, or successfully integrate them into our business, or if we enter into strategic transactions that do not achieve our objectives, our business, results of operations and financial condition could be adversely affected.*

As part of our business strategy, we will continue to consider a wide array of potential strategic transactions, including acquisitions of businesses, new technologies, services and other assets, joint ventures and strategic investments that complement our business, such as our acquisition of PBSC in May 2022, as well as divestitures, partnerships and other transactions. We have previously acquired and invested in, and we continue to seek to acquire and invest in businesses, technologies, or other assets that we believe could complement or expand our business, including acquisitions of new lines of business and other opportunities that operate in relatively nascent markets. We also may explore investments in new technologies, which we may develop or other parties may develop. The identification, evaluation, and negotiation of potential acquisition or strategic investment transactions may divert the attention of management and entail various expenses, whether or not such transactions are ultimately completed. There can be no assurance that we will be successful in identifying, negotiating, and consummating favorable transaction opportunities.

These transactions involve numerous risks, whether or not completed, any of which could harm our business and negatively affect our financial condition and results of operations, including:

- intense competition for suitable acquisition and investment targets, which could increase transaction costs and adversely affect our ability to consummate deals on favorable or acceptable terms;
- failure or material delay in closing a transaction;
- transaction-related lawsuits or claims;
- our ability to successfully obtain indemnification or representation and warranty insurance;
- difficulties in integrating the technologies, operations, existing contracts and personnel of an acquired company;
- challenges related to entering into new markets or geographies;
- difficulties in retaining key employees or business partners of an acquired company;
- diversion of financial and management resources from existing operations or alternative acquisition opportunities;
- failure to realize the anticipated benefits or synergies of a transaction;
- failure to identify the problems, liabilities or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, regulatory compliance practices, litigation, revenue recognition or other accounting practices, or employee or user issues;
- acquired businesses or businesses that we invest in may not have adequate controls, processes, and procedures to ensure compliance with laws and regulations, including with respect to data privacy, data protection, and data security, as well as anti-bribery and anti-corruption laws, export controls, sanctions and industry-specific-regulation;
- risks that regulatory bodies may enact new laws or promulgate new regulations that are adverse to an acquired company or business, or the risk that we become subject to new or additional regulatory burdens that affect our business in potentially unanticipated and significantly negative ways;
- theft of our trade secrets or confidential information that we share with potential acquisition candidates;
- risk that an acquired company or investment in new offerings cannibalizes a portion of our existing business; and
- adverse market reaction to an acquisition.

In addition, we may divest businesses or assets or enter into joint ventures, strategic partnerships or other strategic transactions. For example, in February 2023, we closed the sale of our vehicle service center business and in July 2023, we announced that we are exploring strategic alternatives for our Light Vehicles business. In addition, as a result of our acquisition of PBSC, we became an indirect party to certain partnerships and joint ventures that we did not negotiate, and with partners with whom we are less familiar. These types of transactions present certain risks; for example, we may not achieve the desired strategic, operational and financial benefits of a divestiture, partnership, joint venture or other strategic transaction, or we may have difficulty operating together with another partner or joint venturer. In addition, in light of increased interest rates and the volatility of the financial markets, it may be more difficult to find suitable acquirors or business partners, and during the

pendency of a divestiture or during the integration or separation process of any strategic transaction, we may be subject to risks related to a decline in the business, loss of employees, customers, or suppliers, and the risk that the transaction does not close.

Further, minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational, regulatory, and/or compliance risks associated with the investment. In addition, we may be dependent on other persons or entities who control the entities in which we invest, including their management or controlling shareholders, and who may have business interests, strategies, or goals that are inconsistent with ours. Business decisions or other actions or omissions of the joint venture partners, controlling shareholders, management, or other persons or entities who control them may adversely affect the value of our investment or result in litigation or regulatory action against us. We can provide no assurance that our investments in other technologies or businesses will generate returns for our business, or that we will not lose our initial investment in whole or in part. For example, in October 2022, one of our autonomous vehicle partners announced its wind-down, and as a result we incurred a total impairment of \$135.7 million consisting of impairments of our non-marketable equity investment in such company and other assets.

If we fail to address the foregoing risks or other problems encountered in connection with past or future acquisitions of businesses, new technologies, services and other assets, strategic investments or other transactions, or if we fail to successfully integrate such acquisitions or investments, or if we are unable to successfully complete other transactions or such transactions do not meet our strategic objectives, our business, results of operations and financial condition could be adversely affected.

***Servicing our current and future debt may require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness. Our payment obligations under such indebtedness may limit the funds available to us, and the terms of our debt agreements may restrict our flexibility in operating our business or otherwise adversely affect our results of operations.***

In May 2020 and February 2024, we issued our 2025 Notes and 2029 Notes, respectively, in private placements to qualified institutional buyers. In addition, in connection with our acquisition of Flexdrive, which is an independently managed, wholly-owned subsidiary, Flexdrive remained responsible for its obligations under a Loan and Security Agreement, as amended, with a third-party lender, a Master Vehicle Acquisition Financing and Security Agreement, as amended, with a third-party lender and a Vehicle Procurement Agreement, as amended, with a third-party; and, following the acquisition, we continued to guarantee the payments of Flexdrive for any amounts borrowed under these agreements. As of March 31, 2024, we had \$971.5 million of indebtedness for borrowed money outstanding. In November 2022, we also entered into a revolving credit facility (the “Revolving Credit Facility”) with certain lenders providing the ability to borrow an aggregate principal amount of up to \$420.0 million, none of which has been drawn as of March 31, 2024, and \$59.1 million in letters of credit were issued under the Revolving Credit Facility as of March 31, 2024. On December 12, 2023, we entered into an amendment to the Revolving Credit Facility which, among other things, permits us to refinance the 2025 Notes and amends certain financial covenants. On February 21, 2024, the Revolving Credit Facility was further amended to, among other things: (a) solely for the purposes of the financial covenant test, replace total leverage with total net leverage and (b) permit us to repurchase up to a specified amount of the Company’s common stock with the proceeds of a convertible note offering. See Note 7 “Debt” to our condensed consolidated financial statements, for further information on these agreements and our outstanding debt obligations.

Our ability to make scheduled payments of the principal of, to pay interest or fees on or to refinance or repay our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any existing or future indebtedness will depend on the capital markets, general macroeconomic conditions and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. Events and circumstances may also occur which would cause us to not be able to satisfy applicable draw-down conditions and utilize our revolving credit facility. In addition, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, it could:

- make us more vulnerable to adverse changes in general U.S. and worldwide economic, industry and competitive conditions and adverse changes in government regulation;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a disadvantage compared to our competitors who have less debt;

- limit our ability to borrow additional amounts to fund acquisitions, for working capital and for other general corporate purposes; and
- make an acquisition of our company less attractive or more difficult.

In addition, under certain of our and our subsidiary's existing debt instruments, we and Flexdrive are subject to customary affirmative and negative covenants regarding our business and operations, including limitations on Flexdrive's ability to enter into certain acquisitions or consolidations or engage in certain asset dispositions. If we or Flexdrive, as applicable, do not comply with these covenants or otherwise default under the arrangements, and do not obtain an amendment, waiver or consent from the lenders, then, subject to applicable cure periods, any outstanding debt may be declared immediately due and payable. Further, any such amendment, waiver or consent that we are able to obtain may contain additional restrictions or terms that are less favorable to us. Any debt financing secured by us in the future could involve additional restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital to pursue business opportunities, including potential acquisitions or divestitures. Any default under our debt arrangements could require that we repay our loans immediately, and may limit our ability to obtain additional financing, which in turn may have an adverse effect on our cash flows and liquidity.

Any of these factors could harm our business, results of operations and financial condition. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase.

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

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

A failure by us to comply with the covenants or payment requirements specified in our credit agreement could result in an event of default under the agreement, which would give the lenders the right to terminate their commitments to provide additional loans under our revolving credit facility and to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. If the debt under our revolving credit facility were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could immediately adversely affect our business, cash flows, results of operations, and financial condition. Even if we were able to obtain new financing or negotiate an amendment, waiver or consent under our existing credit agreement, it may contain additional restrictions, or not be on commercially reasonable terms or on terms that are acceptable to us.

***We are subject to counterparty risk with respect to the capped call transactions.***

In connection with the issuance of our Notes, we entered into the capped call transactions (the "Capped Calls") with certain of the initial purchasers of the 2025 Notes or their respective affiliates for the 2025 Notes, and with certain financial institutions for the 2029 Notes (the "option counterparties"). We are subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Capped Calls with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our Class A common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

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

As of December 31, 2023, we had \$7.7 billion of federal and \$6.4 billion of state net operating losses ("NOLs") available to reduce future taxable income, which will begin to expire in 2034 for federal income tax purposes and in 2024 for state income tax purposes. It is possible that we will not generate taxable income in time to use NOLs before their expiration. Under Section 382 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOLs to offset its post-change income may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar limitations may apply under state tax laws. Our ability to use net operating

losses to reduce future taxable income and liabilities may be subject to annual limitations as a result of prior ownership changes and ownership changes that may occur in the future.

The Tax Cuts and Jobs Act of 2017, or the Tax Act, as modified by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, among other things, limited the use of NOLs arising in tax years beginning after December 31, 2017 to 80% of taxable income for tax years beginning after December 31, 2020. Not all states conform to the Tax Act or CARES Act. In future years, if and when a net deferred tax asset is recognized related to our NOLs, these changes may significantly impact our valuation allowance assessments for NOLs generated after December 31, 2017.

#### **Risks Related to Governance and Ownership of our Capital Stock Factors**

***The dual class structure of our common stock has the effect of concentrating voting power with our Co-Founders, which will limit your ability to influence the outcome of important transactions, including a change in control.***

Our Class B common stock has 20 votes per share, and our Class A common stock has one vote per share. Our Co-Founders together hold all of the issued and outstanding shares of our Class B common stock. Accordingly, Logan Green, our co-founder and Chair of our board of directors holds approximately 19.30% of the voting power of our outstanding capital stock; and John Zimmer, our co-founder and Vice Chair of our board of directors, holds approximately 11.07% of the voting power of our outstanding capital stock. Therefore, our Co-Founders, individually or together, may be able to significantly influence matters submitted to our stockholders for approval, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. Our Co-Founders, individually or together, may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company and might ultimately affect the market price of our Class A common stock. Each Co-Founder’s voting power is as of March 31, 2024 and includes shares of Class A common stock expected to be issued upon the vesting of such Co-Founder’s RSUs within 60 days of March 31, 2024.

Future transfers by the holders of Class B common stock will generally result in those shares converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) the date specified by affirmative written election of the holders of two-thirds of the then-outstanding shares of Class B common stock, (ii) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date on which the shares of Class B common stock held by our Co-Founders and their permitted entities and permitted transferees represent less than 20% of the Class B common stock held by our Co-Founders and their permitted entities as of immediately following the completion of our initial public offering, or IPO, or (iii) nine months after the death or total disability of the last to die or become disabled of our Co-Founders, or such later date not to exceed a total period of 18 months after such death or disability as may be approved by a majority of our independent directors.

***We cannot predict the impact our dual class structure may have on our stock price.***

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock, adverse publicity or other adverse consequences.

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

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

- price and volume fluctuations in the overall stock market from time to time, including fluctuations due to general economic uncertainty or negative market sentiment;
- volatility in the trading prices and trading volumes of technology stocks generally, or those in our industry, including fluctuations unrelated or disproportionate to the operating performance of those technology companies;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales or purchases of shares of our Class A common stock by us, our officers, or our significant stockholders, as well as the perception that such sales or purchases could occur;

- issuance of shares of our Class A common stock, whether in connection with our equity incentive plans, an acquisition or upon conversion of our outstanding Notes;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- the financial projections or goals we may provide to the public, any changes in those projections or goals or our failure to meet those projections or goals;
- announcements by us or our competitors of new offerings or platform features;
- investor sentiment and the public's reaction to our press releases, earnings and other public announcements and filings with the SEC, or those of our competitors or others in our industry;
- rumors and market speculation involving us or other companies in our industry;
- short selling of our Class A common stock or related derivative securities;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business or statements by public officials regarding potential new laws or regulations;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management or our board of directors; and
- general economic conditions and slow or negative growth of our markets.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies, including as described in the "Legal Proceedings" subheading in Note 6, Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. Although we believe these lawsuits are without merit and we intend to vigorously defend against them, such matters could result in substantial costs and a diversion of our management's attention and resources.

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

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

- any amendments to our amended and restated certificate of incorporation or amendments by stockholders to our amended and restated bylaws require the approval of at least two-thirds of our then-outstanding voting power;
- our dual class common stock structure, which provides our Co-Founders, individually or together, with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock and Class B common stock;

- our board of directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- our stockholders are only able to take action at a meeting of stockholders and are not able to take action by written consent for any matter;
- our amended and restated certificate of incorporation does not provide for cumulative voting;
- vacancies on our board of directors are able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer, our President or a majority of our board of directors;
- certain litigation against us can only be brought in Delaware;
- our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

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

*Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders and also provide that the federal district courts will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933 (as amended, the “Securities Act”), each of which could limit our stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers or employees.*

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our amended and restated bylaws also provide that the federal district courts of the United States are the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of our securities, including, without limitation and for the avoidance of doubt, any auditor, underwriter, expert, control person or other defendant.

Any person or entity purchasing, holding or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These exclusive-forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find the exclusive-forum provisions in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

## **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

In connection with the issuance of the 2029 Notes during February 2024, the Company repurchased shares of its Class A common stock from investors in privately negotiated transactions for an aggregate repurchase price of approximately \$50.0 million. The shares were repurchased at fair value. The par value of the shares retired is charged against common stock and the remaining repurchase price is allocated to additional paid-in capital. The Company retired the shares upon repurchase.

The following table summarizes the share repurchase activity for the three months ended March 31, 2024 (in thousands except per share data):

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program <sup>(1)</sup>
January 1 - 31, 2024	—	\$ —	\$ —
February 1 - 29, 2024	3,143	15.91	—
March 1 - 31, 2024	—	—	—
Total	3,143	\$ 15.91	\$ —

(1) This transaction was not part of a publicly announced share repurchase program nor do we have a publicly announced program to repurchase our Class A common stock.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

#### *Securities Trading Plans of Directors and Executive Officers*

On February 29, 2024, Logan Green, Chair of our board of directors, as an individual, Logan Green and Eva Gonda Green, Mr. Green's spouse, jointly, and The Green Family 2020 Irrevocable Trust dated October 28, 2020 (the "2020 Trust") adopted a Rule 10b5-1 trading arrangement (the "2024 Plan") providing for the sale from time to time of an aggregate of up to (i) 25,516 shares of our Class A common stock held by Mr. Green plus up to 218,199 additional shares of our Class A common stock less certain shares sold by Mr. Green pursuant to Mr. Green's current Rule 10b5-1 Plan dated May 31, 2023 (the "2023 Plan"), which will terminate by its terms prior to the effective date of the 2024 Plan plus additional shares of our Class A common stock issuable upon the vesting and settlement of RSUs granted to Mr. Green subsequent to the adoption of the 2024 Plan, (ii) 1,000,000 shares of our Class A common stock held by Mr. and Ms. Green plus up to 582,000 additional shares of our Class A common stock less certain shares sold by Mr. and Ms. Green under the 2023 Plan, and (iii) 200,000 shares of our Class A common stock held by the 2020 Trust. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until March 1, 2025, or earlier if all transactions under the trading arrangement are completed. Mr. Green does not have beneficial ownership of the shares of our Class A common stock held by the 2020 Trust.

No other officers, as defined in Rule 16a-1(f), or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408, during the last fiscal quarter.

**ITEM 6. EXHIBITS**

We have filed the exhibits listed on the accompanying Exhibit Index, which is incorporated herein by reference.

**EXHIBIT INDEX**

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
4.1	<a href="#">Indenture, dated as of February 27, 2024, by and between Lyft, Inc. and U.S. Bank Trust Company, National Association, as trustee.</a>	8-K	001-38846	4.1	2/28/2024
4.2	<a href="#">Form of 0.625% Convertible Senior Notes due 2029 (included in Exhibit 4.1).</a>	8-K	001-38846	4.2	2/28/2024
10.1	<a href="#">Amendment No. 2 to Revolving Credit Agreement, dated as of February 21, 2024, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and certain other lenders party thereto.</a>	8-K	001-38846	10.1	2/21/2024
10.2	<a href="#">Purchase Agreement, dated as of February 22, 2024, by and between Lyft, Inc., BofA Securities, Inc., Goldman Sachs &amp; Co. LLC and J.P. Morgan Securities LLC.</a>	8-K	001-38846	10.1	2/28/2024
10.3	<a href="#">Form of Capped Call Transaction Confirmation.</a>	8-K	001-38846	10.2	2/28/2024
31.1	<a href="#">Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
31.2	<a href="#">Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
32.1†	<a href="#">Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
101.INS	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	XBRL Taxonomy Extension Schema Document.				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				
104	The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 has been formatted in Inline XBRL.				

+ Indicates management contract or compensatory plan.

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

**SIGNATURES**

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

**LYFT, INC.**

Date: May 9, 2024

By: /s/ John David Risher  
Chief Executive Officer  
*(Principal Executive Officer)*

Date: May 9, 2024

By: /s/ Erin Brewer  
Chief Financial Officer  
*(Principal Financial Officer)*

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, John David Risher, certify that:

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

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

Date: May 9, 2024

By: /s/ John David Risher  
John David Risher  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Erin Brewer, certify that:

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

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

Date: May 9, 2024

By: /s/ Erin Brewer  
Erin Brewer  
Chief Financial Officer  
(Principal Financial Officer)

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

I, John David Risher, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Lyft, Inc. for the quarter ended March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Lyft, Inc.

Date: May 9, 2024

By: /s/ John David Risher  
Name: John David Risher  
Title: Chief Executive Officer  
(Principal Executive Officer)

I, Erin Brewer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Lyft, Inc. for the quarter ended March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Lyft, Inc.

Date: May 9, 2024

By: /s/ Erin Brewer  
Name: Erin Brewer  
Title: Chief Financial Officer  
(Principal Financial Officer)