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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2025

OR

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

For the transition period from _________ to _________

Commission File Number: 001-42018

IBOTTA, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**35-2426358** (I.R.S. Employer Identification Number)
1801 California Street, Suite 400 **Denver, Colorado** (Address of principal executive offices)	**80202** (Zip Code)

(303) 593-1633

(Registrant's telephone number, including area code)

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

As of July 31, 2025, the registrant had outstanding 25,261,362 shares of Class A common stock and 3,137,424 shares of Class B common stock, each with a par value of $0.00001 per share.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- our expectations regarding financial results and performance, including our operational and financial targets, key metrics, and our ability to maintain profitability and generate profitable growth over time;
- our ability to successfully execute our business and growth strategy;
- our expectations regarding the capabilities of our platform and technology;
- the sufficiency of our cash, cash equivalents, restricted cash, and marketable securities to meet our liquidity needs;
- the demand for the Ibotta Performance Network (IPN) including the size of our addressable market, market share, and market trends;
- our ability to renew, maintain, and expand our relationships with publishers, specific products or groups of products identified by particular names and owned by a company that sells consumer packaged goods, including in the grocery and general merchandise categories (CPG brands), and retailers;
- our ability to grow the number of consumers that use our platform and the amount redeemed by our redeemers;
- our expectations regarding the macroeconomic environment, including rising inflation and interest rates, and uncertainty in the global banking and financial services markets;
- our ability to develop and protect our brand;
- our ability to effectively manage costs;
- our ability to develop new offerings, services, and features, 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 ability to successfully expand our AI and machine learning (AIML) capabilities;
- our expectations regarding outstanding litigation and legal and regulatory matters;
- our expectations regarding the effects of existing and developing laws and regulations, and our ability to comply with such laws and regulations, including privacy matters;
- our ability to collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, and share data about publishers, CPG brands, retailers, and consumers;

- our ability to manage and insure operations-related risk associated with our business;
- our expectations regarding our market opportunity and new and evolving markets;
- our ability to maintain the security and availability of the IPN;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties, including with Walmart Inc. and our other publishers on the IPN;
- our ability to expand into new verticals;
- our ability to maintain, protect, and enhance our intellectual property;
- the need to hire, attract, and retain highly skilled technology, sales, and other personnel;
- our ability to obtain additional capital and maintain cash flow or obtain adequate financing or financing on terms satisfactory to us;
- our expectations that we will not rely on the “controlled company” exemption under the listing standards of the New York Stock Exchange;
- our expectations regarding our Share Repurchase Program;
- the increased expenses associated with being a public company; and
- the impact of regulatory and economic uncertainty, escalated, escalating, and retaliatory tariff and non-tariff trade measures imposed by the U.S. and other countries, any U.S. federal government shutdown, public health threats, or the ongoing conflicts between Russia and Ukraine and Hamas and Israel, on global capital and financial markets, political events, general economic conditions in the United States, and our business and operations.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate, and financial trends that we believe could materially adversely affect our business, financial condition, results of operations, and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties, and assumptions described in the section titled, “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events, or otherwise.

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. While we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

We announce material information to the public through filings with the U.S. Securities and Exchange Commission, the investor relations page on our website (www.ibotta.com), press releases, public conference calls, and public webcasts. The information disclosed through the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels. Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Ibotta, Inc.
CONDENSED BALANCE SHEETS
(In thousands, except share and per share amounts)

	June 30, 2025	December 31, 2024
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 250,549	$ 349,282
Restricted cash	58	408
Accounts receivable, less allowances of $4,846 and $3,765, respectively	208,976	220,883
Prepaid expenses and other current assets	23,064	11,168
Total current assets	482,647	581,741
Property and equipment, less accumulated depreciation of $10,168 and $9,675, respectively	9,044	1,951
Capitalized software development costs, less accumulated amortization of $20,541 and $18,087, respectively	19,054	16,201
Equity investment	4,531	4,531
Deferred tax assets, net	74,407	73,211
Operating lease assets	10,357	—
Other long-term assets	738	794
Total assets	$ 600,778	$ 678,429
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 10,596	$ 7,160
Due to third-party publishers	94,713	93,982
Deferred revenue	5,148	4,964
User redemption liability	70,922	74,006
Accrued expenses	17,831	17,965
Other current liabilities	4,823	6,088
Total current liabilities	204,033	204,165
Long-term liabilities:		
Operating lease liabilities, long-term	24,923	—
Unrecognized tax benefits, long-term	17,694	16,981
Total liabilities	246,650	221,146
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, $0.00001 par value: 100,000,000 shares authorized and zero shares issued and outstanding as of June 30, 2025, and December 31, 2024	—	—
Class A common stock, $0.00001 par value: 3,000,000,000 shares authorized, 29,047,774 shares issued, and 25,240,164 shares outstanding as of June 30, 2025; 3,000,000,000 shares authorized, 28,332,671 shares issued, and 27,813,988 shares outstanding as of December 31, 2024	—	—
Class B common stock, $0.00001 par value: 350,000,000 shares authorized and 3,137,424 shares issued and outstanding as of June 30, 2025, and December 31, 2024	—	—
Additional paid-in capital	664,427	629,050
Treasury stock, at cost, 3,807,610 shares as of June 30, 2025 and 518,683 shares as of December 31, 2024	(172,898)	(31,321)
Accumulated deficit	(137,401)	(140,446)
Total stockholders' equity	354,128	457,283
Total liabilities and stockholders' equity	$ 600,778	$ 678,429

See accompanying notes to the condensed financial statements.

Ibotta, Inc.
CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	$ 86,029	$ 87,926	$ 170,603	$ 170,253
Cost of revenue	17,925	12,283	35,017	22,798
Gross profit	68,104	75,643	135,586	147,455
Operating expenses:				
Sales and marketing	28,809	50,018	58,667	78,147
Research and development	14,745	17,526	32,814	31,167
General and administrative	22,264	28,708	43,650	41,862
Depreciation and amortization	1,048	1,048	2,020	2,031
Total operating expenses	66,866	97,300	137,151	153,207
Income (loss) from operations	1,238	(21,657)	(1,565)	(5,752)
Interest income, net	2,636	2,672	6,321	867
Loss on debt extinguishment	—	(9,630)	—	(9,630)
Other expense, net	(6)	(1,414)	(405)	(3,116)
Income (loss) before provision for income taxes	3,868	(30,029)	4,351	(17,631)
Provision for income taxes	(1,378)	(3,937)	(1,306)	(7,038)
Net income (loss)	$ 2,490	$ (33,966)	$ 3,045	$ (24,669)
Net income (loss) per share:				
Basic	$ 0.09	$ (1.32)	$ 0.10	$ (1.41)
Diluted	$ 0.08	$ (1.32)	$ 0.10	$ (1.41)
Weighted average common shares outstanding:				
Basic	28,479,977	25,659,465	29,623,352	17,484,092
Diluted	30,433,519	25,659,465	31,819,817	17,484,092

See accompanying notes to the condensed financial statements.

Ibotta, Inc.
CONDENSED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY
(In thousands, except share amounts)
(unaudited)

	Redeemable Convertible Preferred Stock		Common Stock[1]		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2023	17,245,954	$ —	9,207,337	$ —	—	$ —	$ 237,116	$ (209,188)	$ 27,928
Net income	—	—	—	—	—	—	—	9,297	9,297
Exercise of stock options	—	—	187,777	—	—	—	1,799	—	1,799
Other	—	—	(3,000)		—	—	(91)	—	(91)
Stock-based compensation expense (inclusive of capitalized stock-based compensation)	—	—	—	—	—	—	4,950	—	4,950
Release of restricted stock purchase shares from repurchase option	—	—	25,551	—	—	—	212	—	212
Balance, March 31, 2024	17,245,954	$ —	9,417,665	$ —	—	$ —	$ 243,986	$ (199,891)	$ 44,095
Net loss	—	—	—	—	—	—	—	(33,966)	(33,966)
Exercise of stock options	—	—	244,112	—	—	—	2,913	—	2,913
Stock-based compensation expense (inclusive of capitalized stock-based compensation)	—	—	—	—	—	—	44,912	—	44,912
Release of restricted stock purchase shares from repurchase option	—	—	25,552	—	—	—	212	—	212
Conversion of convertible debt	—	—	1,177,087	—	—	—	103,584	—	103,584
Conversion of redeemable convertible preferred stock	(17,245,954)	—	17,245,954	—	—	—	—	—	—
Initial public offering, net of issuance costs of $22.0 million	—	—	2,500,000	—	—	—	197,952	—	197,952
Balance, June 30, 2024	—	—	30,610,370	$ —	—	$ —	$ 593,559	$ (233,857)	$ 359,702

(1) Subsequent to the Company's initial public offering in April 2024, amounts combine the Company's common stock Class A common stock and Class B common stock. See Note 9 - Redeemable Convertible Preferred Stock and Stockholders' Equity in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for discussion of the establishment of the Company's two series of common stock and the reclassification of its common stock into Class A common stock.

See accompanying notes to the condensed financial statements.

Ibotta, Inc.
CONDENSED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY, CONT.
(In thousands, except share amounts)
(unaudited)

	Redeemable Convertible Preferred Stock		Common Stock(1)		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2024	—	$ —	31,470,095	$ —	(518,683)	$ (31,321)	$ 629,050	$ (140,446)	$ 457,283
Net income	—	—	—	—	—	—	—	555	555
Exercise of stock options	—	—	239,994	—	—	—	3,365	—	3,365
Stock-based compensation expense (inclusive of capitalized stock-based compensation)	—	—	—	—	—	—	14,013	—	14,013
Release of restricted stock purchase shares from repurchase option	—	—	11,641	—	—	—	97	—	97
Repurchase of common stock	—	—	—	—	(1,840,554)	(73,408)	—	—	(73,408)
Issuance of common stock upon settlement of restricted stock units	—	—	107,613	—	—	—	—	—	—
Common stock withheld for tax obligation and net settlement	—	—	(18,499)	—	—	—	(629)	—	(629)
Balance, March 31, 2025	—	$ —	31,810,844	$ —	(2,359,237)	$ (104,729)	$ 645,896	$ (139,891)	$ 401,276
Net income	—	—	—	—	—	—	—	2,490	2,490
Exercise of stock options	—	—	226,030	—	—	—	4,002	—	4,002
Stock-based compensation expense (inclusive of capitalized stock-based compensation)	—	—	—	—	—	—	13,909	—	13,909
Repurchase of common stock	—	—	—	—	(1,448,373)	(68,169)	—	—	(68,169)
Issuance of common stock upon settlement of restricted stock units	—	—	137,135	—	—	—	—	—	—
Common stock withheld for tax obligation and net settlement	—	—	(28,579)	—	—	—	(1,416)	—	(1,416)
Issuance of common stock under employee stock purchase plan	—	—	39,768	—	—	—	2,036	—	2,036
Balance, June 30, 2025	—	—	32,185,198	$ —	(3,807,610)	$ (172,898)	$ 664,427	$ (137,401)	$ 354,128

(1) Subsequent to the Company's initial public offering in April 2024, amounts combine the Company's Class A common stock and Class B common stock. See Note 9 - Redeemable Convertible Preferred Stock and Stockholders' Equity in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for discussion of the establishment of the Company's two series of common stock and the reclassification of its common stock into Class A common stock.

See accompanying notes to the condensed financial statements.

Ibotta, Inc.
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Six months ended June 30,	
	2025	**2024**
Operating activities		
Net income (loss)	$ 3,045	$ (24,669)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,610	4,023
Impairment of capitalized software development costs	241	366
Stock-based compensation expense	23,049	24,802
Common stock warrant expense	4,345	24,860
Credit loss expense	1,454	681
Loss on extinguishment of debt	—	9,630
Amortization of debt discount and issuance costs	75	1,029
Change in fair value of convertible notes derivative liability	—	3,085
Other	10	23
Changes in assets and liabilities:		
Accounts receivable	10,463	16,741
Other current and long-term assets	(23,467)	(1,603)
Accounts payable	1,126	(2,917)
Due to third-party publishers	731	7,387
Accrued expenses	(1,535)	(7,787)
Deferred revenue	184	203
User redemption liability	(3,084)	(3,487)
Other current and long-term liabilities	24,468	2,019
Net cash provided by operating activities	45,715	54,386
Investing activities		
Additions to property and equipment	(5,520)	(353)
Additions to capitalized software development costs	(6,448)	(4,436)
Net cash used in investing activities	(11,968)	(4,789)
Financing activities		
Proceeds from exercise of stock options	7,357	4,706
Debt issuance costs	(2)	—
Proceeds from initial public offering, net	—	206,692
Deferred offering costs	—	(5,637)
Purchase of treasury stock	(140,176)	—
Taxes paid related to net share settlement of equity awards	(2,045)	—
Proceeds from employee stock purchase plan	2,036	—
Other financing activities	—	(91)
Net cash (used in) provided by financing activities	(132,830)	205,670
Net change in cash, cash equivalents, and restricted cash	(99,083)	255,267
Cash, cash equivalents, and restricted cash, beginning of period	349,690	62,591
Cash, cash equivalents, and restricted cash, end of period	$ 250,607	$ 317,858

See accompanying notes to the condensed financial statements.

Ibotta, Inc.
CONDENSED STATEMENTS OF CASH FLOWS, CONT.
(In thousands)
(unaudited)

	Six months ended June 30,	
	2025	**2024**
Supplemental disclosures of cash flow information		
Interest paid	$ 96	$ 2,497
Income taxes paid	$ 4,090	$ 4,968
Supplemental disclosures of non-cash investing and financing activities		
Deferred offering costs not yet paid	$ —	$ 400
Stock-based compensation included in capitalized software development costs	$ 528	$ 201

See accompanying notes to the condensed financial statements.

Ibotta, Inc.
Notes to Condensed Financial Statements
(unaudited)

1. Nature of Operations

Ibotta, Inc. (Company, we, or our) is a technology company that allows consumer packaged goods (CPG) brands to deliver digital promotions to millions of consumers through a single, convenient network called the Ibotta Performance Network (IPN). We provide promotional services to publishers, retailers, and advertisers through the IPN, which includes our direct-to-consumer (D2C) mobile, web, and browser extension properties and our growing network of third-party publisher properties. The majority of the Company's revenues are derived from the fees we earn from clients when consumers redeem offers. The Company also derives revenue from fees we earn from clients for ad products across the Company's platform in support of their promotional campaigns, as well as from data products.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and pursuant to the applicable rules and regulations of the U.S. Securities and Exchange Commission (SEC) for interim financial information. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Accordingly, these unaudited condensed financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, which can be found in the Company's Annual Report on Form 10-K. Certain prior year amounts have been reclassified to reflect to the current year presentation.

The condensed financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the Company's results of operations and financial condition as of and for the periods presented. These operating results are not necessarily indicative of the results that may be expected of the full year performance.

Other than those described below, there were no significant changes to the significant accounting policies from those that were disclosed in the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024 included in the Company's Annual Report on Form 10-K.

Emerging Growth Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company may elect to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these condensed financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We expect to lose emerging growth company status on December 31, 2025.

Use of Estimates

The preparation of condensed financial statements in conformity with U.S. GAAP requires estimates and assumptions that affect the reported amounts and classifications of assets and liabilities, revenue and expenses, and the related disclosures of contingent liabilities in the condensed financial statements and accompanying notes. Management evaluates its estimates that include, but are not limited to, revenue recognition, breakage, stock-based compensation, allowance for credit losses, income taxes and associated valuation allowances, leases, contingent liabilities, convertible notes derivative liability, software development costs, including capitalization and the allocation of labor costs between cost of revenue and research and development expense, and the useful lives and impairment of long-lived assets. The Company believes that the estimates, judgments, and assumptions used to determine certain amounts that affect the condensed financial statements are reasonable, based on information available at the time they are made. Actual results could differ materially from these estimates.

Segments

Operating segments are components of a company for which separate financial information is internally produced for regular use by the chief operating decision maker (CODM) to allocate resources and assess the performance of the business. Our CODM, the Chief Executive Officer, manages the Company's operations as a single operating and reportable segment at the consolidated level. Accordingly, our CODM uses net income as reported in the condensed statements of operations to measure segment profit or loss, allocate resources, and assess performance, including in deciding whether to reinvest profits into the segment or into other parts of the entity, such as for acquisitions or other investments. Significant segment expenses provided to the CODM are the same as those reported in the condensed statements of operations. The measure of segment assets is reported on the condensed balance sheets as total assets.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents.

Restricted cash is pledged as security for a standby letter of credit for the Company's office lease. Restricted cash is classified as current based on the expiration date of the lease.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the balance sheets to the amounts reported in the condensed statements of cash flows (in thousands):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	$ 250,549	$ 349,282
Restricted cash, current	58	408
Total cash, cash equivalents, and restricted cash	$ 250,607	$ 349,690

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash, cash equivalents, restricted cash, and accounts receivable. At times, such amounts may exceed federally insured limits. The Company reduces credit risk by placing its cash, cash equivalents, and restricted cash with major financial institutions within the United States. Credit risk with respect to accounts receivable is dispersed due to the large number of clients. The Company does not require collateral for accounts receivable.

User Redemption Liability and Due to Third-Party Publishers

Consumers earn user awards by redeeming offers on both Ibotta's D2C properties and our third-party publisher properties. The undistributed user awards earned by consumers on D2C properties are reflected in the user redemption liability in the condensed balance sheets. The user redemption liability is reduced as consumers cash out and through breakage (see Note 3 – User Redemption Liability Extinguishment). User awards earned by consumers on third-party publisher properties represent a payable reflected in the due to third-party publishers liability in the condensed balance sheets. The due to third-party publishers liability also includes revenue share payable to certain publishers.

Operating Leases

The Company determines if an arrangement is a lease at the inception of the contract. Right-of-Use ("ROU") assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. All of the Company’s leases are operating leases.

Operating ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Leases may contain tenant improvement allowances, rent abatement, and rent escalation provisions, which are considered lease payments in determining the lease liabilities. To determine the present value of lease payments, we estimate the incremental borrowing rate based on the information available at commencement date. ROU assets are determined based on the initial lease liabilities adjusted for any prepayments, initial direct costs, and lease incentives received. The Company's lease terms include options to extend or terminate the lease when it is reasonably certain that the options will be exercised.

The Company begins recognizing lease expense when the lessor makes the underlying asset available for use. Lease expense is recognized on a straight-line basis over the lease term. Certain leases contain variable costs, such as common area maintenance, real estate taxes or other costs, which are expensed as incurred.

Leases with an initial term of 12 months or less are not recorded on the balance sheets. The Company recognizes lease expense for these short-term leases on a straight-line basis over the lease term. In addition, the Company elected to not separate lease and non-lease components for all of the Company's leases.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. The principal activities from which the Company generates revenue are as follows:

Redemption Revenue

The Company’s clients promote their products and services to consumers through cash back offers on the IPN, and the Company earns a fee per redemption. The Company recognizes revenue from redemption campaign clients as fees are earned, net of awards to consumers, as the Company acts as the agent to the Company's clients in the facilitation of the sale to the consumer. The Company may also charge fees to set up a redemption campaign which are deferred and recognized over the average duration of historical redemption campaigns.

Ad & Other Revenue

The Company’s clients may also run advertisements such as banners, tiles, newsletters, and feature placements on Ibotta D2C properties. Ad products are billed, and revenue is recognized, as the service is performed over the advertising period. The Company also offers a number of data products and services to clients, including data licensing and audience targeting. Some products and services are billed as a flat fee amount while others are billed based on usage. Data revenue is recognized as it is delivered.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09), which requires enhanced disaggregation within the rate reconciliation table and disaggregation of income taxes paid by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. While the application of this guidance will result in enhanced disclosures, it is not expected to have a significant impact on the Company’s financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires new tabular disclosures disaggregating prescribed expense categories within relevant income statement captions. In January 2025, the FASB issued ASU No. 2025-01, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* which clarified the effective date of ASU No. 2024-03. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. While the application of this guidance will result in additional disclosure of expenses presented in the Company's statements of operations, it is not expected to have a significant impact on the Company's financial statements.

The Company reviewed all other recently issued accounting standards and determined they were either not applicable or are not expected to have a material impact on our consolidated financial statements.

3. User Redemption Liability Extinguishment

The Company reflects a user redemption liability in the condensed balance sheets associated with the undistributed earnings of consumers on Ibotta's D2C properties. A portion of these undistributed earnings is never expected to be cashed out by consumers due to inactivity and will therefore be recognized as breakage by the Company.

Consumers' accounts that have no activity for six months are considered inactive and charged a $3.99 per month maintenance fee until the balance is reduced to zero or new activity ensues. Balances associated with accounts that are deactivated for violation of the Company's terms of use are also recognized as breakage. The Company estimates breakage at the time of the user redemption and reduces the user redemption liability accordingly. Breakage estimates are made based on historical breakage patterns, and the preparation of estimates includes judgments of the applicability of historical patterns to current and future periods. Breakage is recorded in revenue related to funded awards, as an offset to sales and marketing expense related to self-funded awards, and as an offset to cost of revenue related to gift card purchases and sponsored user awards earned from watching an advertising video.

The Company's breakage is recorded as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	$ 2,309	$ 3,707	$ 4,647	$ 7,630
Cost of revenue	40	54	77	115
Sales and marketing	323	478	634	1,017
Total breakage	$ 2,672	$ 4,239	$ 5,358	$ 8,762

The user redemption liability was $70.9 million and $74.0 million as of June 30, 2025 and December 31, 2024, respectively.

4. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Accrued employee expenses	$ 11,384	$ 14,365
Other accrued expenses	6,447	3,600
Total accrued expenses	$ 17,831	$ 17,965

5. Long-Term Debt

The Company recorded interest expense of $0.7 million during the three months ended June 30, 2024, of which, $0.2 million was related to the amortization of the debt discount and issuance costs. The Company recorded interest expense of $3.5 million during the six months ended June 30, 2024, of which, $1.0 million was related to the amortization of the debt discount and issuance costs. Interest expense during the three and six months ended June 30, 2025 was immaterial.

Convertible Notes

Prior to the Company's initial public offering (IPO) in April 2024, the Company had convertible unsecured subordinated promissory notes (notes or convertible notes) that included certain conversion provisions that qualified as embedded derivatives under ASC 815, *Derivatives and Hedging*. The qualifying features were collectively bifurcated from the debt host and recorded as a derivative liability in the condensed balance sheets with the offset recorded as a discount to the notes. The derivative liability was accounted for on a fair market value basis. Changes in fair value were recognized in other expense, net, in the condensed statements of operations. The debt discount was amortized to interest expense over the contractual term of the debt using the straight-line method which approximates the effective interest method.

Concurrently upon the closing of the IPO, the convertible notes automatically converted into shares of the Company's Class A common stock. The conversion was accounted for as a debt extinguishment, resulting in the recognition of a $9.6 million loss on extinguishment. Prior to the extinguishment, during the three and six months ended June 30, 2024, losses of $1.4 million and $3.1 million, respectively, were recognized from the change in fair value of the embedded derivative liability.

2024 Credit Facility

On December 5, 2024, the Company, as borrower, entered into a Credit Agreement with Bank of America, N.A., as administrative agent, swingline lender, and L/C issuer, and certain other institutional lenders (2024 Credit Facility). The 2024 Credit Facility, which matures on December 5, 2029, provides the Company with revolving commitments in an aggregate principal amount of $100.0 million, with a letter of credit sub-facility of up to $10.0 million and with a swingline loan sub-facility of up to $10.0 million. The obligations of the Company under the 2024 Credit Facility are secured by a lien on all of the assets of the Company. The 2024 Credit Facility also allows the Company to request incremental revolving commitments of up to $100.0 million.

Loans under the 2024 Credit Facility bear interest through maturity at a variable rate based upon, at the Company's option, an annual rate of either a Base Rate or a SOFR rate, plus an applicable margin (Base Rate Loan and Term SOFR Loan, respectively). The Base Rate is defined as a fluctuating rate of interest per annum equal to the highest of (1) the federal funds rate plus 0.50%, (2) Bank of America N.A.'s prime rate, and (3) Term SOFR plus 1.00%. The applicable margin is defined as a rate between 0.75% to 1.25% for Base Rate Loans and between 1.75% and 2.25% for Term SOFR Loans, depending on the Consolidated Net Leverage Ratio as defined in the 2024 Credit Facility. The 2024 Credit Facility bears a commitment fee ranging from 0.30% to 0.40% payable quarterly in arrears based on undrawn amounts.

The 2024 Credit Facility contains customary affirmative and negative covenants and restrictions, including limitations on additional indebtedness, creation of liens, restricted payments, investments and certain transactions with affiliates. The Company is also subject to financial covenants to maintain a minimum Consolidated Interest Coverage Ratio of 3.0 to 1.0 and a maximum Consolidated Net Leverage Ratio of 3.0 to 1.0. In addition, the 2024 Credit Facility contains other customary covenants, representations and warranties, and events of default.

As of June 30, 2025, the Company had no outstanding borrowings under the 2024 Credit Facility and availability of $99.0 million, which is net of a $1.0 million outstanding letter of credit related to an office space lease. Refer to Note 14 – Commitments and Contingencies for further discussion of the Company’s letters of credit.

6. Fair Value Measurements

The following tables present information about financial instruments measured at fair value on a recurring basis (in thousands):

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 247,651	$ 247,651	$ —	$ —
Total	$ 247,651	$ 247,651	$ —	$ —

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 346,070	$ 346,070	$ —	$ —
Total	$ 346,070	$ 346,070	$ —	$ —

The Company’s cash equivalents are held in money market funds, which are measured using quoted prices for identical assets in active markets and are therefore classified as Level 1 in the fair value hierarchy.

Equity Investment

On July 2, 2019, the Company acquired 628,930 shares of the Series A Preferred Stock of a privately held software company in exchange for cash consideration of $0.8 million. The investment represents a minority interest, and the Company has determined that it does not have significant influence over the company. The preferred shares comprising the investment are illiquid, and the fair value is not readily determinable. The Company has elected the measurement alternative to measure this investment at cost, less impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment.

During the three and six months ended June 30, 2025 and 2024, the Company recorded no adjustments to the equity investment. Since inception, the Company has recorded positive cumulative adjustments in the equity investment of $8.3 million and negative cumulative adjustments of $4.5 million.

7. Operating Leases

The Company’s leases primarily include office space for its corporate headquarters. Our current headquarters lease expires in October 2025, and in November 2024, we executed a noncancelable operating lease for a new headquarters space that expires in February 2036. The new headquarters lease commenced during the six months ended June 30, 2025, and we recognized an initial long-term lease liability of $24.2 million, an operating lease asset of $11.0 million, and a lease incentive receivable of $13.2 million. The lease incentive receivable is the amount for which the landlord will reimburse the Company for certain leasehold improvements provided for under the lease agreement. The new lease includes options to extend through 2056 that we are not reasonably certain to exercise and are excluded from the lease term.

The components of lease cost were as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating lease cost	$ 784	$ 270	$ 1,397	$ 539
Short-term lease cost	27	10	39	20
Variable lease cost	207	302	534	628
Total lease cost, net	$ 1,018	$ 582	$ 1,970	$ 1,187

Supplemental cash flow information related to operating leases was as follows (in thousands):

	Six months ended June 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 970	$ 951
Right-of-use assets obtained in exchange for lease obligations	$ 10,951	$ —

Supplemental balance sheet information related to operating leases was as follows (in thousands):

	Classification	June 30, 2025	December 31, 2024
Assets:			
Right-of-use assets – current	Prepaid expenses and other current assets	$ 340	$ 831
Lease incentive receivable	Prepaid expenses and other current assets	11,708	—
Right-of-use assets – long-term	Operating lease assets	10,357	—
Total lease assets		$ 22,405	$ 831
Liabilities:			
Operating lease liabilities – current	Other current liabilities	$ 627	$ 1,549
Operating lease liabilities – long-term	Operating lease liabilities, long-term	24,923	—
Total lease liabilities		$ 25,550	$ 1,549

The weighted average remaining lease term and discount rate were as follows:

	June 30, 2025
Weighted average remaining lease term (in years)	10.4
Weighted average discount rate	6.66 %

Future maturities of lease liabilities as of June 30, 2025 are as follows:

Year ending December 31,	In thousands
Remainder of 2025	$ 646
2026	1,997
2027	2,805
2028	3,581
2029	3,671
Thereafter	24,754
Total minimum lease payments	37,454
Less: imputed interest	11,904
Present value of lease liabilities	$ 25,550

8. Stockholders' Equity

The Company's authorized capital stock consists of 3,000,000,000 shares of the Company's Class A common stock, par value $0.00001 per share, 350,000,000 shares of the Company's Class B common stock, par value $0.00001 per share, and 100,000,000 shares of preferred stock, par value $0.00001 per share.

Preferred Stock

As of June 30, 2025 and December 31, 2024, there were no shares of preferred stock issued or outstanding.

Common Stock

The rights of the holders of the Company's Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of the Company's Class A common stock is entitled to one vote per share and is not convertible into any other shares of the Company's capital stock. Each share of the Company's Class B common stock is entitled to 20 votes per share and is convertible at any time into one share of the Company's Class A common stock at the option of the holder.

The Company had shares of common stock reserved for issuance as follows:

	June 30, 2025	December 31, 2024
Stock options outstanding	2,701,181	3,279,483
Restricted stock units outstanding	2,090,643	1,043,621
Restricted stock purchase	—	11,641
Common stock warrant	4,121,034	4,121,034
Remaining shares reserved for future issuances under the 2024 Equity Incentive Plan	4,692,837	4,277,680
Remaining shares reserved for future issuances under the 2024 Employee Stock Purchase Plan	984,746	666,124
Total shares	14,590,441	13,399,583

Restricted Stock Purchase

On February 9, 2021, the Company granted an officer of the Company the right to purchase 408,824 shares of restricted common stock, and the officer exercised the purchase option at the grant date fair value of $8.30 per share, for a total exercise price of $3.4 million (restricted stock purchase). As the restricted stock purchase contained a repurchase option for the Company, the exercise price was initially recognized as a deposit liability that is offset to additional paid-in capital as the repurchase option is released. One quarter of the shares were released from the Company's repurchase option on the one-year anniversary of the grant, and one forty-eighth of the shares are released monthly for the 36 months thereafter.

As of June 30, 2025, the purchase price of $3.4 million had been released from the Company's repurchase option and recorded to additional paid-in capital. As of December 31, 2024, $3.3 million had been released from the repurchase option and recorded to additional paid-in capital with the remainder of $0.1 million recorded in other current liabilities.

Common Stock Warrant

On May 17, 2021, the Company issued the Walmart Warrant in connection with a multi-year strategic relationship that makes Ibotta the exclusive provider of digital item-level rebate offer content for Walmart U.S. (Commercial Agreement). The Walmart Warrant was issued in exchange for access to Walmart consumers and is accounted for under ASC 718, *Compensation–Stock Compensation* (ASC 718), as a share-based payment to a nonemployee in exchange for services to be recognized in the same manner as if the Company paid cash for the services.

Pursuant to the terms of the Walmart Warrant, Walmart has the right to purchase up to 3,528,577 shares of the Company's common stock, subject to a non-discretionary anti-dilution provision, at an exercise price of $70.12, subject to decreases in the event of an initial public offering, a change in control, a direct listing, or a special purpose acquisition company transaction (i.e., liquidity event), if certain pricing thresholds were not met. In accordance with the non-discretionary anti-dilution provision, prior to the consummation of the IPO, the number of shares exercisable increased by an amount equal to 12.4% of the total increase of the Company's fully diluted capitalization since issuance. The Walmart Warrant shares increased by 592,457 shares to a new total of 4,121,034 shares.

Vesting of the Walmart Warrant is subject to certain conditions, including the achievement of certain milestones and satisfaction of obligations of both parties, or (with respect to 1,648,413 of such shares after the anti-dilution adjustment) the passage of time after the achievement of certain milestones, subject to acceleration if certain operating goals are achieved. Failure to satisfy these conditions or termination of the Commercial Agreement would result in a decrease in the number of shares vesting under the Walmart Warrant. The Walmart Warrant expires, and any vested warrants are no longer exercisable, effective May 17, 2031, or May 17, 2028 in certain cases if the Commercial Agreement is no longer in effect.

The grant date (measurement date) of the Walmart Warrant is May 17, 2021, which is the date of the Commercial Agreement. The aggregate grant date fair value of the Walmart Warrant was $35.3 million. To factor in the various terms and conditions of the Walmart Warrant, including the potential adjustments if certain pricing thresholds were not met upon an initial public offering or other liquidity event (i.e., considered a market condition), the fair value was determined based on probability weighted estimated fair values determined under both a Black-Scholes option pricing valuation model (assuming no liquidity event) and a Monte Carlo simulation valuation model (assuming a potential liquidity event) with the following assumptions:

	Black-Scholes Option Pricing Model	Monte Carlo Simulation
Risk-free interest rate	1.64 %	1.64 %
Expected dividend yield	—	—
Expected volatility	50 %	50% / 65%
Expected term (in years)	10.0	10.0

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The adjustment under the anti-dilution provision on April 22, 2024 represented a modification under ASC 718. The aggregate grant date fair value of the 592,457 additional shares granted under the anti-dilution provision was $37.2 million. The fair value was determined based on a Black-Scholes option pricing valuation model with the following assumptions:

	Black-Scholes Option Pricing Model
Risk-free interest rate	4.61 %
Expected dividend yield	—
Expected volatility	65 %
Expected term (in years)	7.1

The fair value of the portion of the Walmart Warrant that vests upon achievement of the performance conditions is recognized as sales and marketing expense when the performance conditions are considered probable of achievement, and the fair value of the remaining portion is recognized as sales and marketing expense over time beginning upon achievement of certain performance conditions through the remainder of the Commercial Agreement term, subject to acceleration if certain operating goals are achieved, and subject to certain forfeiture and repurchase terms.

In September 2023, the performance conditions required for vesting were deemed probable, and the Company began to recognize stock-based compensation expense. During the three and six months ended June 30, 2024, we recognized stock-based compensation of $21.9 million and $24.9 million, respectively, in sales and marketing expense associated with the Walmart Warrant. During the three and six months ended June 30, 2025, we recognized stock-based compensation of $2.1 million and $4.3, respectively, in sales and marketing expense associated with the Walmart Warrant. All expense for the periods presented is related to the vesting of the service conditions.

Unrecognized stock-based compensation expense related to the unvested portion of the Walmart Warrant was $25.7 million as of June 30, 2025. This amount is expected to be recognized over a weighted average period of 3.3 years.

Share Repurchase Program

In August 2024, the Company's board of directors approved a share repurchase program, with authorization to purchase up to an aggregate of $100 million of the Company's Class A common stock (Share Repurchase Program). In both March 2025 and June 2025, the board of directors approved an additional $100 million, bringing the total authorization under the Share Repurchase Program to $300 million.

The Share Repurchase Program has no expiration date. Repurchases under the Share Repurchase Program may be made from time to time through open market repurchases or through privately negotiated transactions subject to market conditions, applicable legal requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 under the Securities Exchange Act of 1934, as amended (Exchange Act). The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of shares of its Class A common stock under this authorization. The Company is not obligated under the Share Repurchase Program to acquire any particular amount of Class A common stock, and the Company may terminate or suspend the Share Repurchase Program at any time. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

During the three and six months ended June 30, 2025, the Company repurchased 1,448,373 and 3,288,927 shares, respectively, of its Class A common stock for an aggregate repurchase amount of $68.2 million and $141.6 million, respectively. The repurchase amount includes immaterial broker commissions and the 1% excise tax on net share repurchases imposed by the Inflation Reduction Act of

2022. Repurchases are reflected as treasury stock on the condensed balance sheets on a trade-date basis. As of June 30, 2025, $128.6 million remains available and authorized for repurchase under the Share Repurchase Program.

9. Revenue

Disaggregation of Revenue

The Company's disaggregated revenue by type of service is as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Redemption revenue	$ 73,208	$ 73,951	$ 146,607	$ 141,940
Ad & other revenue	12,821	13,975	23,996	28,313
Total revenue	$ 86,029	$ 87,926	$ 170,603	$ 170,253

Deferred Revenue

Deferred revenue, a contract liability, consists of fees and cash back offers collected from clients that will be applied to future campaigns. Deferred revenue is expected to be recognized as consumers redeem offers over the term of the campaigns, net of the cash back offer, which generally occurs within 12 months. Deferred revenue was $5.1 million and $5.0 million as of June 30, 2025 and December 31, 2024, respectively.

Revenue recognized from deferred revenue at the beginning of the year is as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue recognized	$ 670	$ 237	$ 3,515	$ 1,660

10. Stock-Based Compensation

Stock-Based Compensation Expense

The Company's stock-based compensation expense is recorded as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cost of revenue	$ 625	$ 365	$ 1,282	$ 523
Sales and marketing[(1)]	4,873	26,808	10,002	30,430
Research and development	2,500	4,036	5,647	4,589
General and administrative	5,644	13,608	10,463	14,120
Total stock-based compensation expense	$ 13,642	$ 44,817	$ 27,394	$ 49,662

(1) Sales and marketing includes common stock warrant expense of $2.1 million and $21.9 million recognized during the three months ended June 30, 2025 and 2024, respectively, and $4.3 million and $24.9 million recognized during the six months ended June 30, 2025 and 2024, respectively. See Note 8 – Stockholders' Equity.

The Company capitalized an immaterial amount of stock-based compensation expense to capitalized software development costs during the three and six months ended June 30, 2025 and 2024.

Equity Incentive Plan

In April 2024, the Company’s board of directors approved the 2024 Equity Incentive Plan (2024 Plan), which became effective in connection with the IPO. The 2024 Plan provides for the grant of stock options, restricted stock, RSUs, stock appreciation rights, performance units, and performance shares to eligible employees, directors, and consultants. The 2011 Equity Incentive Plan (2011 Plan), which terminated effective immediately prior to the effectiveness of the 2024 Plan, provided for the grant of various stock awards to employees of the Company, including incentive stock options, nonqualified stock options, and RSUs.

Stock Options

A summary of option activity for the six months ended June 30, 2025 is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding as of December 31, 2024	3,279,483	$ 15.49	6.5	$ 162,641
Exercised	(466,024)	15.81		
Forfeited or expired	(112,278)	17.28		
Options outstanding as of June 30, 2025	2,701,181	$ 15.36	5.9	$ 57,382
Options vested and exercisable as of June 30, 2025	2,159,252	$ 14.47	5.4	$ 47,783

During the six months ended June 30, 2025, no stock options were granted and the total intrinsic value of stock options exercised was $15.3 million. As of June 30, 2025, unrecognized stock-based compensation expense was $6.0 million for unvested stock options and is expected to be recognized over a weighted average period of 2.0 years.

Restricted Stock Units (RSUs)

A summary of RSU activity for the six months ended June 30, 2025 is as follows:

	RSUs	Weighted Average Grant Date Fair Value per Share
Unvested and outstanding as of December 31, 2024	1,043,621	$ 63.35
Granted	1,577,441	62.02
Vested	(244,748)	66.68
Forfeited or expired	(285,671)	65.19
Unvested and outstanding as of June 30, 2025	2,090,643	$ 61.70

As of June 30, 2025, unrecognized stock-based compensation expense was $108.4 million for unvested RSUs and is expected to be recognized over a weighted average period of 3.3 years.

CEO Performance-Based RSU

On April 17, 2024, the Company issued a performance-based RSU award to the CEO (CEO PRSU). The CEO PRSU awards a target number of RSUs to the CEO, totaling 125,216 RSUs, that become eligible to vest based on the Company's total shareholder return (TSR) relative to the TSRs of the companies in the Russell 2000 Index during the performance period from the grant date through December 31, 2026. A percentage of the target number of RSUs, ranging from zero to 200%, will vest based on the percentile rank of the Company's TSR relative to that of the other companies in the index over the performance period. The award is subject to the CEO's continued service to the Company, and the TSR condition is a market condition. In addition, the CEO PRSU is subject to acceleration upon a change in control. We recognized stock-based compensation expense related to the CEO PRSU of $1.3 million and $2.6 million during the three and six months ended June 30, 2025, respectively, and $1.1 million during the three and six months ended June 30, 2024.

Employee Stock Purchase Plan (ESPP)

In April 2024, the Company's board of directors approved the 2024 ESPP, which became effective in connection with the IPO. The ESPP allows eligible employees to purchase shares of the Company's Class A common stock at a discounted price per share through payroll deductions over consecutive offering periods that are approximately six months in length. Each offering period has a single purchase period of the same duration. The offering periods will generally start on the first trading day on or after May 15 and November 15 each year and end on the first trading day on or after the following November 15 and May 15, respectively. The per share purchase price is equal to 85% of the lesser of the fair market value of a share of the Company's Class A common stock on (i) the first trading date of the offering period or (ii) the last trading day of the offering period.

Stock-based compensation expense recognized during the three and six months ended June 30, 2025 and 2024, and unrecognized as of June 30, 2025 and 2024, related to the ESPP were immaterial. During the three and six months ended June 30, 2025, the Company issued 39,768 shares of its Class A common stock under the ESPP. The Company issued no shares of stock under the ESPP during the three and six months ended June 30, 2024.

11. Income Taxes

Our income tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, in the relevant period. Each quarter we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment.

During the three and six months ended June 30, 2025, the Company recorded an income tax provision of $1.4 million and $1.3 million, respectively, resulting in an effective tax rate of 35.6% and 30.0%, respectively. During the three and six months ended June 30, 2024 the Company recorded an income tax provision of $3.9 million and $7.0 million, respectively, resulting in an effective tax rate of (13.1)% and (39.9)%, respectively. These effective tax rates differ from the U.S. federal statutory rate primarily due to the impact of nondeductible items, including certain executive compensation costs, stock-based compensation, and the tax expense related to uncertain tax positions; partially offset by the benefit of research and development tax credits.

The Internal Revenue Service (IRS) commenced an examination of our consolidated U.S. income tax return for 2021 in the second quarter of 2024. During the first quarter of 2025, the IRS completed this examination with no changes to the reported tax. However, the IRS has the ability to adjust the research and development credit claimed and net operating loss generated in 2021 when these carryforward tax attributes are utilized in future tax years.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We are currently assessing its impact on the financial statements.

12. Net Income (Loss) Per Share

The rights of the holders of the Company's Class A common stock and Class B common stock are identical, except with respect to voting and conversion. As the liquidation and dividend rights are identical, basic and diluted net income (loss) per share are the same for Class A common stock and Class B common stock.

Basic and diluted net income (loss) per share is calculated as follows (in thousands, except share and per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss)	$ 2,490	$ (33,966)	$ 3,045	$ (24,669)
Denominator:				
Weighted average shares of common stock outstanding, basic	28,479,977	25,659,465	29,623,352	17,484,092
Plus: dilutive effect of stock options	1,772,789	—	1,970,711	—
Plus: dilutive effect of RSUs	172,127	—	213,792	—
Plus: dilutive effect of ESPP	8,626	—	11,962	–
Weighted average common shares outstanding, diluted	30,433,519	25,659,465	31,819,817	17,484,092
Net income (loss) per share, basic	$ 0.09	$ (1.32)	$ 0.10	$ (1.41)
Net income (loss) per share, diluted	$ 0.08	$ (1.32)	$ 0.10	$ (1.41)

The following potentially dilutive common shares, presented based on amounts outstanding, were excluded from the computation of diluted net income (loss) per share because their effect would have been antidilutive for the periods presented, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Stock options	26,909	4,039,997	13,455	4,039,997
RSUs	1,529,118	1,051,527	1,309,617	1,051,527
Unvested shares of restricted stock purchase	—	62,743	—	62,743
Common stock warrant	4,121,034	4,121,034	4,121,034	4,121,034
Total shares excluded from diluted net income (loss) per share	5,677,061	9,275,301	5,444,106	9,275,301

13. Related Parties

Retention of Wilson Sonsini Goodrich & Rosati, P.C.

Larry W. Sonsini, a member of the Company's board of directors, is a founding partner of the law firm Wilson Sonsini Goodrich & Rosati, P.C. (Wilson Sonsini), which serves as outside corporate counsel to the Company. During the six months ended June 30, 2025 and 2024, the Company spent $1.4 million and $2.8 million, respectively, with Wilson Sonsini. During the three months ended June 30, 2025 and 2024, the Company spent $0.5 million and $1.2 million, respectively, with Wilson Sonsini. Amounts payable to Wilson Sonsini were $0.5 million as of June 30, 2025 and $0.4 million as of December 31, 2024.

14. Commitments and Contingencies

Letter of Credit

As of June 30, 2025 and December 31, 2024, the Company had standby letters of credit in the aggregate amount of $1.1 million and $1.4 million, respectively, related to office space leases. The Company's restricted cash is held to secure $0.1 million and $0.4 million of the balance of the letters of credit as of June 30, 2025 and December 31, 2024, respectively. The remainder is collateralized by our 2024 Credit Facility.

Tax Reserves

We conduct operations in many tax jurisdictions. In some of these jurisdictions, non-income-based taxes, such as sales and other indirect taxes, may be assessed on our operations. There is uncertainty and judgment as to the taxability of the Company's services and what constitutes sufficient presence for a jurisdiction to levy such taxes.

The Company records tax reserves in other current liabilities on the condensed balance sheets when they become probable and the amount can be reasonably estimated. As of June 30, 2025 and December 31, 2024, tax reserves were immaterial. Due to the estimates involved in the analysis, the Company expects that the liability will change over time and could exceed the current estimate. The Company may also be subject to examination by the relevant state taxing authorities.

Purchase Commitments

The Company has non-cancelable purchase obligations which relate to minimum commitments with certain third-party publishers and other contractual commitments primarily with software as a service providers and marketing vendors in the ordinary course of business.

As of June 30, 2025, future minimum payments with a remaining term in excess of one year under these non-cancelable purchase obligations were as follows:

Fiscal Year	**In thousands**
Remainder of 2025	$ 18,594
2026	34,844
2027	29,184
2028	24,601
2029	22,019
Thereafter	19,000
Total	$ 148,242

Legal Proceedings

On April 17, 2025, a putative securities class action complaint, captioned *Fortune v. Ibotta, Inc., et al.*, No. 25-cv-01213-NYW, was filed in the U.S. District Court for the District of Colorado against the Company, certain of its current and former officers and directors, and the underwriters of the Company's initial public offering. The *Fortune* complaint asserts claims for alleged violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended (Securities Act), and generally alleges that the defendants made materially false and misleading statements regarding risks associated with the Company's contracts with a former publisher in the registration statement and prospectus that were filed in connection with the Company's initial public offering. The action seeks unspecified damages and other relief. On May 20, 2025, a second putative securities class action complaint, captioned *Valentine v. Ibotta, Inc., et al.,* No. 25-cv-01615-NYW, was filed in the U.S. District Court for the District of Colorado against the same defendants. The *Valentine* complaint asserts claims for alleged violations of Sections 11, 12(a)(2), and 15 of the Securities Act and alleged violations of Sections 10(b), 20(a), and 20A of the Exchange Act, as well as SEC Rule 10b-5 promulgated thereunder. The putative class period for the Exchange Act claims is April 18, 2024 to February 26, 2025, inclusive. The *Valentine* complaint generally alleges that the defendants made materially false and misleading statements regarding the Company's data measurement tools, its D2C platform, and its clients' budgets in the registration statement and prospectus that were filed in connection with the Company's initial public offering and in public statements subsequent to the initial public offering. The action seeks unspecified damages and other relief. On July 31, 2025, the court consolidated the two cases and appointed a lead plaintiff, purported Ibotta shareholder Mark Tcherkezian, in the consolidated action. The defendants' deadlines to respond to the complaints are currently stayed. We intend to defend the case vigorously. We are unable to estimate a range of loss, if any, that could result were there to be an adverse final outcome in this action. If an unfavorable outcome were to occur, it is possible that the impact could be material to our results of operations in the period(s) in which any such outcome becomes probable and estimable.

Additionally, in the ordinary course of its business, the Company may be involved in various legal proceedings involving contractual and employment relationships, patent or other intellectual property rights, and a variety of other matters. The Company is not aware of any pending legal proceedings that would reasonably be expected to have a material impact on the Company's financial position or results of operations.

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 financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited annual financial statements and related notes for the year ended December 31, 2024 included in the Company's Annual Report on Form 10-K. This discussion contains forward-looking statements, such as those relating to our plans, objectives, expectations, intentions, and beliefs, which involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any period in the future, and our interim results are not necessarily indicative of the results we expect for the full fiscal year or any other period.

Overview

Ibotta's mission is to Make Every Purchase Rewarding. We accomplish this mission by delivering digital promotions to clients through the Ibotta Performance Network (IPN). Through the IPN, we source digital promotions from our clients, primarily consumer packaged goods (CPG) brands, and distribute these promotions to consumers via our network of publishers, enabled by our technology platform. We have strategic relationships with Walmart Inc. (Walmart), Dollar General Corporation (Dollar General), Family Dollar, a subsidiary of Dollar Tree, Inc. (Family Dollar), Maplebear, Inc. (Instacart), and DoorDash, Inc. (DoorDash, announced in January 2025 and launched to the majority of DoorDash customers during the second quarter of 2025), among others, who are third-party publishers on the IPN and use our digital offers to power their loyalty programs on a white-label basis. We also host offers on Ibotta's direct-to-consumer properties, which include the Ibotta-branded cash back mobile app, website, and browser extension (collectively, Ibotta D2C, which is part of the IPN). Within Ibotta D2C, we also partner with affiliate networks to allow consumers to earn cash back on a percentage of their total basket spend at certain retailers.

Impact of Macroeconomic Conditions

Our business and results of operations are subject to global economic conditions. Our revenue depends on the ability of consumers to buy products that are featured on the IPN. Deteriorating macroeconomic conditions, including as a result of regulatory and economic uncertainty, slower growth or a recession, inflation, changes in the perception of macroeconomic conditions, changes in U.S. government policies, bank failures, supply chain disruption, increases in interest rates, increases to fuel and other energy costs or vehicle costs, a potential U.S. federal government shutdown, geopolitical events, including escalated, escalating, and retaliatory tariff and non-tariff trade measures imposed by the U.S., Mexico, China, Canada and other countries, the potential for new or unforeseen conflicts, changes in the labor market, or decreases in consumer spending power or confidence, could lower promotional budgets and result in a decline in client spending which could adversely affect the number of offer redemptions on our network.

Management continues to actively monitor the impact of these macroeconomic factors on our financial condition, liquidity, operations, and workforce. For more information on risks associated with macroeconomic conditions, see the risk factor titled "Macroeconomic conditions, including slower growth or a recession and supply chain disruptions, have previously affected and could continue to adversely affect our business, financial condition, results of operations, and prospects."

Financial and Operational Highlights

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(in thousands, except percentages, per redeemer, and per redemption figures)			
Redemptions[1]	80,484	80,715	163,324	152,181
Redeemers[1]	17,336	13,702	17,213	13,095
Redemptions per redeemer[1]	4.6	5.9	9.5	11.6
Redemption revenue per redemption[1]	$ 0.91	$ 0.92	$ 0.90	$ 0.93
Revenue	$ 86,029	$ 87,926	$ 170,603	$ 170,253
Gross profit	$ 68,104	$ 75,643	$ 135,586	$ 147,455
Gross margin	79 %	86 %	79 %	87 %
Net income (loss)	$ 2,490	$ (33,966)	$ 3,045	$ (24,669)
Net income (loss) as a percent of revenue	3 %	(39)%	2 %	(14)%
Adjusted EBITDA[1]	$ 17,882	$ 25,274	$ 32,555	$ 47,933
Adjusted EBITDA margin[1]	21 %	29 %	19 %	28 %

(1) See Performance Metrics and Non-GAAP Measures for more information and reconciliations of Adjusted EBITDA and Adjusted EBITDA margin to the most directly comparable GAAP financial measures.

Note that certain figures shown above may not recalculate due to rounding.

Performance Metrics and Non-GAAP Measures

We use the following key performance metrics and non-GAAP measures to help us evaluate our business, identify trends affecting our performance, and make strategic decisions. For more information regarding how we use non-GAAP measures in our business, the limitations of these measures, and a reconciliation of these measures to the most directly comparable GAAP financial measures, refer to the section titled Non-GAAP Measures.

Note that certain figures shown within this section may not recalculate due to rounding.

Performance Metrics

The performance metrics below are presented in two categories: direct-to-consumer (D2C) and third-party publishers, which sum to the total metric. The underlying trends and drivers of our D2C business often vary from those of our third-party publisher business. Our D2C business caters to consumers who are focused on savings, irrespective of the retailer. Our third-party publisher business tends to reach consumers who may be more loyal to a specific retailer and are engaging with offers powered by Ibotta's technology platform. The explanation of the changes in the total metric can be found in the D2C and third-party publishers sections.

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
	(in thousands, except per redeemer and per redemption figures)			
Redemptions:				
Direct-to-consumer redemptions	21,933	28,573	43,561	56,248
Third-party publisher redemptions	58,551	52,142	119,763	95,934
Total redemptions	80,484	80,715	163,324	152,181
Redeemers:				
Direct-to-consumer redeemers	1,594	1,800	1,625	1,864
Third-party publisher redeemers	15,742	11,902	15,588	11,230
Total redeemers	17,336	13,702	17,213	13,095
Redemptions per redeemer:				
Direct-to-consumer redemptions per redeemer	13.8	15.9	26.8	30.2
Third-party publisher redemptions per redeemer	3.7	4.4	7.7	8.5
Total redemptions per redeemer	4.6	5.9	9.5	11.6
Redemption revenue per redemption:				
Direct-to-consumer redemption revenue per redemption	$ 1.12	$ 1.13	$ 1.14	$ 1.16
Third-party publisher redemption revenue per redemption	0.83	0.80	0.81	0.80
Total redemption revenue per redemption	$ 0.91	$ 0.92	$ 0.90	$ 0.93

Redemptions

A redemption is a verified purchase of an item qualifying for an offer by a client on the IPN. The number of redemptions are an indicator of the scale and consumer engagement of our business, as well as the value we bring to our clients and publishers. Generally, redemptions change as budgets increase or decrease with existing clients and/or as we add or lose CPG brands as clients. In addition, redemptions grow from adding publishers and redeemers, and/or increasing engagement from existing redeemers.

D2C redemptions are redemptions on any Ibotta D2C property. Third-party publisher redemptions are redemptions on all publishers excluding the Ibotta D2C properties, namely our retailer publishers.

Ibotta D2C redemptions

For the three months ended June 30, 2025 compared to the same period in 2024, D2C redemptions were approximately 21.9 million and 28.6 million, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, D2C redemptions were approximately 43.6 million and 56.2 million, respectively. The decrease was driven by the quantity and quality of offers available to each D2C redeemer.

Third-party publisher redemptions

For the three months ended June 30, 2025 compared to the same period in 2024, third-party publisher redemptions were approximately 58.6 million and 52.1 million, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, third-party publisher redemptions were approximately 119.8 million and 95.9 million, respectively. This growth was driven primarily by the launch of new publishers, such as Family Dollar, Instacart, and DoorDash, among others.

Total redemptions

For the three months ended June 30, 2025 compared to the same period in 2024, total redemptions were 80.5 million and 80.7 million, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, total redemptions were 163.3 million and 152.2 million, respectively.

Redeemers

Redeemers are defined as consumers who have redeemed at least one digital offer within the quarter. If one consumer were to redeem on more than one publisher, they would be counted as a redeemer on each publisher. Year-to-date redeemers are calculated as the average of current year quarter-to-date redeemers. Redeemers are an indicator of the scale and growth of our business, as the number of redeemers typically drives our revenue and is an indication of our ability to grow redemptions.

D2C redeemers are consumers who have redeemed at least one digital offer on any Ibotta property within the quarter. Third-party publisher redeemers are consumers who have redeemed at least one digital offer on any publisher property that is not an Ibotta property, namely our retailer publishers.

Ibotta D2C redeemers

For the three months ended June 30, 2025 compared to the same period in 2024, D2C redeemers were 1.6 million and 1.8 million, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, D2C redeemers were 1.6 million and 1.9 million, respectively. The decrease was driven by the quantity and quality of offers available to each D2C redeemer.

Third-party publisher redeemers

For the three months ended June 30, 2025 compared to the same period in 2024, third-party publisher redeemers were approximately 15.7 million and 11.9 million, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, third-party publisher redeemers were approximately 15.6 million and 11.2 million, respectively. These redeemers grow as we add third-party publishers and as these publishers ramp up consumers on their properties. This growth was driven primarily by the launch of new partners, such as Instacart and DoorDash, among others, and the expansion of our existing third-party publishers.

Total redeemers

For the three months ended June 30, 2025 compared to the same period in 2024, total redeemers were approximately 17.3 million and 13.7 million, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, total redeemers were approximately 17.2 million and 13.1 million, respectively.

Redemptions per redeemer

Redemptions per redeemer are the redemptions divided by the redeemers in that period. This metric is useful as redemptions per redeemer is an indication of our redeemers' level of engagement with our platform. We aim to grow redemptions from our redeemers by expanding the breadth and depth of offers available and increasing engagement by continuing to improve the consumer experience. In general, redemptions per redeemer are driven by offer supply and the growth in offer supply relative to the growth in redeemers. For new redeemers, redemption frequency initially increases before stabilizing. Our D2C business caters to consumers who are focused on savings, irrespective of the retailer. Our third-party publisher business tends to reach consumers who may be more loyal to a specific retailer and are engaging with offers powered by Ibotta's technology platform.

Ibotta D2C redemptions per redeemer

For the three months ended June 30, 2025 compared to the same period in 2024, D2C redemptions per redeemer were approximately 13.8 and 15.9, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, D2C redemptions per redeemer were approximately 26.8 and 30.2, respectively. The decrease was driven by the quantity and quality of offers available to each D2C redeemer.

Third-party publisher redemptions per redeemer

For the three months ended June 30, 2025 compared to the same period in 2024, third-party publisher redemptions per redeemer were approximately 3.7 and 4.4, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, third-party publisher redemptions per redeemer were approximately 7.7 and 8.5, respectively. The decrease was driven by the quantity and quality of offers available to each third-party publisher redeemer.

Total redemptions per redeemer

For the three months ended June 30, 2025 compared to the same period in 2024, total redemptions per redeemer were approximately 4.6 and 5.9, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, total redemptions per redeemer were approximately 9.5 and 11.6, respectively.

Redemption revenue per redemption

Redemption revenue per redemption is the redemption revenue divided by the number of redemptions. Redemption revenue per redemption is an indication of our fee, which is generally charged as a fixed dollar amount per redemption. In any period, our redemption revenue per redemption can fluctuate based on the category mix of offers being redeemed and the impact of inflation on a product's manufacturer's suggested retail price (MSRP). Category mix can be impacted by factors such as seasonal promotions, including back-to-school items in the third quarter or holiday promotions on grocery and food items in the fourth quarter of each year. Our fee is generally charged as a fixed dollar amount per redemption based on the retail price of the specific item being promoted.

D2C redemption revenue per redemption represents redemption revenue generated from offers on any Ibotta property divided by the redemptions on any Ibotta property in that period. Third-party publisher redemption revenue per redemption represents redemption revenue generated from offers on all publishers other than those on Ibotta properties divided by redemptions on all publishers other than those on Ibotta properties. Refer to the Results of Operations section below for the disaggregation of revenue by Ibotta D2C and third-party publisher.

Ibotta D2C redemption revenue per redemption

For the three months ended June 30, 2025 compared to the same period in 2024, D2C redemption revenue per redemption was $1.12 and $1.13, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, D2C redemptions revenue per redemption was $1.14 and $1.16, respectively. This change was driven primarily by offer mix.

Third-party publisher redemption revenue per redemption

For the three months ended June 30, 2025 compared to the same period in 2024, third-party publisher redemption revenue per redemption was $0.83 and $0.80, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, third-party publisher redemption revenue per redemption was $0.81 and $0.80, respectively. This change was driven primarily by offer mix.

Total redemption revenue per redemption

For the three months ended June 30, 2025 compared to the same period in 2024, total redemption revenue per redemption was $0.91 and $0.92, respectively. For the six months ended June 30, 2025 compared to the same period in 2024, total redemption revenue per redemption was $0.90 and $0.93, respectively.

Non-GAAP Measures

To supplement our condensed financial statements prepared and presented in accordance with U.S. generally accepted accounting policies (GAAP), we use certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA margin.

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. These non-GAAP measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures, but are included solely for informational and comparative purposes. Non-GAAP financial measures are subject to limitations and should be read only in conjunction with our condensed financial statements prepared in accordance with GAAP. In light of these limitations, management also reviews the specific items that are excluded from our non-GAAP measures, as well as trends in these items.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is earnings before interest income, net, provision for income taxes, and depreciation and amortization expense, and excludes stock-based compensation expense, change in fair value of derivative, loss on debt extinguishment, restructuring charges, and other expense, net. We define Adjusted EBITDA margin as Adjusted EBITDA as a percent of revenue.

Adjusted EBITDA and Adjusted EBITDA margin are used by our management team as additional measures of our performance for purposes of business decision-making, including managing expenditures and developing budgets. Period-over-period comparisons of Adjusted EBITDA and Adjusted EBITDA margin help our management team identify additional trends in our financial results that may not be shown solely by comparisons of net income and net income as a percentage of revenue, respectively. In addition, we may use Adjusted EBITDA and Adjusted EBITDA margin in the incentive compensation programs applicable to some of our employees in order to evaluate our performance.

The following table provides a reconciliation of net income to Adjusted EBITDA and net income as a percentage of revenue to Adjusted EBITDA margin for each of the periods presented (in thousands, except percentages):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income	$ 2,490	$ (33,966)	$ 3,045	$ (24,669)
Add (deduct):				
Interest income, net	(2,636)	(2,672)	(6,321)	(867)
Depreciation and amortization[1]	2,445	2,114	4,610	4,023
Stock-based compensation[2]	13,642	44,817	27,394	49,662
Change in fair value of derivative	—	1,385	—	3,085
Loss on debt extinguishment	—	9,630	—	9,630
Restructuring charges	557	—	2,116	—
Provision for income taxes	1,378	3,937	1,306	7,038
Other expense, net[3]	6	29	405	31
Adjusted EBITDA	$ 17,882	$ 25,274	$ 32,555	$ 47,933
Revenue	$ 86,029	$ 87,926	$ 170,603	$ 170,253
Net income as a percent of revenue	3 %	(39)%	2 %	(14)%
Adjusted EBITDA margin	21 %	29 %	19 %	28 %

(1) Amortization of capitalized software development costs included in cost of revenue for the three months ended June 30, 2025 and 2024 was $1.4 million and $1.1 million, respectively, and for the six months ended June 30, 2025 and 2024 was $2.6 million and $2.0 million, respectively.
(2) Amounts include stock-based compensation expense as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cost of revenue	$ 625	$ 365	$ 1,282	$ 523
Sales and marketing	4,873	26,808	10,002	30,430
Research and development	2,500	4,036	5,647	4,589
General and administrative	5,644	13,608	10,463	14,120
Total stock-based compensation	$ 13,642	$ 44,817	$ 27,394	$ 49,662

(3) Other expense, net is comprised of loss (gain) on disposal of assets and penalties.

Components of Results of Operations

Revenue

We provide a platform to CPG brands to deliver digital promotions to consumers. The majority of our revenues are derived from the fees we charge to clients when consumers redeem offers on the IPN by purchasing promoted products. We also derive revenue from the sale of ad products to clients to promote their offers, as well as from data products.

We expect our redemption revenue to increase as a percentage of revenue as we continue to grow the IPN and ad and other revenue to continue to decrease as a percentage of revenue.

Cost of revenue

Cost of revenue consists primarily of revenue share with third-party publishers, personnel-related costs attributable to personnel in our engineering department who maintain our platform, data hosting costs, amortization of platform-related software development costs, certain user award costs net of breakage, software licensing costs, and processing fees. Personnel-related costs include salaries, stock-based compensation, benefits, and bonuses. User award costs net of breakage recorded in cost of revenue are associated with awards earned from gift card purchases and sponsored user awards earned from watching an advertising video. Breakage represents the undistributed earnings of D2C consumers that is not expected to be cashed out due to inactivity. User award costs also include user awards that are cashed out and subsequently identified as violating our terms of use.

We expect cost of revenue to increase as we continue to invest in our infrastructure and acquire new publishers and clients.

Operating expenses

Sales and marketing

Sales and marketing expenses consist primarily of personnel-related costs for our sales and marketing departments, self-funded user awards, net of the related breakage, B2B marketing, media spend, common stock warrant expense, software licensing costs, public relations, and market research. Personnel-related costs include salaries, stock-based compensation, bonuses, benefits, taxes, restructuring charges, and travel. Self-funded user awards are awards related to campaigns and other incentive bonuses on our D2C properties that are funded directly by Ibotta as part of our customer acquisition and retention strategy.

We expect sales and marketing expenses to increase as we invest in our sales function. However, they may fluctuate as a percentage of total revenue from period to period.

Research and development

Research and development expenses consist primarily of personnel-related costs for our technology departments, software licensing costs, professional fees, impairment of capitalized software development costs, and market research. Personnel-related costs include salaries, stock-based compensation, benefits, taxes, bonuses, restructuring charges, and travel. We capitalize certain software development costs that are attributable to developing new features and adding incremental functionality to our platform or infrastructure. Costs incurred during the preliminary project stage and post-implementation operation stage are expensed as incurred in research and development expenses. In addition, impairment of in-progress software projects for which completion is subsequently determined not to be probable is recorded in research and development expenses.

We expect research and development expenses to increase as we focus on further improvements to, and maintenance of, our platform. However, they may fluctuate as a percentage of total revenue from period to period.

General and administrative

General and administrative expenses consist primarily of personnel-related costs for our administrative departments, professional fees for external legal, accounting and other consulting services, software licensing costs, facilities costs, corporate insurance, bad debt, company events, and taxes and licenses. Personnel-related costs include salaries, stock-based compensation, benefits, taxes, bonuses, recruiting fees, travel, and restructuring charges.

We expect to increase the size of our general and administrative function to support the growth of our business, including increased facilities costs, and expect to continue to incur additional expenses as a result of operating as a public company. As a result, we expect the dollar amount of our general and administrative expenses to increase. However, they may fluctuate as a percentage of total revenue from period to period.

Depreciation and amortization

Depreciation and amortization consists of amortization of intangible assets, including infrastructure-related software development costs and acquired technology, and depreciation of property and equipment.

We expect depreciation to increase when we place assets in service related to our new corporate headquarters, currently expected to occur in late 2025.

Interest income, net

Interest income, net consists of interest income earned on cash, cash equivalents, and restricted cash, net of interest expense incurred on debt instruments.

Loss on debt extinguishment

Loss on debt extinguishment consists of the loss incurred upon the conversion of the convertible notes into shares of our Class A common stock concurrently upon the closing of the IPO.

Other expense, net

Other expense, net consists of losses on the convertible notes derivative liability, penalties, and gains and losses on the disposal of assets.

Provision for income taxes

The provision for income taxes consists primarily of income taxes related to federal and state jurisdictions in which we conduct business, with the exception of the fourth quarter of 2024 when we released our valuation allowance on our deferred tax assets.

Results of Operations

The following tables set forth our results of operations in dollars for each of the periods presented (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	$ 86,029	$ 87,926	$ 170,603	$ 170,253
Cost of revenue[1]	17,925	12,283	35,017	22,798
Gross profit	68,104	75,643	135,586	147,455
Operating expenses[1]:				
Sales and marketing	28,809	50,018	58,667	78,147
Research and development	14,745	17,526	32,814	31,167
General and administrative	22,264	28,708	43,650	41,862
Depreciation and amortization	1,048	1,048	2,020	2,031
Total operating expenses	66,866	97,300	137,151	153,207
Income (loss) from operations	1,238	(21,657)	(1,565)	(5,752)
Interest income, net	2,636	2,672	6,321	867
Loss on debt extinguishment	—	(9,630)	—	(9,630)
Other expense, net	(6)	(1,414)	(405)	(3,116)
Income (loss) before provision for income taxes	3,868	(30,029)	4,351	(17,631)
Provision for income taxes	(1,378)	(3,937)	(1,306)	(7,038)
Net income (loss)	$ 2,490	$ (33,966)	$ 3,045	$ (24,669)

(1) Amounts include stock-based compensation expense as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cost of revenue	$ 625	$ 365	$ 1,282	$ 523
Sales and marketing	4,873	26,808	10,002	30,430
Research and development	2,500	4,036	5,647	4,589
General and administrative	5,644	13,608	10,463	14,120
Total stock-based compensation	$ 13,642	$ 44,817	$ 27,394	$ 49,662

Comparison of the three months ended June 30, 2025 and 2024

Revenue

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Direct-to-consumer revenue				
Redemption revenue	$ 24,620	$ 32,300	$ (7,680)	(24)%
Ad & other revenue	12,821	13,975	(1,154)	(8)%
Total direct-to-consumer revenue	37,441	46,275	(8,834)	(19)%
Third-party publishers revenue				
Redemption revenue	48,588	41,651	6,937	17 %
Ad & other revenue	—	—	—	— %
Total third-party publishers revenue	48,588	41,651	6,937	17 %
Total				
Redemption revenue	73,208	73,951	(743)	(1)%
Ad & other revenue	12,821	13,975	(1,154)	(8)%
Total revenue	$ 86,029	$ 87,926	$ (1,897)	(2)%

Total redemption revenue decreased $0.7 million, or 1%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, due to a $7.7 million decrease in revenue from the Ibotta D2C properties, partially offset by a $6.9 million increase in revenue from third-party publishers. The decrease in D2C redemption revenue was driven primarily by a decrease in the quantity and quality of offers available to each D2C redeemer. The increase in third-party publisher redemption revenue was primarily driven by the launch of new partners, such as Family Dollar, Instacart, and DoorDash, among others.

Ad & other revenue decreased $1.2 million, or 8%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

Cost of revenue

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Cost of revenue	$ 17,925	$ 12,283	$ 5,642	46 %

Cost of revenue increased $5.6 million, or 46%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, due primarily to the addition of new third-party publishers.

Sales and marketing

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Sales and marketing	$ 28,809	$ 50,018	$ (21,209)	(42)%

Sales and marketing decreased $21.2 million, or 42%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, due to a decrease of $21.9 million in stock-based compensation expense, partially offset by an increase of $0.9 million in other personnel-related costs. The decrease in stock-based compensation was primarily comprised of $19.6 million related to the Walmart Warrant for additional shares granted upon the closing of the IPO under the warrant's anti-dilution provision and $1.8 million related primarily to equity awards with a liquidity event-based vesting condition that was satisfied in connection with the IPO. The increase in other personnel-related costs was driven by $0.6 million of restructuring charges and the remainder due to increased sales bonus expense.

Research and development

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Research and development	$ 14,745	$ 17,526	$ (2,781)	(16)%

Research and development decreased $2.8 million, or 16%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, due to decreases of $1.5 million in stock-based compensation and $1.0 million in other personnel-related costs. The decrease in stock-based compensation expense related primarily to equity awards with a liquidity event-based vesting condition that was satisfied in connection with the IPO. The decrease in other personnel-related costs was driven by a decrease in average headcount.

General and administrative

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
General and administrative	$ 22,264	$ 28,708	$ (6,444)	(22)%

General and administrative decreased $6.4 million, or 22%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, due to decreases of $8.0 million in stock-based compensation expense, $0.7 million related to the timing of the Company's annual town hall, and $0.5 million in other personnel-related costs, primarily related to one-time IPO costs incurred in the prior year. The decrease in stock-based compensation related primarily to equity awards with a liquidity event-based vesting condition that was satisfied in connection with the IPO. These decreases were partially offset by increases of $1.5 million in professional fees largely attributable to legal matters, $0.4 million in bad debt expense, $0.4 million in facilities costs due to the commencement of a new office space lease in the first quarter of 2025, and $0.3 million in software licensing costs.

Depreciation and amortization

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Depreciation and amortization	$ 1,048	$ 1,048	$ —	— %

Depreciation and amortization did not change meaningfully during the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

Interest income (expense), net

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Interest income, net	$ 2,636	$ 2,672	$ (36)	(1)%

Interest income, net, did not change meaningfully during the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

Loss on debt extinguishment

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Loss on extinguishment of debt	$ —	$ 9,630	$ (9,630)	(100)%

Loss on extinguishment of debt decreased $9.6 million during the during the three months ended June 30, 2025 compared to the three months ended June 30, 2024 due to the conversion of the convertible notes into shares of our Class A common stock concurrently upon the closing of the IPO.

Other expense, net

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Other expense, net	$ 6	$ 1,414	$ (1,408)	(100)%

Other expense, net, decreased $1.4 million, or 100%, during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, primarily due to a $1.4 million decrease in the loss on the convertible notes derivative liability, which was settled in connection with the IPO.

Provision for income taxes

	Three months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Provision for income taxes	$ 1,378	$ 3,937	$ (2,559)	(65)%

The provision from income taxes decreased $2.6 million during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, primarily due to the impact of non-deductible items, including certain executive compensation costs, stock-based compensation, and the tax expenses related to uncertain tax positions. These increases are partially offset by the benefit of research and development tax credits.

Comparison of the six months ended June 30, 2025 and 2024

Revenue

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Direct-to-consumer revenue				
Redemption revenue	$ 49,824	$ 65,282	$ (15,458)	(24)%
Ad & other revenue	23,996	28,313	(4,317)	(15)%
Total direct-to-consumer revenue	73,820	93,595	(19,775)	(21)%
Third-party publishers revenue				
Redemption revenue	96,783	76,658	20,125	26 %
Ad & other revenue	—	—	—	— %
Total third-party publishers revenue	96,783	76,658	20,125	26 %
Total				
Redemption revenue	146,607	141,940	4,667	3 %
Ad & other revenue	23,996	28,313	(4,317)	(15)%
	$ 170,603	$ 170,253	$ 350	— %

Total redemption revenue increased $4.7 million, or 3%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due to a $20.1 million increase in revenue from third-party publishers, partially offset by a $15.5 million decrease in revenue from the Ibotta D2C properties. The decrease in D2C redemption revenue was driven primarily by a decrease in the quantity and quality of offers available to each D2C redeemer. The increase in third-party publisher redemption revenue was primarily driven by the launch of new partners, such as Family Dollar, Instacart, and DoorDash, among others, and the expansion of existing third-party publishers.

Ad & other revenue decreased $4.3 million, or 15%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, driven primarily by reduced client spend on D2C ad products.

Cost of Revenue

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Cost of revenue	$ 35,017	$ 22,798	$ 12,219	54 %

Cost of revenue increased $12.2 million, or 54%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due primarily to the addition of new publishers.

Sales and marketing

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Sales and marketing	$ 58,667	$ 78,147	$ (19,480)	(25)%

Sales and marketing decreased $19.5 million, or 25%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due to decreases of $20.4 million in stock-based compensation expense related primarily to the Walmart Warrant for additional shares granted upon the closing of the IPO under the warrant's anti-dilution provision, $1.2 million in media spend, and $0.3 million in B2B marketing, partially offset by an increase of $2.8 million in other personnel-related costs. The decreases in media spend and B2B marketing resulted from a shift in marketing strategy. The increase in other personnel-related costs was driven by $1.2 million of restructuring charges and the remainder due to increases in sales bonus expense, benefits expense, and salary and wages.

Research and development

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Research and development	$ 32,814	$ 31,167	$ 1,647	5 %

Research and development increased $1.6 million, or 5%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due to increases of $1.1 million in stock-based compensation expense and $0.7 million in other personnel costs driven by restructuring charges. The increase in stock-based compensation expense was driven by a $3.4 million increase in recurring equity compensation, partially offset by decreases of $1.5 million related to equity awards with a liquidity event-based vesting condition that was satisfied in connection with the IPO and $0.8 million related to a higher allocation of personnel costs to cost of revenue due to continued investment in our infrastructure.

General and administrative

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
General and administrative	$ 43,650	$ 41,862	$ 1,788	4 %

General and administrative increased $1.8 million, or 4%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due to increases of $2.4 million in professional fees largely attributable to legal matters, $0.8 million in bad debt expense, $0.8 million in facilities costs due to the commencement of a new office space lease in the first quarter of 2025, $0.6 million in other personnel-related costs, including $0.3 million of restructuring charges, $0.5 million in software licensing costs, and $0.4 million in corporate insurance. These increases were partially offset by a $3.7 million decrease in stock-based compensation expense driven by decreases of $8.0 million related to equity awards with a liquidity event-based vesting condition that was satisfied in connection with the IPO and $1.6 million from the reversal of previously recognized expense for unvested equity awards related to the departure of the Company's chief financial officer in March 2025, partially offset by a $6.0 million increase in recurring equity compensation.

Depreciation and amortization

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Depreciation and amortization	$ 2,020	$ 2,031	$ (11)	(1)%

Depreciation and amortization did not change meaningfully during the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

Interest expense, net

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Interest income, net	$ 6,321	$ 867	$ 5,454	629 %

Interest income, net, increased $5.5 million, or 629%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due to an increase in interest earned on cash and cash equivalents driven largely by the IPO proceeds and a decrease in interest expense resulting from the extinguishment of the convertible notes.

Loss on debt extinguishment

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Loss on extinguishment of debt	$ —	$ 9,630	$ (9,630)	(100)%

Loss on extinguishment of debt decreased $9.6 million during the during the six months ended June 30, 2025 compared to the six months ended June 30, 2024 due to the conversion of the convertible notes into shares of our Class A common stock concurrently upon the closing of the IPO.

Other expense, net

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Other expense, net	$ 405	$ 3,116	$ (2,711)	(87)%

Other expense, net, decreased $2.7 million, or 87%, during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily due to a $3.1 million decrease in the loss on the convertible notes derivative liability, which was settled in connection with the IPO.

Provision for income taxes

	Six months ended June 30,		Change	
	2025	2024	$	%
	(in thousands, except percentages)			
Provision for income taxes	$ 1,306	$ 7,038	$ (5,732)	(81)%

The provision from income taxes decreased $5.7 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily due to the impact of non-deductible items including certain executive compensation costs, stock-based compensation, and the tax expenses related to uncertain tax positions, partially offset by the benefit of research and development tax credits.

Liquidity and Capital Resources

As of June 30, 2025, our principal sources of liquidity included $250.5 million of cash and cash equivalents and $99.0 million of available capacity under a revolving line of credit.

Our primary cash needs are for personnel-related expenses, sales and marketing expenses, user award and revenue share payables, data hosting costs, and software licensing costs. We believe our existing liquidity and cash flows from operating activities will be sufficient to meet our projected operating and capital requirements for at least the next 12 months.

Our future cash requirements will depend on many factors, including our pace of growth, the timing and extent of spend to support research and development efforts, the timing of cash collected from clients, the expansion of sales and marketing activities, the introduction of new and enhanced platform offerings, the continuing market acceptance of the platform, and the volume and timing of our share repurchases. As a result of these and other factors, we may be required to seek additional equity or debt financing. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. Further, our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in Part II, Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q. If we are unable to raise additional capital when desired, our business, financial condition, results of operations, and prospects would be adversely affected.

2024 Credit Facility

On December 5, 2024, we entered into a Credit Agreement with Bank of America, N.A., as administrative agent, swingline lender, and L/C issuer, which provides us with revolving commitments in an aggregate principal amount of $100.0 million and matures on December 5, 2029 (2024 Credit Facility). The 2024 Credit Facility also allows the Company to request incremental revolving commitments of up to $100.0 million. As of June 30, 2025, we had no outstanding borrowings under the 2024 Credit Facility and availability of $99.0 million, which is net of a $1.0 million outstanding letter of credit related to an office space lease. For further details regarding credit agreements, see Note 5 - Long-Term Debt to our condensed financial statements included in Part I, Item I of this Quarterly Report on Form 10-Q.

Common Stock Warrant

On May 17, 2021, we issued the Walmart Warrant in connection with a multi-year strategic relationship that makes Ibotta the exclusive provider of digital item-level rebate offer content for Walmart U.S. If the shares available for exercise as of June 30, 2025 were fully exercised, the warrants could provide up to $245.6 million in proceeds to us. However, the exercisability of a portion of the Walmart Warrant is subject to certain performance conditions and forfeiture features, and we cannot make assurance that any such warrant will be exercised. For further details regarding the Walmart Warrant, see Note 8 - Stockholders' Equity to our condensed financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Share Repurchase Program

In August 2024, the Company's board of directors approved a share repurchase program, with authorization to purchase up to an aggregate of $100 million of the Company's Class A common stock (Share Repurchase Program). In both March 2025 and June 2025, the board of directors approved an additional $100 million, bringing the total authorization to $300 million.

The Share Repurchase Program has no expiration date. Repurchases under the Share Repurchase Program may be made from time to time through open market repurchases or through privately negotiated transactions subject to market conditions, applicable legal requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 under the Exchange Act. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of shares of its Class A common stock under this authorization. The Company is not obligated under the Share Repurchase Program to acquire any particular amount of Class A common stock, and the Company may terminate or suspend the Share Repurchase Program at any time. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

During the three and six months ended June 30, 2025, the Company repurchased 1,448,373 and 3,288,927 shares, respectively, of its Class A common stock for an aggregate repurchase amount of $68.2 million and $141.6 million, respectively. The repurchase amount includes immaterial broker commissions and the 1% excise tax on net share repurchases imposed by the Inflation Reduction Act of 2022. Repurchases are reflected as treasury stock on the condensed balance sheets on a trade-date basis. As of June 30, 2025, $128.6 million remains available and authorized for repurchase under the Share Repurchase Program.

Cash Flows

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

	Six months ended June 30,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	$ 45,715	$ 54,386
Net cash used in investing activities	(11,968)	(4,789)
Net cash (used in) provided by financing activities	(132,830)	205,670
Net change in cash, cash equivalents, and restricted cash	$ (99,083)	$ 255,267

Operating Activities

Our collection cycles can vary based on payment practices from our clients, and we are required to pay our third-party publishers within a contractual timeframe, regardless of whether we have collected payment from our client. As a result, timing of cash receipts related to accounts receivable and due to third-party publishers can vary from period to period and significantly impact our cash provided by operating activities for any period.

Net cash provided by operating activities decreased $8.7 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024. The decrease was a result of a $27.7 million increase in net income adjusted for a $34.7 million decrease in non-cash charges and a $1.7 million decrease in net cash inflows from changes in operating assets and liabilities. The increase in net income was largely driven by non-cash charges in the prior year as a result of the IPO, including accelerated stock-based compensation and losses on the extinguishment of the convertible notes and derivative liability, partially offset by increases in other operating expenses.

The decrease in net cash inflows from changes in operating assets and liabilities was primarily due to cash outflows of $6.7 million from liabilities due to third-party publishers driven by the timing and ramp up of new publishers and $6.3 million from accounts receivable due to the timing of client payments. These cash outflows were partially offset by cash inflows of $6.3 million from accrued expenses, $4.0 million from accounts payable due to timing of payments, $0.6 million from other assets and liabilities, and $0.4 million from the user redemption liability. The change in accrued expenses was primarily driven by higher accrued employee expenses as of December 31, 2023 compared to December 31, 2024, paid in the first quarter of the following year, the timing of gift card purchases, and an increase in other accrued liabilities.

Investing Activities

Net cash used in investing activities increased $7.2 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, driven by a $5.2 million increase in additions to property and equipment driven by leasehold improvements for our new corporate headquarters and a $2.0 million increase in additions to capitalized software development costs.

Financing Activities

Net cash used in financing activities increased $338.5 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, driven by $201.1 million of net IPO proceeds in the prior year, a $140.2 million increase in purchases of treasury stock, and a $2.0 million increase in taxes paid related to the net share settlement of equity awards, partially offset by increases of $2.7 million in proceeds from the exercise of stock options and $2.0 million in proceeds from the employee stock purchase plan.

Material Cash Requirements

Operating leases

Our operating lease commitments primarily include our corporate office space. As of June 30, 2025, we had noncancellable lease obligations of $37.5 million, of which $1.4 million is payable within 12 months and the remainder thereafter. For additional discussion on our operating leases, refer to Note 7 - Operating Leases to our condensed financial statements included in Part I, Item I, of this Quarterly Report on Form 10-Q.

Purchase Commitments

The Company has non-cancelable purchase obligations that relate to minimum commitments with certain third-party publishers and other contractual commitments primarily with software as a service providers and marketing vendors in the ordinary course of business. As of June 30, 2025, we had fixed noncancellable purchase obligations of $148.2 million, of which $35.2 million is payable within 12 months and the remainder thereafter. For additional discussion on these contractual commitments, refer to Note 14 - Commitments and Contingencies to our condensed financial statements included in Part I, Item I, of this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. In preparing the condensed financial statements, we apply accounting policies and estimates that affect the reported amounts and related disclosures. Inherent in such policies are certain key assumptions and estimates made by management, which we believe best reflect the underlying business and economic events. Our estimates are based on historical experience and various other factors and assumptions that we believe are reasonable under the circumstances. We regularly re-evaluate our estimates used in the preparation of the consolidated financial statements based on our latest assessment of the current and projected business and economic environment. By their nature, these estimates and judgments are subject to an inherent degree of uncertainty and actual results could differ materially from the amounts reported based on these estimates.

There have been no material changes to our critical accounting policies and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Recent Accounting Pronouncements

See Note 2 – Basis of Presentation and Summary of Significant Accounting Policies to our condensed financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q.

Emerging Growth Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Act of 2012 and have elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen to not take advantage of the extended transition period exemptions because of the potential differences in accounting standards used. We expect to lose emerging growth company status on December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and inflation.

Interest Rate Risk

We are exposed to interest rate risk through fluctuations of interest rates on our cash and cash equivalents and our floating rate debt. As of June 30, 2025, we had cash, cash equivalents, and restricted cash of $250.6 million, which consists of cash on hand and highly liquid investments in money market instruments. Our cash is held for working capital purposes, and we do not enter into investments for trading or speculative purposes. Changes in interest rates affect the interest income we earn, and therefore impact our cash flows and results of operations. However, due to the short-term durations and nature of our cash holdings, we do not believe a hypothetical 10% increase or decrease in interest rates would have had a material impact on our financial statements as of June 30, 2025.

Our line of credit bears interest at floating rates. Accordingly, if we incur debt in the future, including under the 2024 Credit Facility, our borrowing costs could increase if interest rates rise in the future. However, as of June 30, 2025, we had no outstanding debt and therefore no potential exposure to market risks from interest rates.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, financial condition, results of operations, or prospects.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer, principal financial officer, and principal accounting officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer, principal financial officer, and principal accounting officer have concluded that these disclosure controls were effective at a reasonable assurance level as of June 30, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and Interim Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, the effectiveness of any internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings including claims, suits, inquiries, and investigations arising from activities in the normal course of business. We also have received and may in the future receive claims asserting we are or may be infringing, misappropriating, or otherwise violating third-party intellectual property rights. Given the unpredictable nature of litigation, an unfavorable resolution of one or more such matters could in the future materially adversely affect our business, financial condition, and results of operations in a particular period; however, based on the information known by us as of the date of this filing, any such amount is either not material or it is not possible to provide an estimated amount of any such potential loss. Defending any legal proceeding is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

On April 17, 2025, a putative securities class action complaint, captioned *Fortune v. Ibotta, Inc., et al.*, No. 25-cv-01213-NYW, was filed in the U.S. District Court for the District of Colorado against the Company, certain of our current and former officers and directors, and the underwriters of our initial public offering. The *Fortune* complaint asserts claims for alleged violations of Sections 11, 12(a)(2), and 15 of the Securities Act, and generally alleges that the defendants made materially false and misleading statements, regarding risks associated with the Company's contract with a former publisher, in the registration statement and prospectus that were filed in connection with the Company's initial public offering. The action seeks unspecified damages and other relief. On May 20, 2025, a second putative securities class action complaint, captioned *Valentine v. Ibotta, Inc., et al.,* No. 25-cv-01615-NYW, was filed in the U.S. District Court for the District of Colorado against the same defendants. The *Valentine* complaint asserts claims for alleged violations of Sections 11, 12(a)(2), and 15 of the Securities Act and alleged violations of Sections 10(b), 20(a), and 20A of the Exchange Act, as well as SEC Rule 10b-5 promulgated thereunder. The putative class period for the Exchange Act claims is April 18, 2024 to February 26, 2025, inclusive. The *Valentine* complaint generally alleges that the defendants made materially false and misleading statements regarding the Company's data measurement tools, its D2C platform, and its clients' budgets in the registration statement and prospectus that were filed in connection with the Company's initial public offering and in public statements subsequent to the initial public offering. The action seeks unspecified damages and other relief. On July 31, 2025, the court consolidated the two cases and appointed a lead plaintiff, purported Ibotta shareholder Mark Tcherkezian, in the consolidated action. The defendants' deadlines to respond to the complaints are currently stayed. We intend to defend the case vigorously. We are unable to estimate a range of loss, if any, that could result were there to be an adverse final outcome in this action. If an unfavorable outcome were to occur, it is possible that the impact could be material to our results of operations in the period(s) in which any such outcome becomes probable and estimable.

The information set forth in Note 14 - Commitments and Contingencies to the Notes to Condensed Financial Statements is incorporated herein by reference.

Item 1A. Risk Factors

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information included 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 consolidated financial statements and related notes, before making an investment decision. The occurrence of any of the events or developments described below could materially adversely affect our business, financial condition, results of operations, and prospects. In such an event, the market price of our Class A common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations and the market price of our Class A common stock.

Our business is subject to numerous risks and uncertainties. These risks include, but are not limited to, the following:

- We have a history of net losses, we anticipate increasing expenses in the future, and we may not be profitable.
- Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with existing publishers and add new publishers to the Ibotta Performance Network (IPN), or if our publishers experience (as they have previously) downturns, store closures, or failures of their own businesses, or fail to adopt our additional offerings or fulfillment methods.
- We are also dependent on our publishers to take steps to integrate with the IPN and to maximize and encourage offer redemption, including decisions relating to user experience and design, marketing, and proper maintenance of their technology.
- If we fail to maintain or grow offer supply and redemptions on our network, our revenues and business may be negatively affected.
- Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with CPG brands or add new CPG brands.
- We may not be able to sustain our revenue growth rate.
- We provide content to publishers indirectly through technology partners and our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with those partners.
- We expect a number of factors to cause our results of operations to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance.
- Macroeconomic conditions, including slower growth or a recession and supply chain disruptions, have previously affected and could continue to adversely affect our business, financial condition, results of operations, and prospects.
- Competition presents an ongoing threat to the success of our business.
- Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with retailers.
- If we fail to effectively manage our growth, our business, financial condition, results of operations, and prospects could be materially adversely affected.

- We have a limited operating history and operate in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.
- We are making substantial investments to capitalize on new and unproven business opportunities and expect to increase such investments in the future. These initiatives are risky, and we may never realize any expected benefits from them.
- We are making substantial investments in our technologies, and if we do not continue to innovate and further develop our platform, our platform developments do not perform, or we are not able to keep pace with technological developments, we may not remain competitive, and our business, financial condition, results of operations, and prospects could be materially adversely affected.
- If our security measures or information we collect and maintain are compromised or publicly exposed, publishers, CPG brands, retailers, and consumers may curtail or stop using our platform, and we could be subject to claims, penalties, and fines.
- We have previously identified material weaknesses in our internal controls over financial reporting and if we are unable to maintain effective internal controls or if we identify additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations, which could materially adversely affect our business, financial condition, results of operations, and prospects.
- The dual class stock structure of our common stock concentrates voting control with Bryan Leach, our Founder, Chief Executive Officer, President, and Chairman of our board of directors, which will generally preclude our stockholders' ability to influence the outcome of matters submitted to our stockholders for approval, subject to limited exceptions.
- We have adopted a Share Repurchase Program to purchase up to an aggregate of $300 million of the Company's Class A common stock; however, any future decisions to reduce or discontinue repurchasing our Class A common stock pursuant to the Share Repurchase Program could cause the market price of our Class A common stock to decline.
- Although we do not expect to rely on the "controlled company" exemption under the listing standards of the New York Stock Exchange, we expect to have the right to use such exemption, and therefore we could in the future avail ourselves of certain reduced corporate governance requirements.

Risks Related to Our Business

We have a history of net losses, we anticipate increasing expenses in the future, and we may not be profitable.

We have a history of net losses, and we may not be profitable. For example, we incurred a net loss of $54.9 million for the year ended December 31, 2022, and as of June 30, 2025, we had an accumulated deficit of $137.4 million. We expect our costs will increase over time as we expect to invest significant additional funds towards growing our business and operating as a public company. See the risk factor titled, "Operating and growing our business may require additional capital, and if capital is not available to us, our business, financial condition, results of operations, and prospects may suffer." We have expended and expect to continue to expend substantial financial and other resources on developing our platform, including expanding our solutions, developing or acquiring new platform features and solutions, and increasing our sales and marketing efforts. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving 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, results of operations, and prospects could be materially adversely affected.

Our ability to maintain profitability is impacted by growth in our network and our ability to drive operational efficiencies in our business. Our efforts to maintain profitability may not succeed due to factors such as evolving consumer behavior trends in shopping, consumer engagement, and retention; our ability to maintain and expand our relationships with publishers, CPG brands, retailers, and consumers; our ability to hire and retain highly skilled technology, sales, and other personnel; regulatory and economic uncertainty as well as unfavorable macroeconomic conditions (such as inflationary pressures); our ability to effectively scale our operations; and the continuing evolution of the industry. Many of these factors are beyond our control.

Our ability to maintain profitability also depends on our ability to manage our costs. We have expended and expect to continue to expend substantial financial and other resources to:

- increase the engagement of consumers and investment levels of publishers, CPG brands, and retailers;
- increase the number and variety of publishers that participate in the IPN;
- grow our sales force, which we expect will increase our sales and marketing expense in the foreseeable future;
- negotiate favorable revenue-sharing terms or financial guarantees with publishers;
- drive adoption of Ibotta through marketing and incentives and increase awareness through brand campaigns; and
- invest in our operations to continue scaling our business to achieve and sustain long-term efficiencies.

These investments may contribute to net losses in the near term. We may discover that these initiatives are more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses or realize the benefits we anticipate. Certain initiatives will also require incremental investments or recurring expenses and may not be accretive to revenue growth, margin, or profitability for a longer time period, if at all. Many of our efforts to increase revenue and manage operating costs are new and unproven given the unique and evolving complexities of our business and the evolving nature of the industry. In addition, we may make concessions to publishers, CPG brands, and retailers that are designed to maximize profitability in the long term but may decrease profitability in the short term. As a result, the impact of concessions on our financial results may continue into future periods or have greater impacts than we anticipate. We may also incur higher operating expenses as we implement strategic initiatives, including in response to external pressures such as competition, retailer consolidation, and evolving consumer behavior trends in shopping. For example, we expect that sales operating expenses will increase for the foreseeable future, primarily stemming from increased headcount. Additionally, we may not realize, or there may be limits to, the efficiencies we expect to achieve through our efforts to scale the business, reduce friction in the direct-to-consumer (D2C) shopping experience, client support, and consumer acquisition and onboarding costs. Our efforts to encourage the growth of loyalty programs on publishers' apps and websites may cause fewer consumers to use our D2C properties, leading to a loss of revenue and adversely affecting our financial position. We also expect to continue to face greater compliance costs associated with the increased scope of our business and being a public company.

We may encounter unforeseen operating expenses, difficulties, complications, delays, and other factors, including as we expand our business, execute on strategic initiatives, and navigate macroeconomic uncertainty, which may result in losses or a failure to generate profitable growth in future periods.

As such, due to these factors and others described in the "Risk Factors" section, including the risk factor titled, "We may not be able to sustain our revenue growth rate," we may not be able to maintain profitability or generate profitable growth in the future. If we are unable to maintain profitability, the value of our business and the trading price of our Class A common stock could be materially adversely affected.

Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with existing publishers and add new publishers to the IPN, or if our publishers experience (as they have previously) downturns, store closures, or failures of their own businesses, or fail to adopt our additional offerings or fulfillment methods.

Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with existing publishers and add new publishers to the IPN. We provide offers on a white-label basis to our publishers, including but not limited to, Walmart Inc. (Walmart), Dollar General Corporation (Dollar General), Family Dollar Stores LLC (Family Dollar), Maplebear Inc. (Instacart), and DoorDash, Inc. (DoorDash, announced in January 2025 and launched to the majority of DoorDash customers during the second quarter of 2025). We have invested heavily in the IPN, which matches and distributes offers across a variety of publisher sites. Our contract negotiation process with publishers can be lengthy, which can contribute to variability in our revenue generation and makes our revenue difficult to forecast. As a result, it is difficult to predict our ability to form or continue partnerships with publishers, and our revenue could be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We match and distribute our digital offers through large retailer publishers, grocery retailers, and our D2C properties. If we do not renew, maintain, and expand these relationships or add new publishers, our business, financial condition, results of operations, and prospects could be materially adversely affected. We rely heavily on our publishers to match and distribute our digital promotions content, with a substantial portion of our white-label redemptions originating from offer selections on their websites and mobile applications. In particular, the Walmart Program Agreement we entered into with Walmart on May 17, 2021 (Walmart Program Agreement) is a multi-year arrangement and automatically renews for successive 24 month periods unless either party provides notice of termination at least 180 days prior to the expiration of the applicable period. The Walmart Program Agreement can be terminated by Walmart with at least 270 days' notice to us (provided that Walmart cannot replace us during the then-remaining term of the Walmart Program Agreement with a digital offers program created by Walmart or a third party), and may be terminated under certain circumstances, including for material breach by either party. If Walmart terminated or elected not to renew the Walmart Program Agreement with us, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Publishers may also ask to modify their agreement terms in a cost-prohibitive or strategically detrimental manner when their agreements are up for renewal. Our inability to maintain our relationships with our publishers on terms consistent with or better than those already in place and that are otherwise favorable to us could increase competitive pressure and/or offering pricing, and otherwise materially adversely affect our business, financial condition, results of operations, and prospects. For example, a publisher could ask Ibotta to develop new digital offer structures not covered in the initial agreement when negotiating a contract renewal. Ibotta may not otherwise have those new offer structures on its product roadmap but may need to prioritize that work in order to retain the business, which could result in increased costs if, for example, Ibotta increases its hiring to meet such publisher expectations or could result in trade-offs against other items on Ibotta's product roadmap.

Retailer consolidation may also result in a decrease in or cessation of engagement with Ibotta, or result in Ibotta receiving less favorable contract terms with the consolidated entity. Publishers have previously experienced, and could in the future experience, downturns, store closures, or failures (including due to macroeconomic pressures) of their own businesses, fail to adopt our additional offerings or fulfillment methods, or cease using Ibotta altogether for many reasons.

We are also dependent on our publishers to take steps to integrate with the IPN and to maximize and encourage offer redemption, including decisions relating to user experience and design, marketing, and proper maintenance of their technology.

We are dependent on publishers to integrate with the IPN since publishers have a significant amount of control over their integration to the IPN, including their user experience and marketing. We are also dependent on publishers' timelines, and the amount of time, effort, and support they provide to implement the IPN and to maintain their technology to support the IPN after integration, all of which can vary for each publisher. Certain decisions by publishers could result in an unsuccessful integration of a publisher to the IPN, lower user experience, or delay the addition of a publisher to the IPN, which could materially adversely affect our business, financial condition, results of operations, and prospects.

We are also highly dependent on our publishers' efforts to promote their loyalty programs and decisions they make relating to their loyalty programs, and we have limited ability, if any, to control and predict such decisions by publishers. We cannot control, and in many cases cannot predict, the timing of various publisher initiatives, such as the marketing of their loyalty programs, which may have an outsized impact on the number of redemptions occurring on their properties and on our network. For example, a failure of publishers to increase awareness and usage of offers on their loyalty programs could result in a reduced number of redemptions on our network.

If we fail to maintain or grow offer supply and redemptions on our network, our revenues and business, financial condition, results of operations, and prospects could be materially adversely affected.

Both our redeemers and their level of redemptions are critical to our success. During the six months ended June 30, 2025, total redeemers were approximately 17.2 million. For clarity, if one consumer were to redeem on more than one publisher, they would be counted as a redeemer on each publisher. We have in the past experienced fluctuations and declines in the pace of growth of redeemers and could in the future be unable to grow or increase the engagement of our redeemers, and as a result our business, financial condition, results of operations, and prospects could be materially adversely affected. In 2024, we did not secure enough offer supply from CPG brands relative to the growth of redeemers across our network. As a result, our redemptions per redeemer were lower than anticipated. If we are unable to maintain and expand the use by consumers of digital promotions in our network or if we do not do so to a greater extent than our competitors, publishers, CPG brands, and retailers may find that offering digital promotions on our network does not reach consumers with the scale and effectiveness that is compelling to them.

Any number of factors can negatively affect growth in the number of redeemers, redemptions per redeemer, and redemptions on our network, including if:

- our publishers, CPG brands, and retailers reduce, suspend, or terminate their relationship with us;
- we are unable to create a platform that is convenient, rewarding, trustworthy, personalized, and offers the most competitive offers;
- we are unable to convince consumers of the value of the IPN and publishers of the value of white-label retailer loyalty programs that leverage our offers and technology;
- our publishers, CPG brands, and retailers do not devote sufficient time, resources, or funds to the promotion of our network and marketing of our digital promotions;
- CPG brands reduce their investment in offers and offer inventory suffers, which could occur for a variety of reasons, including reduced marketing budgets, regulatory and economic uncertainty, or supply chain disruptions, which have occurred from time to time with our CPG brands;

- we are unable to provide a broad range of valuable offers, which may depend on, among other factors, the productivity of our sales force (which has been and may continue to be adversely affected by reorganizations in our sales organization), CPG brand marketing budgets and supply chain constraints, the perceived effectiveness of competitors' platforms, and the macroeconomic environment;
- we are unable to deliver a user-friendly experience to consumers;
- consumers increasingly use competitors’ platforms;
- consumers have difficulty using our platform as a result of actions by us or third parties;
- there are concerns over consumer data practices, concerns about the nature of content made available on our products and offerings, or concerns related to privacy, security, or other factors;
- we are unable to manage and prioritize offers to ensure consumers are presented with offers that are appropriate, interesting, useful, and relevant to them;
- we adopt terms, policies, or procedures related to areas such as sharing, content, consumer data, or advertising, or we take, or fail to take, actions to enforce our policies, that are perceived negatively by consumers;
- we undertake initiatives designed to attract and retain consumers, including the use of new technologies such as AIML, that are unsuccessful or discontinued;
- we fail to provide adequate customer service to our publishers, CPG brands, retailers, and consumers; and
- we are unable to keep up with the growth of the IPN, which could exhaust CPG brand offers too quickly, diminish the number of available offers, and reduce value for consumers.

From time to time, certain of these factors have negatively affected our redeemer and redemption growth. If we are unable to successfully address any of the above factors as we encounter them, or if we are unable to maintain or increase our redeemers and redemptions, it could have a material adverse impact on our business, financial condition, results of operations, and prospects.

Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with CPG brands or add new CPG brands.

The success and scale of our network depend on our strategic relationships with CPG brands. If we are not able to attract consumers, including through publishers’ white-label loyalty programs, CPG brands may not be willing to use our network for digital promotions. If we do not renew, maintain, and expand these relationships or add new CPG brands, we may not be able to grow our redemptions and our business, financial condition, results of operations, and prospects could be materially adversely affected.

If our CPG brands terminate or reduce their relationships with us, or suspend, limit, or cease their operations or otherwise, our business, financial condition, results of operations, and prospects could be materially adversely affected. From time to time, our CPG brands have reduced their investments with us. Also, since our contracts with CPG brands are generally less than one year long, there is a risk that CPG brands will not renew their contracts with us, which could also materially adversely affect our business, financial condition, results of operations, and prospects.

If our CPG brands choose to materially alter the breadth, depth, or parameters of the offers they provide to us for distribution throughout our network, this could cause unforeseen reductions in the number of redemptions.

Further, our revenue may fluctuate due to changes in marketing budgets of CPG brands. CPG brands can change and have changed their spend without notice, which can result in our inability to anticipate or forecast such fluctuations. For example, budget pressures or unspent budgets at the end of a CPG brand's fiscal year may lead to unexpected reduced or increased spending on our network. CPG brands and media agencies may also determine that other media tactics are more compelling and divert investment to such tactics, leading to fewer offers. Investment from CPG brands may also fluctuate or cease because of certain macroeconomic factors, like supply chain constraints, tariffs, or regulatory and economic uncertainty. For example, in the first half of 2022, our D2C redemptions per redeemer were negatively impacted due to supply chain constraints that made it difficult for our CPG brands to keep their product on shelves and led to decreased promotions on high frequency purchased products.

Our contract negotiation process with CPG brands can be lengthy, which can contribute to variability in our revenue generation and makes our revenue difficult to forecast. As a result, it is difficult to predict our ability to form or continue relationships with CPG brands, and our revenue could be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations, and prospects. CPG brands may also ask to modify their agreement terms in a cost-prohibitive or strategically detrimental manner when their agreements are up for renewal, which could materially adversely affect our business, financial condition, results of operations, and prospects. CPG brand consolidation may also result in a decrease in or cessation of engagement with Ibotta or result in Ibotta receiving less favorable contract terms with the consolidated entity. CPG brands could also experience downturns or fail, including due to macroeconomic pressures or ceasing use of Ibotta altogether for many reasons. CPG brands have traditionally been slow to adopt new digital offer programs. As a result, we have at times experienced, and may continue to experience, slower adoption and implementation of our products and offerings by our current and potential CPG brands. If we lack a sufficient variety and supply of CPG brands or lack access to the most popular CPG brands, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We may not be able to sustain our revenue growth rate.

Historically, the growth rate of our business, and as a result, our revenue growth, has varied from quarter to quarter and year to year, and we expect that variability to continue. For the three and six months ended June 30, 2025, our revenue was $86.0 million and $170.6 million, respectively. There can be no assurances that our revenue will grow at current rates and you should not rely on the revenue of any prior quarterly or annual period as an indication of our future performance. Our revenue growth rate may decline in future periods.

Our revenue may fluctuate due to changes in the marketing budgets of existing and prospective clients, and the timing of their marketing spend. Our growth also depends on our publishers' efforts to promote their digital offers programs. Existing and prospective clients can change and have changed their spend without notice, which can result in our inability to anticipate or forecast such fluctuations.

Our business is complex and evolving. We may offer new products and technologies, pricing, service models, and delivery methods to existing and prospective clients. These new capabilities may change the way we generate and/or recognize revenue, which could impact our operating results. In addition, if we shift a greater number of our arrangements with publishers, CPG brands, and retailers to new pricing models and we are not able to deliver on the results, our revenue growth and revenue could be negatively affected.

We believe that our continued revenue growth will depend on our ability to, among other factors:

- increase and retain the number of publishers, CPG brands, retailers, and consumers that participate in the IPN;
- diversify the mix of our redemptions from publishers;
- increase the degree to which publishers market their white-label retailer loyalty programs;

- increase our share of advertisers on promotions and media (collectively, marketing spend) through our network;
- preserve and grow the fees we charge on a per redemption or percentage of total basket basis;
- preserve and grow our ad products and other business;
- provide publishers, CPG brands, retailers, and consumers with high-quality support that meets their needs;
- adapt to changes in marketing goals, strategies, and budgets of advertisers and the timing of their marketing spend;
- preserve and grow the rate of redemptions by consumers of their digital promotions;
- preserve or grow our ad products business as well as our data, media, and consumer insights revenue business;
- expand our business in existing markets and enter new verticals, markets, and geographies;
- anticipate and respond to regulatory and economic uncertainty, macroeconomic changes, and changes in the markets in which we operate;
- adapt to rapidly evolving trends in the ways publishers, CPG brands, retailers, and consumers interact with technology;
- capitalize on the shift from offline to digital marketing and growth in e-commerce;
- deploy, execute, and continue to develop our analytics capabilities;
- expand the number, variety, quality, and relevance of digital promotions available on our network;
- increase the awareness of our brand to build our reputation;
- hire, integrate, train, and retain talented technology, sales, and other personnel, particularly in light of the recently announced sales reorganization;
- develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage, as well as the deployment of new features and solutions;
- identify and acquire or invest in businesses, products, or technologies that we believe could complement or expand our products and offerings;
- effectively manage the scaling of our operations;
- avoid interruptions or disruptions to our services; and
- compete successfully with existing and new competitors.

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, results of operations, and prospects could be materially adversely affected.

For example, our Ad & other revenue have decreased in 2024 compared to 2023 due to a shift in CPG client spend from Ad & other revenue to redemption revenue.

Further, because we operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We provide content to publishers indirectly through technology partners and our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with such technology partners.

In some cases, we provide content to publishers indirectly, via technology partners. If any of our technology partners terminate or reduce their relationships with us, or suspend, limit, or cease their operations or otherwise, we will not be able to reach certain publishers and our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with our technology partners. Our ability to deliver offers at-scale is dependent on adding new technology partners and maintaining our existing technology partners. Our contract negotiation process with such technology partners can be lengthy, which can contribute to variability in our revenue generation. As a result, it is difficult to predict our ability to form or continue partnerships with technology partners and our revenue could be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Our technology partners may also ask to modify their agreement terms in a cost-prohibitive or detrimental manner when their agreements are up for renewal. Our inability to maintain our relationships with our technology partners on terms consistent with, or better than, those already in place and that are otherwise favorable to us could increase competitive pressure and/or offering pricing, and otherwise materially adversely affect our business, financial condition, results of operations, and prospects.

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

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

- our ability to attract and retain publishers, CPG brands, retailers, and consumers that use our network and convert their activity into sales;
- the mix of our redemptions among our publishers;
- the mix of redemptions among different CPG brands, which have different fee arrangements;
- our ability to accurately forecast revenue and appropriately plan expenses;
- our ability to respond favorably to existing or new competitors in our market;
- increases in client or publisher concentration;
- our ability to expand into new CPG brand verticals and new publisher verticals;
- increases in marketing, sales, and other operating expenses, including those that are incurred to acquire and retain new publishers, CPG brands, retailers, and consumers;

- the percent of our fee that we share with our publishers;
- the impact of worldwide economic conditions, including inflation, rising interest rates, changes in U.S. government policies, supply chain disruptions, geopolitical events, such as escalated, escalating, and retaliatory tariff and non-tariff trade measures imposed by the U.S., Mexico, China, Canada, and other countries, the conflicts involving Russia and Ukraine and Hamas and Israel, and the resulting effect on consumer spending and consumer confidence;
- the impact of a potential U.S. federal government shutdown on the U.S. economy, capital markets, publishers, CPG brands, retailers, consumers, and our business;
- the impact of inflation on redemption revenue;
- the quality and quantity of offers available;
- our ability to successfully expand our AIML capabilities;
- fluctuations in transaction costs associated with processing consumer cash outs;
- evolving fee arrangements with publishers and clients;
- the seasonality of our business;
- our ability to maintain an adequate rate of growth and effectively manage that growth;
- our ability to maintain and increase traffic to our network;
- the effects of changes in search engine placement and prominence;
- our ability to keep pace with technology changes in our industry and related privacy regulations;
- the effects of negative publicity on our business, reputation, or brand;
- our ability to protect, maintain, and enforce our intellectual property rights;
- legal expenses, including costs associated with defending claims, including intellectual property infringement claims, and related judgments or settlements;
- changes in governmental or other regulations affecting our business;
- interruptions in service, including any cybersecurity breaches and any related impact on our business, reputation, or brand;
- our ability to attract and engage qualified employees and key personnel, particularly technology and sales employees;
- our ability to choose and effectively manage service providers;
- the effects of natural or man-made catastrophic events;
- the impact of a pandemic or an outbreak of disease or similar public health concern, such as the COVID-19 pandemic, or fear of such an event;
- our ability to collect amounts owed to us;
- the timing of the recognition of our deferred revenue;
- the timing of strategic investments and expenditures;

- fluctuations in operating expenses, including cost of revenue, as we seek to improve efficiencies, comply with changing regulatory requirements, and expand our business, offerings, and technologies;
- changes to financial accounting standards and the interpretation of those standards, which may affect the way we recognize and report our financial results;
- the effectiveness of our internal controls over financial reporting; and
- changes in our tax rates or exposure to additional tax liabilities.

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

Macroeconomic conditions, including slower growth or a recession and supply chain disruptions, have previously affected and could continue to adversely affect our business, financial condition, results of operations, and prospects.

Our business and results of operations are subject to global economic conditions. Our revenue depends on the ability of consumers to buy products that are featured on the IPN. Deteriorating macroeconomic conditions, including as a result of regulatory and economic uncertainty, slower growth or a recession, inflation, changes in the perception of macroeconomic conditions, changes in U.S. government policies, bank failures, supply chain disruption, increases in interest rates, increases to fuel and other energy costs or vehicle costs, a potential U.S. federal government shutdown, geopolitical events, including escalated, escalating, and retaliatory tariff and non-tariff trade measures imposed by the U.S., Mexico, China, Canada and other countries, the potential for new or unforeseen conflicts such as the impact of the Russia and Ukraine conflict and Hamas and Israel conflict, changes in the labor market, downturns that could result in store closures, publisher or retail failures, our clients having lower promotional budgets, or decreases in consumer spending power or confidence, have in the past resulted, and could in the future result, in a decline in client spending, which could materially adversely affect the number of offer redemptions on our network.

Supply chain disruptions could adversely affect the willingness of our clients to continue promoting their products through the IPN. For example, in the first half of 2022, our D2C redemptions per redeemer were negatively impacted due to supply chain constraints, which made it difficult for our clients to keep their product on shelves and decreased promotions on products purchased with high frequency. Clients experienced decreased inventory levels, increased shipment delays, increased freight costs, and elevated levels of demand, leading to decreased demand for our platform and decreased revenues, as well as decreased earning opportunities.

An increase in our clients' operating costs, or other deterioration in the financial condition of our partners, whether due to macroeconomic conditions (such as inflation) or otherwise, could cause our clients to reduce discount offerings or seek to renegotiate contract terms, which may impact our fee agreements with them. If such clients or publishers on our network were to cease operations, temporarily or permanently, or face financial distress or other business disruption, we may not be able to provide consumers with a sufficient selection of CPG brands and retailers, and they may be less likely to use our network. Small businesses that do not have substantial resources, like some of our CPG brands, retailers, and publishers, tend to be more adversely affected by poor economic conditions than larger businesses.

A recession or market correction could also decrease marketing spend, particularly in media, and could adversely affect the demand for our solutions, and our business, financial condition, results of operations, and prospects.

In addition, uncertainty and volatility in the banking and financial services sectors, inflation and higher interest rates, supply chain disruptions, 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. Certain of our longer-term strategic initiatives may also be deferred or not have the intended effects in the event of an economic recession, which we may not be able to predict.

The extent of the impact of these factors on our operational and financial performance will depend on future developments and the impact on our clients, publishers, and employees, all of which continue to evolve and are unpredictable. Accordingly, current results and financial condition discussed herein may not be indicative of future operating results and trends.

Competition presents an ongoing threat to the success of our business.

We operate in a highly competitive environment. We compete with a broad set of competitors for CPG brands, retailers, publishers, and consumers across our products and offerings. With increasing consumer usage of smartphones for retail shopping, the digital promotions market is rapidly evolving and our continued success will depend on our ability to successfully adjust our strategy to meet the changing market dynamics in order to reach the largest consumer audience. If we are not able to continue to innovate and further develop our platform to respond to changes in the digital promotions market, our business, financial condition, results of operations, and prospects could be materially adversely affected and our competition could develop offerings that are more competitive than ours.

As we seek investments from clients, we compete with large social media and search-oriented platforms, as well as programmatic media networks that sell ads on a cost-per-click or cost-per-impression basis. Following Amazon’s lead, other large retailers are now offering CPG brands the opportunity to buy media, usually in the form of sponsored search results or display ads, on their own platforms.

Clients also have multiple different promotional tools at their disposal. We also compete with companies that distribute paper coupons and free-standing inserts as well as digital coupons through grocery retail websites in a white-label fashion; and with other mobile apps and other platforms that offer digital promotions.

For consumers, there are many other rewards programs that provide cash back, including credit cards, individual retailer loyalty programs, and online shopping sites that aggregate retailer offers. We aim to compete by offering an at-scale solution that hosts a wider range of digital promotions content, allows for a higher degree of targeting and measurement, operates on a fee-per-sale basis, works offline and online, and drives sales across multiple publishers and retailers. However, our ability to compete depends upon many factors both within and beyond our control, including the following:

- scale and quality of the publishers, CPG brands, and retailers in the IPN;
- ability to attract consumers to our network;
- platform security, usability, scalability, reliability, and availability;
- ability to integrate with publishers and retailers in a timely manner;
- ongoing and uninterrupted access to item-level consumer data with the necessary usage rights required to power our solution;
- measurement that demonstrates the effectiveness of our network;
- brand recognition and reputation; and
- ability to recruit, retain, and train employees.

Some of our competitors may have a competitive advantage because they have longer operating histories, greater financial, marketing, and other resources, and larger customer bases than we do. In addition, our competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns, and adopt different pricing policies, which may allow them to build larger customer and/or merchant bases or generate revenue from their customer bases more effectively than we do.

Our business, financial condition, results of operations, and prospects could be materially adversely affected if we do not renew, maintain, and expand our relationships with retailers.

Our integrated retailers provide us with item-level data that is integral to our platform because such data helps facilitate a simpler redemption of offers on our D2C properties. We also allow thousands of online retailers to advertise and present consumers with their own cash back offers on our D2C properties. Our ability to renew, maintain, and expand our relationships with retailers is dependent on, among other factors, our ability to increase the number of consumers that use our network, and any failure to do so could materially adversely affect our business, financial condition, results of operations, and prospects. If our retailers terminate their relationships with us or suspend, limit, or cease their operations, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Retailers may also ask to modify their agreement terms in a cost-prohibitive or strategically detrimental manner when their agreements are up for renewal. Our inability to maintain our relationships with our retailers on terms consistent with or better than those already in place and that are otherwise favorable to us could increase competitive pressure and/or offering pricing, and otherwise materially adversely affect our business, financial condition, results of operations, and prospects.

Retailer consolidation may also result in a decrease in or cessation of engagement with Ibotta, or result in Ibotta receiving less favorable contract terms with the consolidated entity. Retailers could also experience downturns or fail, including due to macroeconomic pressures, and cease using Ibotta altogether for many reasons.

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

We have experienced growth in our business and we anticipate continuing to experience growth in the future. For example, the number of our full-time employees increased from 530 as of December 31, 2020 to 816 as of June 30, 2025 (following a reduction in force in February 2025). This growth has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. Our ability to manage our growth 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 solutions could suffer, which could materially adversely affect our reputation and brand, business, financial condition, results of operations, and prospects.

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

We incorporated in 2011, and we have since frequently expanded our solutions. This limited operating history at our current scale and our evolving business make it difficult to evaluate our future prospects and the risks and challenges we may encounter. These risks and challenges include our ability to:

- accurately forecast our revenue and plan our operating expenses;

- increase and retain the number of publishers, CPG brands, retailers, and consumers;
- successfully compete with current and future competitors;
- successfully expand our business in existing markets and enter new markets and geographies;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- plan for and manage capital expenditures;
- comply with existing and new laws and regulations applicable to our business;
- maintain and enhance the value of our reputation and brand;
- adapt to rapidly evolving trends in the ways publishers, CPG brands, retailers, and consumers interact with technology;
- avoid interruptions or disruptions in our service;
- develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage, as well as the deployment of new features and solutions;
- hire, integrate, and retain talented technology, sales, customer service, and other personnel;
- effectively manage growth in our personnel and operations; and
- effectively manage our costs.

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, results of operations, and prospects could be materially adversely affected.

We have limited experience operating our business at its current scale, including the distribution of our offers to publishers. For example, in September of 2023, Walmart made its program available to all Walmart customers with a Walmart.com account. Dollar General joined the IPN in 2022 and began hosting Ibotta’s cash back offers in 2023. Our limited history and experience operating our current business may also negatively impact our ability to plan strategic investments and initiatives to further expand our business and offerings, including to support our publishers, CPG brands, retailers, and consumers, certain of which may require significant capital expenditures and future operating expenses that may be difficult to forecast. In addition, existing and future operational and strategic initiatives may have lengthy return on investment time horizons, such as certain investments in our platform. As a result, we will not be able to adequately assess the benefits of such initiatives until we have made substantial investments of time and capital, resulting in high opportunity costs. We are also devoting significant resources to bolster our capacity and information technology infrastructure, financial and accounting systems and controls, sales and marketing and engineering capabilities, and operations and support infrastructure, as well as to retain, manage, and train employees in geographically dispersed locations to service new and existing clients and publishers. We may not successfully accomplish any of these objectives in a timely manner or at all.

Further, because we operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, or if we receive unfavorable media coverage, our ability to retain and expand our number of publishers, CPG brands, retailers, and consumers could be impaired, and our business, financial condition, results of operations, and prospects could be materially adversely affected.

We believe that the brand identity that we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing our brand is important to expanding our base of publishers, CPG brands, retailers, and consumers. Maintaining and enhancing our brand may require us to make substantial investments and these investments may not be successful. If we fail to promote and maintain our brand, or if we incur excessive expenses in this effort, our business financial condition, results of operations, and prospects could be materially adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive.

Unfavorable publicity or consumer perception of our website, mobile app, platform, practices, or the offerings or platforms of our clients or publishers could adversely affect our reputation, resulting in difficulties in recruiting, decreased revenues, and a negative impact on the number of publishers, CPG brands, and retailers in the IPN, and the loyalty of our consumers. As a result, our business**,** financial condition, results of operations, and prospects could be materially adversely affected.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense. As a result, our sales and revenue are difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.

Our sales cycle can be long, and we may make investments and incur significant expenses before an agreement or renewal with CPG brands, retailers, or publishers is reached, if at all, and before we are able to generate revenue, if any, from such agreement or renewal. There are no guarantees that we will be able to recoup such investments and expenses, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, the length of time that CPG brands, retailers, or publishers devote to their evaluation, contract negotiation, and budgeting processes varies significantly. In particular, our contract negotiation process with publishers can be lengthy. Our sales cycles can be lengthy in certain cases, especially with respect to our prospective large end publishers or clients. During the sales cycle, we expend significant time and money on sales and marketing activities, which lower our operating margins, particularly if no sale occurs. Even if we expand our relationship with publishers, CPG brands, and retailers, there are many factors affecting the timing of our recognition of revenue, which makes our revenue difficult to forecast. In addition, due to macroeconomic uncertainties, the sales cycle may be extended, and there may be delays and reductions of expenditures and cancellations by clients. There are many other factors that contribute to variability of our revenue recognition, including budgetary constraints and changes in personnel. Recently announced reorganizations in our sales organization have affected the productivity of our sales force and lengthened sales cycles. Transitions to new product features like cost per incremental dollar (CPID) have also lengthened sales cycles. As a result, it is difficult to predict whether a sale will be completed, the particular period in which a sale will be completed, or the period in which revenue from a sale will be recognized. If our sales cycles lengthen, our revenue could be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Our business is typically affected by seasonality, which results in fluctuations in our operating results.

Historically, we have been affected by seasonality, with our business historically having higher revenues in the fourth quarter of each fiscal year, mirroring that of consumer retail and e-commerce markets, where demand increases during the fourth quarter holiday season and decreases in the first quarter. For example, the fourth quarter for the fiscal years ended 2024 and 2023 represented 27% and 31% of total revenue, respectively. At the same time, certain of our clients' budgets may deplete over the course of the year. We typically see high redemption volume in the second half of the year where a larger number of offers being redeemed have lower redemption revenue per redemption. However, there can be no assurances such seasonal trends will consistently repeat each year. Also, the mix of product sales may vary considerably from time to time. As a result of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance and we may not be able to accurately predict our quarterly sales. Accordingly, our results of operations are likely to fluctuate significantly from period to period.

Internet search engines drive traffic to our network, and our new consumer growth could decline. If we fail to appear prominently in search results, our business, financial condition, results of operations, and prospects could be materially adversely affected.

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

We rely on mobile operating systems and app marketplaces to make our apps available to consumers, and if we do not effectively operate with or receive favorable placements within such app marketplaces and maintain reviews from consumers, our usage or brand recognition could decline and our business, financial results, results of operations, and prospects could be materially adversely affected.

We depend in part on mobile operating systems, such as Android, iOS, and Google, and their respective app marketplaces to make our apps and browser extension available to consumers on our network. Any changes in such systems and app marketplaces that degrade the presentation or functionality of our apps and/or browser extension or give preferential treatment to our competitors' apps or browser extensions could adversely affect our platform's usage on mobile and desktop devices. If, for example, such mobile operating systems or app marketplaces limit or prohibit us from making our apps or browser extension available to consumers, make changes that degrade the functionality of our app or browser extension, increase the cost of using our products and offerings, impose terms of use unsatisfactory to us, or modify their search or ratings algorithms in ways that are detrimental to us, overall growth of consumers could slow. Our apps and browser extension have experienced fluctuations in the number of downloads in the past, and we anticipate similar fluctuations in the future. Additionally, we are subject to requirements imposed by app marketplaces such as those operated by Apple and Google, who may change their technical requirements or policies in a manner that adversely impacts the way in which we collect, use, and share data from users. For example, Apple requires mobile apps using its iOS mobile operating system to obtain a user's permission to track them or access their device's advertising identifier for certain purposes. The long-term impact of these and any other changes remains uncertain. If we do not comply with applicable requirements imposed by app marketplaces, we could lose access to the app marketplaces and users, and our business could be harmed. Any of the foregoing risks could materially adversely affect our business, financial condition, results of operations, and prospects.

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 solutions are designed to work effectively with a range of mobile technologies, systems, networks, and standards. If consumers in our network 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, results of operations, and prospects could be materially adversely affected.

Restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business, to finance our future operations or capital needs, or to engage in acquisitions or other business activities necessary to achieve growth.

We have a senior secured revolving loan facility in place with Bank of America, N.A. Our revolving loan facility includes a number of covenants that limit our ability to, among other things, incur additional indebtedness, incur liens on our assets, engage in consolidations, amalgamations, mergers, liquidations, dissolutions, or dispositions, sell or otherwise dispose of our assets, pay dividends or distributions on, or make repurchases or redemptions of, our capital stock, acquire other businesses (by way of asset purchase, stock purchase, or otherwise), or make loans, capital contributions, or other investments. The revolving loan facility also includes two financial covenants. In general, these financial covenants require us to maintain, (i) an EBITDA to interest ratio of 3.0:1.0 or greater; and (ii) an indebtedness to EBITDA ratio of 3.0:1.0 or less. The terms of our revolving loan facility may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs or take advantage of financing opportunities, mergers, acquisitions, investments, and other corporate opportunities that may be beneficial to our business. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

We cannot guarantee that we will be able to maintain compliance with the covenants in our revolving loan facility or, if we fail to do so, that we will be able to obtain waivers from the lender and/or amend the covenants. A failure by us to comply with the covenants specified in our revolving loan facility would, absent cure or waiver, result in an event of default under the agreement, which would give the lender the right to declare all outstanding obligations, including accrued and unpaid interest and fees, immediately due and payable. If our obligations under our revolving loan facility were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the obligations or sell sufficient assets to repay the obligations, which could materially adversely affect our business, financial condition, results of operations, and prospects. Even if we were able to obtain new financing, it may not be on terms that are commercially reasonable or acceptable to us. Any event of default could also result in an increase in the interest rates applicable to our revolving loan facility, and may result in the acceleration of or default under any other indebtedness we may incur in the future to which a cross-acceleration or cross-default provision applies. In addition, we have granted a security interest of substantially all our assets to secure our obligations under our revolving loan facility. During the existence of an event of default under our revolving loan facility, the lender could exercise its rights and remedies thereunder, including by way of initiating foreclosure proceedings against any of our assets constituting collateral for our obligations.

The loss of Bryan Leach, our Founder, Chief Executive Officer, President, and Chairman of our board of directors, or one or more of our senior management team or key personnel, or our failure to attract new or replacement members of our senior management team or other key personnel in

the future, could materially adversely affect our business, financial condition, results of operations, and prospects.

We depend on the continued services and performance of our Founder, Chief Executive Officer, President, and Chairman of our board of directors, Bryan Leach; members of our senior management team; and other key personnel. Mr. Leach has been responsible for setting our strategic vision, and should he stop working for us for any reason, it is unlikely that we would be able to immediately find a suitable replacement. We do not maintain key man life insurance for Mr. Leach and do not believe any amount of key man insurance would allow us to recover from the harm to our business if Mr. Leach were to leave us for any reason. Similarly, members of our senior management team and key employees are highly sought after, and others may attempt to encourage these executives to leave us. The loss of one or more of the members of the senior management team or other key personnel for any reason could disrupt our operations, create uncertainty among investors, adversely impact employee retention and morale, and materially adversely affect our business, financial condition, results of operations, and prospects.

An inability to attract and retain highly qualified employees, including as a result of restrictive changes to immigration laws or the varying application of immigration laws, may hamper our growth and cause our revenues to decline, adversely affecting our business.

To execute our growth plan, we anticipate hiring additional employees over the next few years. In addition, we need to retain our highly qualified employees. Competition for these recruits and employees is intense from other internet and high-growth publicly traded and private companies, especially with respect to engineers with high levels of experience in our industry. Further, in order to continue to grow our business, it is important that we continue to grow our sales force.

We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with the appropriate level of qualifications. Many of the companies with which we compete for qualified employees have greater resources than we have and may offer compensation packages that are perceived to be better than ours. For example, we often offer equity awards to our job candidates and existing employees as part of their overall compensation package. If the perceived value of our equity awards declines, including as a result of volatility or declines in the market price of our Class A common stock or changes in perception about our future prospects (including as valuations of companies comparable to us decline due to overall market trends, inflation, and related market effects, or otherwise), it may adversely affect our ability to recruit and retain highly qualified employees. We have recently experienced fluctuations, including declines, in the market price of our Class A common stock, and reduced the size of our workforce and reorganized our sales force, each of which could adversely affect our ability to attract, motivate, or retain key employees. Additionally, changes in our compensation structure may be negatively received by employees and result in attrition or cause difficulty in the recruiting process. Further, inflationary pressure may result in employee attrition to the extent our compensation does not keep up with inflation. Finally, we are committed to a hybrid workforce, which prioritizes hiring employees in Denver. This could slow hiring if we are unable to attract talent in the Denver market. If we fail to attract new employees or fail to retain and motivate our current employees, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Changes in immigration laws or varying applications of immigration laws to limit the availability of certain work visas or increase visa fees in the United States may impact our ability to hire the engineering and other talent that we need to continue to enhance our platform, which could have an adverse impact on our business, financial condition, results of operations, and prospects. It is difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or renewing work visas for our technology professionals.

Failure to deal effectively with fraudulent or other improper transactions could materially adversely affect our business, financial condition, results of operations, and prospects.

Third parties have committed, and in the future could, commit fraudulent activities such as improperly claiming rewards, engaging in account takeover attacks, or submitting counterfeit receipts to improperly offer stack and/or claim rewards or discounts. While we use anti-fraud systems, individuals have circumvented, and could in the future circumvent, them using increasingly sophisticated methods or methods that our anti-fraud systems are not able to counteract or detect in a timely manner. The legal measures we could take or attempt to take against third parties who succeed in circumventing our anti-fraud systems may be costly and may not be ultimately successful. While we have taken measures to detect and reduce the risk of fraud, these measures need to be continually improved and may not be effective against new and continually evolving forms of fraud or in connection with new offerings. If these measures do not succeed, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We may incur losses if we reimburse CPG brands and retailers for any funds stolen or revenues lost as a result of such incidents. Our CPG brands and retailers could also request reimbursement, or stop using our solutions, if they are affected by buyer fraud or other types of fraud. Furthermore, such instances of fraud may damage our reputation, affect our ability to attract new publishers, CPG brands, retailers, and consumers to our D2C properties, and undermine confidence in the IPN, which could materially adversely affect our business, financial condition, results of operations, and prospects.

We rely in part on licensed money transmitters to enable consumers to cash out their earned rewards from our D2C properties, and the failure to manage our relationships with such third parties could impact our platform and materially adversely affect our business, financial condition, results of operations, and prospects.

We rely in part on licensed money transmitters to enable consumers to cash out their earned rewards from our D2C properties. If any of these licensed money transmitters terminate their relationship with us or refuse to renew their agreements with us on commercially reasonable terms, we would need to find alternative licensed money transmitters to support our platform and may not be able to secure similar terms or replace such licensed money transmitters in an acceptable time frame. Any of these risks could result in significant legal, financial, and reputational costs to our business and could materially adversely affect our business, financial condition, results of operations, and prospects.

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

We procure insurance policies to cover various operations-related risks, including employment practices liability, workers' compensation, business interruptions, errors and omissions, cybersecurity and data breaches, crime, directors' and officers' liability, and general business liabilities. For certain types of operations-related risks or future risks related to our new and evolving offerings, we are not able to, or may not be able 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, co-insurance, self-insured retentions, or deductibles for the coverage we do obtain. We rely on a limited number of insurance providers, and should such providers discontinue or increase the cost of coverage, we cannot guarantee that we would be able to secure replacement coverage on reasonable terms or at all. If our insurance carriers change the terms of our policies in a manner not favorable to us, our insurance costs could increase. Further, if the insurance coverage we maintain is not adequate to cover losses that occur, or if we are required to purchase additional insurance for other aspects of our business, we could be liable for significant additional costs. Additionally, if any of our insurance providers becomes insolvent, it would be unable to pay any claims that we make.

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

We are also subject to certain contractual requirements to obtain insurance. For example, some of our agreements with retailers require that we procure certain types of insurance, and if we are unable to obtain and maintain such insurance, we may be in violation of the terms of these retailer agreements. In addition, we are subject to local laws, rules, and regulations relating to insurance coverage, which could result in proceedings or actions against us by governmental entities or others. Additionally, anticipated or future local laws, rules, and regulations relating to insurance coverage could require additional fees and costs. Compliance with these rules and any related lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, require us to amend our insurance policy disclosure, increase our costs, and disrupt our business.

If we cannot maintain our Company culture as we grow, our business and competitive position may be harmed.

We believe our culture fosters an inclusive environment that welcomes diverse experience, backgrounds, lifestyles, and perspectives, and is a key contributor to our success to date. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our culture. In addition, with many of our employees working remotely, we may find it harder in certain respects to maintain our Company culture. Remote work may negatively impact employee morale, productivity, and culture, and may also harm collaboration and innovation. We also have a policy of hiring new employees in Denver, whenever possible, and of requiring these new employees to come into the office a certain number of days per week. This policy may make it difficult for us to identify the talent we need to grow our business. If we are not able to maintain our culture, we could lose the innovation, passion, and dedication of our team and as a result, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Operating and growing our business may require additional capital, and if capital is not available to us, our business, financial condition, results of operations, and prospects may suffer.

Operating and growing our business is expected to require further investments in our technology and operations. We may be presented with opportunities that we want to pursue, and unforeseen challenges may present themselves, any of which could cause us to require additional capital. If our cash needs exceed our expectations or we continue to experience growth, we could experience strain in our cash flow, which could adversely affect our operations in the event we are unable to obtain other sources of liquidity. If, in the future, we aim to rely on funds raised through equity or debt financing, those funds may prove to be unavailable, may only be available on terms that are not acceptable to us, or may result in significant dilution to our stockholders or higher levels of leverage, which will expose our business to additional risks. The fact that our warrant holders can sell substantial amounts of our Class A common stock in the public market could make it more difficult for us to raise additional funds through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate, 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 pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and our business, financial condition, results of operations, and prospects could be materially adversely affected.

We are making substantial investments to expand our technologies, tools, and offerings to capitalize on new and unproven business opportunities and expect to increase such investments in the future. These initiatives are risky, and we may never realize any expected benefits from them.

We have invested and expect to continue to invest in expanding our technologies, tools, and offerings to capitalize on new and unproven business opportunities. For example, we are in the process of shifting the performance metric by which our clients can track their campaigns. We are also building a campaign manager product through which our clients can set up, measure, and optimize their campaigns with us, and we plan to use AI to recommend and optimize campaign configurations rather than having our sales team manually set parameters with our clients.

If we do not spend our development budget efficiently on commercially successful and innovative technologies, tools, and offerings, or if we are unable to timely introduce and commercialize such technologies, tools, and offerings, we may not realize the expected benefits of our strategy. These initiatives also have a high degree of risk, as they involve nascent and unproven business strategies, metrics, and technologies with which we have limited or no prior development or operating experience. Because these initiatives are new, they may involve claims and liabilities, expenses, regulatory challenges, and other risks, some of which we cannot currently anticipate. Certain initiatives may also involve committed incremental investments or payments over long periods of time before they become accretive to our revenue or margin, and if they never become accretive, we may make payments or incur expenses in connection with initiatives for an extended period without sufficient, or any, economic or financial benefit. Further, our development efforts with respect to new technologies, tools, and offerings could distract management from current operations and divert capital and other resources from our more established technologies, tools, and offerings. Our development efforts could also be hindered if we do not receive, from our D2C platform or publishers, the data and capabilities needed to develop and maintain these technologies, tools, and offerings.

Although we believe these investments and initiatives will improve our financial results over the long term, they may negatively impact our short-term financial results, which may be inconsistent with the short-term expectations of our stockholders. Moreover, there can be no assurance that CPG brand, retailer, publisher, or consumer demand for such initiatives will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. It is also possible that technologies, tools, and offerings developed by others will render any of our new technologies, tools, and offerings noncompetitive or obsolete. If we do not realize the expected benefits of these investments and initiatives, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Acquisitions and strategic alliances could distract management and expose us to financial, execution, and operational risks that could materially adversely affect our business, financial condition, results of operations, and prospects.

We have in the past acquired and made, and may in the future acquire or make, investments in complementary or what we view as strategic businesses, technologies, services, or products. For example, in 2021, we acquired Instok LLC (d/b/a/ Octoshop), an all-in-one shopping browser extension, which required management to focus efforts on integrating the acquired company. The risks associated with acquisitions include, without limitation, difficulty assimilating and integrating the acquired company's personnel, operations, technology, services, products, and software; the inability to retain key team members; the disruption of our ongoing business and increases in our expenses; and the diversion of management's attention from core business concerns. Through acquisitions, we may enter into business lines in which we have not previously operated, which could expose us to new risks, additional licensing requirements and regulatory oversight, and require additional integration and attention of management.

Any businesses and assets we might acquire might not perform at levels we expect and we may not be able to achieve the anticipated synergies, if any. We may find that we overpaid for the acquired business or assets, or that the economic conditions underlying our acquisition decision have changed. It may also take time to fully integrate newly acquired businesses and assets into our business, during which time our business could suffer from inefficiency. Furthermore, we may incur indebtedness to pay for acquisitions, thereby increasing our leverage and diminishing our liquidity.

The effects of health epidemics have had, and may in the future have, an adverse impact on our business, operations, and the markets and communities in which we and our partners operate.

Our business and operations have been, and in the future could be, adversely affected by health epidemics, impacting the markets and communities in which we and our partners operate. Quarantine orders, business closures, work stoppages, slowdowns and delays, work from home policies, travel restrictions, and cancellations of events negatively impacted productivity and disrupted our operations and those of our partners. For example, the COVID-19 pandemic negatively impacted both consumer discretionary spending and clients' ability to spend advertising budgets on our solution. This had an adverse impact on our revenue, results of operations, and cash flows primarily in the second quarter of the year ended December 31, 2020.

The ultimate impact of COVID-19 or a similar health epidemic is highly uncertain and subject to change.

Our collection cycles can vary, and we may experience difficulty collecting accounts receivable that could materially adversely affect our business, financial condition, results of operations, and prospects.

Our collection cycles can vary based on payment practices from our clients, and we are required to pay our publishers within a contractual time frame, regardless of whether we have collected payment from our clients. As a result, timing of cash receipts related to accounts receivable and due to publishers can significantly impact our cash provided by (used in) operating activities for any period.

In addition, we have in the past encountered, and may in the future encounter, difficulty collecting our accounts receivable and could be exposed to risks associated with uncollectible accounts receivables, particularly since some of our clients are emerging brands. Also, our larger clients generally have longer payment terms, which impact the timing of our collections. Economic conditions may impact some of our clients’ ability to pay their accounts payable. While we will attempt to monitor our accounts receivable carefully and try to take appropriate measures to collect accounts receivable balances, we have written down accounts receivable and written off doubtful accounts in prior periods and may be unable to avoid accounts receivable write-downs or write-offs of doubtful accounts in the future. Such write-downs or write-offs could negatively affect our operating results for the period in which they occur. Should more clients than we anticipate experience liquidity issues, or if payment is not received on a timely basis or at all, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We are and may become involved in litigation that could materially adversely affect us.

Because of fluctuations in our stock price, we have been, and may in the future become, subject to securities litigation. The current securities litigation against us and any future securities litigation could result in substantial costs and divert our management’s attention and resources from our business, which could materially adversely affect our business, financial condition, results of operations, and prospects. See Item 1 “Legal Proceedings” and Note 14, “Commitments and Contingencies,” in the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information regarding the putative securities class action complaint filed against us on April 17, 2025.

In addition, from time to time, we are involved in legal proceedings relating to matters including patent, copyright, commercial, product liability, consumer protection, employment, class action, whistleblower, and other litigation, in addition to governmental and other regulatory inquiries, investigations, and proceedings. We also have received and may in the future receive claims asserting we are or may be infringing, misappropriating, or otherwise violating third-party intellectual property rights. Such matters can be time-consuming, divert management’s attention and resources, cause us to incur significant expenses or liability, and/or require us to change our business practices. Because of the potential risks, expenses, and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses. Although we have insurance that may provide coverage for some kinds of claims we may face, that insurance may not cover some kinds of claims or types of relief and may not be adequate in a particular case. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, financial condition, results of operations, and prospects.

An increase in interest rates could materially adversely impact our business.

On December 5, 2024, we entered into a Credit Agreement with Bank of America, N.A., as administrative agent, swingline lender, and L/C issuer, and each of the lenders and other parties from time to time party thereto (Credit Agreement). This Credit Agreement replaces the Third Amended and Restated Loan and Security Agreement with Silicon Valley Bank (2021 Credit Facility). The Credit Agreement, which matures on December 5, 2029, provides us with revolving commitments in an aggregate principal amount of $100 million, a letter of credit sub-facility of up to $10 million, and a swingline loan sub-facility of up to $10 million. Loans drawn under the Credit Agreement will bear interest while outstanding. The interest rate will be at a variable rate equal to (i) at our option, Term SOFR (as defined in the Credit Agreement) or Base Rate (as defined in the Credit Agreement) plus (ii) an applicable margin. The applicable margin ranges from (x) 1.75% to 2.25% for loans based on Term SOFR and (y) 0.75% to 1.25% for loans based on Base Rate. Per the terms of the Credit Agreement, each quarter, we will also pay a commitment fee ranging from 0.30% to 0.40% of undrawn amounts of the revolving commitment. Applicable margin and the commitment fee will be based on our indebtedness to EBITDA ratio. As this ratio lowers, our applicable margin and commitment fee also lowers.

Base Rate and Term SOFR are based on market rates which may increase or decrease. If the U.S. Federal Reserve were to raise its benchmark interest rates, market interest rates could also increase. We do not currently have any outstanding borrowings under the Credit Agreement or under any other indebtedness agreement. However, if we were to incur debt in the future, under our Credit Agreement or any other indebtedness subject to a variable interest rate, an increase in interest rates would increase our borrowing costs. In addition, operating and growing our business may require additional capital, which could include equity or debt financing. An increase in interest rates could negatively impact our ability to obtain such financing on commercially reasonable terms or at all. Further, to the extent we are required to obtain financing at higher borrowing costs to support our operations, we may be unable to offset such costs. Any attempts to offset cost increases with price increases may result in reduced sales, increased client dissatisfaction, or otherwise harm our reputation.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses, including unauthorized use or disclosure of consumer data.

Our agreements with publishers, CPG brands, retailers, and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement or other liabilities relating to or arising from our solutions or other contractual obligations, including those relating to data use and consumer consent. The term of these indemnity provisions generally survives termination or expiration of the applicable agreement. Large indemnity payments, individually or in the aggregate across third parties, could materially adversely affect our business, financial condition, results of operations, and prospects.

Although we do not currently have any plans to expand our operations outside of the United States, if we attempt and fail to expand effectively in international markets, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We currently generate all of our revenues from the United States and we do not currently have any plans to expand our operations outside of the United States. Many publishers, CPG brands, and retailers on our platform have global operations, and we may in the future grow our operations and solutions through expansion in international markets and by partnering with our publishers, CPG brands, and retailers to enter new geographies that are important to them. Expansion into international markets will require management attention and resources, and we have limited experience entering new geographic markets. Expansion into international markets will also require us to form partnerships with new publishers, CPG brands, and retailers, and effectively compete with any competitors in new geographic markets. Entering new foreign markets will require us to localize our solutions to conform to a wide variety of local cultures, business practices, laws, and policies. The different commercial and internet infrastructure in other countries may make it more difficult for us to replicate our business model. In some countries, we will compete with local companies that understand the local market better than we do, and we may not benefit from first-to-market advantages. We may not be successful in expanding into particular international markets or in generating revenues from foreign operations.

Risks Related to our Platform

We are making substantial investments in our technologies, and if we do not continue to innovate and further develop our platform, our platform developments do not perform, or we are not able to keep pace with technological developments, we may not remain competitive, and our business, financial condition, results of operations, and prospects could be materially adversely affected.

We have made substantial investments in our technologies to capitalize on new and unproven business opportunities. Our future performance is dependent on continued investments in technology and our ability to innovate, reduce friction, and introduce compelling new product features for each participant in our network. We intend to make continued investments in these areas through hiring and ongoing technology transformation. We plan to further invest in AI-powered capabilities and leverage our unique data set to further improve the publisher, CPG brand, retailer, and consumer experience. If competitors introduce new offerings embodying new technologies, or if new industry standards and practices emerge, our existing technology, solutions, website, browser extension, and mobile apps may become obsolete.

Our future success could depend on our ability to respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner. These initiatives also have a high degree of risk, as they involve unproven business strategies and technologies with which we have limited development or operating experience. Further, our development efforts with respect to new technologies could distract management from current operations and divert capital and other resources from other initiatives.

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

If our security measures or information we collect and maintain are compromised or publicly exposed, publishers, CPG brands, retailers, and consumers may curtail or stop using our platform, and we could be subject to claims, penalties, and fines.

We collect, receive, store, generate, use, transfer, disclose, dispose of, share, and otherwise process (Process or Processing) data about consumers, including personal information or personal data, and other confidential or proprietary information, for various purposes, including legal, marketing, and other business-related purposes. Cyberattacks, denial or degradation of service attacks, ransomware attacks, business email compromises, account takeover attacks, malware, viruses, social engineering (including phishing), identity theft, fraudulent payment requests, and other malicious online and related activities are prevalent in our and our service providers', clients', and publishers' industries. Advances in computer and software capabilities and increasing sophistication of hackers have increased these and other cybersecurity risks. Geopolitical tensions and conflicts may also increase these risks. We and our service providers, clients, or publishers may experience cyber-attacks, unavailable, disrupted, or degraded systems, and unauthorized access to or other Processing of data due to these risks, among others, including employee error or malfeasance, theft or misuse, attacks by nation-state and affiliated actors, and advanced persistent threat intrusions. We have been and may in the future become the subject of cyberattacks, including those seeking unauthorized access to our data or other data we maintain or process. We may not be able to anticipate or to implement effective preventive and remedial measures against all threats, and we cannot guarantee that our security or recovery measures will be adequate to prevent, detect, or address security breaches or incidents, service degradation or interruptions, system failures, data loss, theft, or other unauthorized Processing, or other material adverse consequences. Our security measures, and those of companies we may acquire and our service providers, clients, and publishers, could fail or be insufficient, resulting in interruptions or other disruptions to systems, the loss or unavailability of, or unauthorized use or other Processing of our or our clients', publishers' or consumers' data or other data that we or our service providers or partners Process, or other security breaches or incidents. The time, expense, and resources required to respond to an actual or perceived security breach or incident and/or to mitigate any security vulnerabilities that may be identified could be significant, we may face difficulties or delays in so doing, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation or degradation of service, negative publicity, and other harm to our business and our competitive position. We could be required to implement additional security measures or to fundamentally change our business activities and practices in response to a security breach or incident. Many of our employees work remotely, which may pose additional cybersecurity risks.

We also have incorporated AIML solutions and features into our platform and may incorporate additional AIML solutions and features into our platform in the future. The use of AIML solutions may result in security incidents and our use of AIML solutions and features may create additional cybersecurity risks or increase cybersecurity risks. Further, AIML technologies may be used in connection with certain cyber-attacks, resulting in heightened risks of security breaches and incidents. There also have been and may continue to be significant attacks on supply chains and on service providers. We do not control the security measures of third parties, but we may be, or face assertions that we are, responsible for any breach or incident they suffer or for any exploitable defects, vulnerabilities, or bugs in third-party components or services that we use.

If any security breach or incident impacts our data or data of one or more consumers, clients, or publishers, if we fail to detect, remediate, and otherwise address an actual or perceived security breach or incident in a timely manner, or if we suffer a cyberattack or other disruption that impacts our ability to operate our apps, systems, or networks, or if any of the foregoing is perceived to have occurred, it could materially adversely affect our reputation, business, financial condition, results of operations, and prospects. For example, any actual or perceived security breach or incident may cause publishers, CPG brands, retailers, and consumers to lose trust and confidence in us and decrease or cease their use of our platform, and we may face claims, litigation, or other adversarial actions by publishers, CPG brands, retailers, consumers, or others. More generally, any cyberattack, security breach, or incident, or the perception that any of these has occurred, could result in claims, demands, or other proceedings, or in fines, penalties, mitigation and remediation costs, reputational harm, diversion of management's attention, and could otherwise materially adversely affect our business, financial condition, results of operations, and prospects.

We have contractual and legal obligations to notify relevant stakeholders of certain security breaches and incidents. Any such disclosures could be costly, lead to negative publicity, and cause our clients, publishers, or consumers to lose confidence in the effectiveness of our security measures. Further, any such actual or perceived breach or incident, or any actual or perceived failure by us to comply with security-related contractual obligations, may increase the likelihood and frequency of audits we face under our contracts with certain clients and publishers, which is likely to increase our costs and may disrupt our operations, and may result in claims, demands, and other proceedings and clients or publishers ending their relationships with us. Any of these results could materially adversely affect our business, financial condition, results of operations, and prospects.

Damages, penalties, and other costs and liabilities relating to an actual or perceived security breach or incident could be significant and may not be covered by insurance or could exceed our applicable insurance coverage limits. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could materially adversely affect our business, financial condition, results of operations, and prospects. In addition, we cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or that our insurers will not deny coverage as to all or part of any future claim or loss. Our risks are likely to increase as we continue to expand our apps, systems, or networks, grow our customer base, and Process increasingly large amounts of proprietary and sensitive data.

Our ability to generate revenue depends on the collection, reliability, and use of significant amounts of data from various sources, which may be restricted by consumer choice, restrictions imposed by publishers, browsers, integrated retailers, or software developers, changes in technology, and new developments in laws, regulations, and industry requirements or standards.

Our ability to deliver our solutions depends on our ability to successfully leverage data, including data that we collect from consumers, data we receive from integrated retailers, publishers, and other parties, and data from our own operating history. Using device identifiers (including Google AdID and Apple IDFA), cookies, and other tracking technologies, we, our integrated retailers, publishers, and other data providers, collect information about the interactions of consumers with our retailers' digital and in-store properties, our owned and operated properties, and certain other publisher sites and mobile apps, as well as other data such as location. We may enhance this data with other data, such as demographic information that we obtain from data providers. Our ability to successfully leverage such data depends on our continued ability to access, use, and share such data, which can be restricted by a number of factors, including consumer choice; the success in obtaining consumer consent; restrictions imposed by our integrated retailers, publishers, and other data partners or other third parties; restrictions imposed by web browser developers or other software developers, or operating system platforms; changes in technology, including changes in web browser technology; and new developments in laws, regulations, and industry standards. Resistance to the collection and sharing of the data used to deliver targeted advertising, increased visibility of consent or “do not track” mechanisms as a result of industry regulatory and/or legal developments, the adoption by consumers of browser settings or “ad-blocking” software, and the development and deployment of new technologies could materially impact our ability to Process data or reduce our ability to deliver relevant promotions or media, which could materially adversely affect our business, financial condition, results of operations, and prospects. See the risk factor titled, “Our business is subject to complex and evolving laws, regulations, and industry standards, and unfavorable interpretations of, or changes in, or our actual and perceived failure to comply with these laws, regulations, and industry standards could materially adversely affect our business, financial condition, results of operations, and prospects” for additional information.

With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies, and others regarding marketing, advertising, and privacy matters, particularly as they relate to individual privacy interests. Any unfavorable publicity or negative public perception about our use of data or other data-focused industries could materially adversely affect our business, financial condition, results of operations, and prospects. Negative public attention could cause publishers, CPG brands, and retailers to discontinue using our targeted advertising solutions and limit our ability to measure campaigns delivered through our platform. This public scrutiny may also lead to general distrust of data and marketing companies, consumer reluctance to share and permit use of personal data, and increased consumer opt-out rates, any of which could negatively influence, change, or reduce our current and prospective consumers’ and clients’ demand for our solutions and could materially adversely affect our business, financial condition, results of operations, and prospects.

Our business depends on our ability to maintain and scale the network infrastructure necessary to operate our platform, including our websites and mobile apps, and any significant disruption in service could result in a loss of publishers, CPG brands, retailers, and consumers.

We deliver our solutions through our website, browser extension, and mobile apps, as well as through those of our publishers. Our reputation and ability to acquire, retain, and serve publishers, CPG brands, retailers, and consumers are dependent upon the reliable performance of our platform. As the number of our publishers, CPG brands, retailers, and consumers grows, and as the information shared through our platform continues to grow, we will need an increasing amount of network capacity and computing power. In the event that the number of transactions or the amount of traffic on our platform grows more quickly than anticipated, we may be required to incur significant additional costs. In addition, as we scale, we must continually invest in our information technology, and continue to invest in information security, infrastructure, and automation. Deployment of new software or processes could adversely affect the performance of our solutions and harm the customer experience. If we fail to support our platform or provide a strong customer experience, our ability to retain and attract clients, publishers, and consumers may be adversely affected. In particular, our consumers depend on our support organization to resolve any issues relating to our platform. We rely on third parties to provide some support services and our ability to provide effective support is partially dependent on our ability to attract and retain service providers who are not only qualified to support users of our platform but are also well versed in our platform. As we continue to grow our business and improve our solutions, we could face challenges related to providing high-quality support services at-scale. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, could harm our reputation and our ability to scale our platform, and could materially adversely affect our business, financial condition, results of operations, and prospects.

Interruptions in these systems or service disruptions, whether due to system failures, computer viruses, malware, ransomware, denial of service attacks, attempts to degrade or disrupt services, or physical or electronic break-ins, could affect the security or availability of our websites and mobile apps, and prevent publishers, CPG brands, retailers, and/or consumers from accessing our platform. Our network infrastructure is hosted by third-party service providers. Any disruption in these services, or any failure of these providers to handle existing or increased traffic, or any financial or other difficulties these providers face could materially adversely affect our business, financial condition, results of operations, and prospects. We exercise little control over these providers, which increases our vulnerability to problems with the services they provide. These providers may also change or terminate their agreements with us. See the risk factor titled, "We are dependent on technology systems and electronic communications networks that are supplied and managed by third parties, which could result in increased expenses and an inability to prevent or respond to disruptions in our solutions." If we do not maintain or expand our network infrastructure successfully or if we experience operational failures, we could lose current and potential publishers, CPG brands, retailers, and/or consumers, which could materially adversely affect our business, financial condition, results of operations, and prospects.

In addition, our failure to upgrade our technology or network infrastructure effectively to support our growth could result in unanticipated system disruptions, slow response times, or poor experiences for consumers. To manage the growth of our operations and personnel and improve the technology that supports our business operations, as well as our financial and management systems, disclosure controls and procedures, and internal controls over financial reporting, we will be required to commit substantial financial, operational, and technical resources. In particular, we will need to improve our transaction processing and reporting, operational and financial systems, procedures, and controls. Our current and planned personnel, systems, procedures, and controls may not be adequate to support our future operations. We will require additional capital and management resources to grow and mature in these areas. Such investments may also require diversion of financial resources from other projects. If we are unable to manage our growth effectively, it could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We are dependent on technology systems and electronic communications networks that are supplied and managed by third parties, which could result in increased expenses and an inability to prevent or respond to disruptions in our solutions.

Our ability to provide solutions to consumers depends on our ability to communicate with our consumers through the internet and electronic networks that are owned and operated by third parties. We rely on third-party service providers for computing infrastructure, network connectivity, and other technology-related services needed to deliver our solutions. Some of our vendor agreements may be unilaterally terminated by the counterparty for convenience. Our computing infrastructure service providers have no obligation to renew their agreements with us on commercially reasonable terms or at all, and the terms of our agreements with such providers can change for many reasons and as we increase our usage of such providers, any of which could increase our expenses. Also, if we are required to transition to a new provider, it could result in significant costs and possible service interruption or an impaired ability to access or save data stored to the cloud until equivalent services, if available, are identified, obtained, and implemented, all of which could materially adversely affect our business, financial condition, results of operations, and prospects.

Our solutions also depend on the ability of our users to access the public internet. In addition, in order to provide our solutions promptly, our computer equipment and network servers must be functional 24 hours per day, which requires services from telecommunications facilities managed by third parties and the availability of electricity, which we do not control. Severe disruptions, outages, defects, or other security performance and quality problems with one or more of these networks, including as a result of utility or third-party system interruptions, or any material change in our contractual and other business relationships with service providers could impair our ability to Process information, which could impede our ability to provide our solutions to consumers, harm our reputation, increase expenses, including significant, unplanned capital investments and/or contractual obligations, and result in a loss of publishers, CPG brands, retailers, and consumers, any of which could materially adversely affect our business, financial condition, results of operations, and prospects.

We allow our clients and publishers to use application programming interfaces (APIs) with our platform, which could result in outages or security breaches and materially adversely impact our business, financial condition, results of operations, and prospects.

The use of APIs by our clients and publishers has significantly increased in recent years. Our APIs allow our clients and publishers to integrate their own business system with our platform. The increased use of APIs increases security and operational risks to our systems, including the risk for intrusion attacks, data theft, or denial of service attacks. Furthermore, while APIs allow greater ease and power in accessing our platform, they also increase the risk of overusing our systems, potentially causing outages. While we have taken measures intended to decrease security and outage risks associated with the use of APIs, we cannot guarantee that such measures will be successful. Our failure to prevent outages or security breaches or incidents resulting from API use could result in governmental enforcement actions and other proceedings against us, claims, demands, and litigation against us by consumers and other affected individuals, costs associated with investigation and remediation, damage to our reputation, and loss of goodwill, any of which could materially adversely affect our business, financial condition, results of operations, and prospects.

If the use of mobile device identifiers, third-party cookies, or other tracking technology or location information is rejected by consumers, restricted by third parties outside of our control, or otherwise subject to unfavorable regulation, our performance could decline and we could lose clients, consumers, and revenue.

We and our partners use a number of technologies to collect information used to deliver our solutions. For instance, we and our partners use mobile device identifiers such as Apple IDFA and Google AdID to identify, target, and measure relevant promotions to consumers. These promotions and advertising that we show on mobile apps could be affected by mobile operating systems blocking or restricting use of mobile device identifiers. Our promotions and advertisements could also be negatively impacted by mobile operating systems implementing more restrictive privacy settings and choices. For example, following its implementation of an app transparency framework and required consumer privacy and data processing disclosures, Apple introduced new SDK privacy controls into iOS 17, released in September 2023, including protections designed to limit tracking or identification of user devices. In February 2022, Google announced its Privacy Sandbox initiative for Android, a multi-year effort expected to restrict tracking activity and limit advertisers' ability to collect app and user data across Android devices, which Google began rolling out in early 2024. These or any similar changes to the policies of Apple, Google, or similar platforms could materially adversely affect our business, financial condition, results of operations, and prospects. This shift from enabling user opt-out to an opt-in requirement is likely to have a substantial impact on the mobile advertising ecosystem and could harm our growth in this channel.

We also use small text files (referred to as cookies), placed through an internet browser on a consumer's machine that correspond to a data set that we keep on our servers, to gather important data to help deliver our solutions and market our products and offerings. Certain of our cookies, including those that we predominantly use in delivering our solutions through internet browsers, are known as "third-party" cookies because they are delivered by third parties rather than by us. Our cookies collect information, such as when a consumer views an advertisement, clicks on an advertisement, or visits one of our advertisers' websites. In certain states within the United States, such as California, this information may be considered personal information under applicable data protection laws. We also obtain location-based information about users or their devices in certain circumstances, including when a consumer interacts with our solutions on a mobile device. We use these technologies to achieve our clients' campaign goals, to ensure that the same consumer does not unintentionally see the same media too frequently, to report aggregate information to our clients regarding the performance of their digital promotions and marketing campaigns, and to detect and prevent fraudulent activity throughout our network. We also use data from cookies to help us decide whether and how much to bid on an opportunity to place an advertisement in a certain internet location and at a given time in front of a particular consumer, and we also use location information to customize marketing campaigns and to target certain offers or personalize content. A lack of data associated with or obtained from cookies, including third-party cookies or other tracking technologies, may detract from our ability to make decisions about which inventory to purchase for a client's campaign, could adversely affect the effectiveness of our solution, and could materially adversely affect our business, financial condition, results of operations, and prospects. Additionally, any limitations on our ability to obtain location information regarding consumers or devices, whether as a result of technological limitations or changes or consumers not being willing to allow us to obtain location information, may limit our ability to customize marketing campaigns, target offers, or personalize content, to detect and prevent fraudulent activity, and to engage in other aspects of our operations. These could reduce the effectiveness of our solution and harm our revenues and profitability.

Cookies may be deleted or blocked by consumers. The most commonly used internet browsers (including Chrome, Firefox, and Safari) allow their users to prevent cookies from being accepted by their browsers or may block cookies by default. Some consumers also download "ad blocking" software that prevents cookies from being stored on a user's computer. If more consumers adopt these settings or delete their cookies more frequently than they currently do, or if more browsers block cookies by default, our business, financial condition, results of operations, and prospects could be materially adversely affected. In addition, companies such as Google have publicly disclosed their intention to move away from cookies to one or more other forms of persistent unique identifier, or ID, to identify individual consumers or internet-connected devices in the bidding process on advertising exchanges. If companies do not use shared IDs across the entire ecosystem, this could have a negative impact on our ability to find the same user across different web properties and reduce the effectiveness of our solutions.

Our business relies in part on electronic messaging, including emails and SMS text messages, and any technical, legal, or other restrictions on the sending of electronic messages or an inability to timely deliver such communications could materially adversely affect our business, financial condition, results of operations, and prospects.

Our business is in part dependent upon electronic messaging. We provide emails, mobile alerts, and other messages to consumers informing them of the digital promotions on our apps and websites, and we believe these communications help generate a significant portion of our revenues. We also use electronic messaging, in part, as part of the consumer sign-up and verification process. Because electronic messaging services are important to our business, if we are unable to successfully deliver electronic messages to consumers, if there are legal restrictions on delivering these messages to consumers, or if consumers do not or cannot open our messages, our revenues and profitability could be materially adversely affected. Changes in how webmail apps or other email management tools organize and prioritize email may result in our emails being delivered or routed to a less prominent location in a consumer's inbox or viewed as "spam" by consumers and may reduce the likelihood of that consumer opening our emails. Actions taken by third parties that block, impose restrictions on, or charge for the delivery of electronic messages could also materially adversely affect our business, financial condition, results of operations, and prospects. From time to time, internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to consumers.

Changes in laws or regulations, or changes in interpretations of existing laws or regulations, including the Telephone Consumer Protection Act (TCPA) and state-specific telephone solicitation laws in the United States and laws regarding commercial electronic messaging in other jurisdictions, that would limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications could also materially adversely impact our business. For example, the Federal Communications Commission amended certain of its regulations under the TCPA in recent years in a manner that could increase our exposure to liability for certain types of telephonic communication with consumers, including but not limited to text messages to mobile phones. Under the TCPA and similar laws, plaintiffs may seek actual monetary loss or statutory damages per violation, whichever is greater, and courts may treble the damage award for willful or knowing violations. Given the enormous number of communications we send to consumers, the actual or perceived improper sending of communications or a determination that there have been violations of the TCPA or other communications-based statutes could subject us to potential risks, including liabilities or claims relating to consumer protection laws, and expose us to significant damage awards that could, individually or in the aggregate, materially adversely affect our business, financial condition, results of operations, and prospects. Moreover, even if we prevail, such litigation against us could impose substantial costs and divert our management's attention and resources.

We rely on a third-party service for the delivery of daily emails and other forms of electronic communication, and delay or errors in the delivery of such emails or other messaging we send may occur and be beyond our control, which could damage our reputation or materially adversely affect our business, financial condition, results of operations, and prospects. If we were unable to use our current electronic messaging services, alternate services are available; however, we believe our sales could be impacted for some period as we transition to a new provider, and the new provider may be unable to provide equivalent or satisfactory electronic messaging service. Any disruption or restriction on the distribution of our electronic messages, termination or disruption of our relationship with our messaging service providers, including our third-party service that delivers our daily emails, or any increase in our costs associated with our email and other messaging activities could materially adversely affect our business, financial condition, results of operations, and prospects.

We also rely on social networking messaging services to send communications. Changes to these social networking services' terms of use or terms of service that limit promotional communications, restrictions that would limit our ability or our clients' or publishers' ability to send communications through their services, disruptions or downtime experienced by these social networking services, or reductions in the use of or engagement with social networking services by consumers and potential consumers could also materially adversely affect our business, financial condition, results of operations, and prospects.

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

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

Risks Related to Our Intellectual Property

We may not be able to adequately protect our intellectual property rights or may be accused of infringing intellectual property rights of third parties.

We regard our trademarks, service marks, copyrights, patents, trade dress, trade secrets, proprietary technology, merchant lists, subscriber lists, sales methodology, and similar intellectual property as critical to our success, and we rely on intellectual property law, trade secret protection and confidentiality, and/or license agreements with our employees and others to protect our proprietary rights. Effective intellectual property protection may not be available in every country in which our deals are made available.

We may not be able to discover or determine the extent of any unauthorized use of our proprietary rights. Third parties that license our intellectual property rights also may take actions that diminish the value of our proprietary rights or reputation. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others. The costs of engaging in such litigation and disputes are considerable, and there can be no assurances that favorable outcomes will be obtained.

Furthermore, we have in the past received, and may in the future receive, claims that we have infringed upon intellectual property rights. Such claims, whether or not meritorious, could be very time-consuming, could be expensive to settle or litigate, and could divert our management's attention and other resources. These claims could also subject us to injunctions and/or significant liability for damages, potentially including treble damages if we are found to have willfully infringed patents or copyrights, and may require us to indemnify our clients or publishers for liabilities they incur as a result of such claims. These claims could also result in our having to stop using technology found to be in violation of a third-party's rights. We may need to obtain licenses from third parties who allege that we have infringed their rights, but such licenses may not be available on terms acceptable to us or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our operating expenses. Alternatively, we could be required to develop alternative non-infringing technology, which could require significant time, effort, and expense, and may affect the performance or features of our solution. If we cannot license or develop alternative non-infringing substitutes for any infringing technology used in any aspect of our business, we would be forced to limit or stop sales of our solution and may be unable to compete effectively. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. In addition, we may in the future be subject to claims that we, our employees, or our contractors have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of third parties.

Because patent applications can take years to issue from the U.S. Patent and Trademark Office, and are often afforded confidentiality for some period of time, there may currently be pending applications filed by third parties, unknown to us, that later result in issued patents that could cover one or more of our products.

Further, we may not timely or successfully apply for a patent, register our trademarks, or otherwise secure our intellectual property. Our efforts to protect, maintain, or enforce our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Some of our solutions contain open source software, which may pose particular risks to our proprietary software and solutions.

We use open source software in our solutions and will use open source software in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products and offerings or to maintain the confidentiality of our proprietary source code. Moreover, we may encounter instances in which we have incorporated additional open source software in our proprietary software in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures. While we have adopted guidelines for the appropriate use of, and regularly audit our use of, open source software, these measures may not always be effective. We may face claims from third parties claiming ownership of, or demanding release of, the open source software and/or works that we developed using such software (which could include our proprietary source code), or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to comply with onerous conditions or restrictions on these solutions, purchase a costly license, or cease offering the implicated solutions unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties, updates, error corrections, or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could materially adversely affect our business, financial condition, results of operations, and prospects.

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

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

The use of AIML technologies in our platform and in our business may result in reputational harm or liability and could materially adversely affect our business, financial condition, results of operations, and prospects.

We have incorporated and may continue to incorporate additional AIML solutions and features into our platform and business, including those based on large language models, and these solutions and features may become more important to our operations or to our future growth over time. We expect to rely on AIML solutions and features to help drive future growth in our business, but there can be no assurance that we will realize the desired or anticipated benefits from AIML or at all. We may also fail to properly implement or market our AIML solutions and features. Our competitors or other third parties may incorporate AIML into their products, offerings, and solutions more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, any of our products and offerings making use of AIML may expose us to additional claims, demands, and proceedings by private parties and regulatory authorities and subject us to legal liability as well as brand and reputational harm. For example, if the content, analyses, or recommendations that AIML solutions or features assist in producing, or if the development or deployment of AIML solutions – including datasets or their Processing to train or create AIML solutions – are or are alleged to be deficient, inaccurate, or biased, or to infringe upon or to have misappropriated third-party intellectual property rights or to violate applicable laws, regulations, or other actual or asserted legal obligations to which we are or may become subject, then our business, financial condition, results of operations, and prospects could be materially adversely affected. The legal, regulatory, and policy environments around AIML are evolving rapidly, including numerous U.S. states considering, and in certain cases adopting, laws and regulations addressing aspects of AIML, and we may become subject to new and evolving legal and other obligations. These and other developments may require us to make significant changes to our use of AIML, including by limiting or restricting our use of AIML, and may require us to make significant changes to our policies and practices, which may necessitate expenditure of significant time, expense, and other resources. AIML also presents emerging ethical issues, and if our use of AIML becomes controversial, we may experience brand or reputational harm.

Risks Related to Government Regulation, Tax, or Accounting Standards

Our business is subject to complex and evolving laws, regulations, and industry standards, and unfavorable interpretations of, or changes in, or our actual and perceived failure to comply with these laws, regulations, and industry standards could materially adversely affect our business, financial condition, results of operations, and prospects.

We are subject to a variety of federal, state, and local laws, regulations, and industry standards related to areas including privacy, electronic communications, data protection, data security, marketing, AI, intellectual property, e-commerce, the internet, mobile devices, competition, consumer protection, taxation, escheatment, social media marketing, and advertising practices. In particular, existing and future laws and regulations, or changes thereto, may impede the growth of the internet, mobile devices, e-commerce, or other online services, and increase the cost of providing online services, require us to change our business practices, or raise compliance costs or other costs of doing business.

Many of these laws, regulations, and standards are complex and subject to varying interpretations or still evolving and being tested in courts and industry standards are still developing. Our business, including our ability to operate and expand, could be materially adversely affected if legislation, regulations, or industry standards are adopted, interpreted, or implemented in a manner that is inconsistent with our current business practices and that requires changes to these practices or the design of our platform. Existing and future laws, regulations, and industry standards could restrict our operations, making it difficult to retain our publishers, CPG brands, retailers, and consumers, and preventing us from maintaining or growing our revenues as anticipated.

Compliance with these laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms to ensure compliance with them. We believe our policies and practices comply in material respects. However, if our belief is incorrect, or if these guidelines, laws, or regulations or their interpretation change or new legislation or regulations are enacted, we may face significant fines, penalties, injunctive restrictions, class actions, and damages that could materially adversely affect our business, financial condition, results of operations, and prospects. Further, we could be compelled to provide additional disclosures to our consumers, obtain additional consents from our consumers before collecting, using, or disclosing their information, delete information collected, or implement new safeguards or business processes to help individuals manage our use of their information, among other changes.

Failure to comply with federal and state privacy, data protection, marketing, and consumer protection laws, regulations, and industry standards, or the expansion of current or the enactment or adoption of new privacy, data protection, marketing, and consumer protection laws, regulations, or industry standards, could materially adversely affect our business, financial condition, results of operations, and prospects.

We Process data about consumers, including personal information or personal data, as well as other confidential or proprietary information, for numerous purposes, including legal, marketing, and other business-related purposes. The legal and regulatory framework for privacy and security issues is rapidly evolving, and is expected to increase our compliance costs and exposure to liability. We and our service providers, clients, and publishers are subject to a variety of federal and state laws, regulations, and industry standards regarding privacy, data protection, data security, marketing, and consumer protection, which address Processing of data relating to individuals, as well as the tracking of consumer behavior and other consumer data (Data Protection Laws). We are also subject to laws, regulations, and industry standards relating to endorsements and influencer marketing. Many of these laws, regulations, and industry standards are changing, may be subject to differing interpretations, may be inconsistent among countries or conflict with other rules, and may be costly to comply with or inconsistent among jurisdictions.

In the United States, Data Protection Laws include rules and regulations promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the California Consumer Privacy Act of 2018 (CCPA), the California Privacy Rights Act of 2020 (CPRA), the Colorado Privacy Act, and other state and federal laws relating to privacy and data security. These Data Protection Laws require covered companies to make certain disclosures about their Processing practices and, subject to certain exceptions, provide consumers with certain rights regarding their personal data, including the rights to access, delete, and correct personal data, as well as rights to opt out of the sale of personal information, opt out of targeted advertising, and opt out of other specific types of Processing activities. The enactment of the CCPA has prompted a wave of similar legislative developments in other states in the United States, including numerous states adopting Data Protection Laws, many of which are comprehensive privacy statutes similar to the CCPA. Other states have adopted Data Protection Laws addressing particular subject matter, such as biometrics or health-related information. This creates the potential for a patchwork of overlapping but different state laws and could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and materially adversely affect our business, financial condition, results of operations, and prospects. The CCPA, as modified by the CPRA, and certain other Data Protection Laws have increased our compliance costs and potential liability.

Various industry standards on privacy, data protection, and data security also have been developed and are expected to continue to develop and may be adopted by industry participants at any time. We endeavor to comply with industry standards relating to targeted advertising. Any actual or alleged mistakes by us in the implementation of these principles, any expansion by self-regulatory bodies of these guidelines, any different or various guidelines regarding internet-based advertising issued by government authorities, any actual or alleged failure of opt out mechanisms to work as designed, or any misunderstanding by internet users of our technology or our commitments with respect to these principles may subject us to negative publicity, government investigation, government or private litigation, or other proceedings. Any such investigations, proceedings, or other actions against or involving us, even if meritless, could be costly and time-consuming, necessitate that we change our business practices, cause us to divert management’s attention and our resources, and be damaging to our brand, reputation, and business.

In addition to Data Protection Laws, we are subject to the terms of our external and internal privacy and security policies, and certain representations and contractual obligations to third parties related to privacy, data protection, and information security and Processing, including contractual obligations relating to industry standards and obligations to indemnify and hold harmless third parties from the costs or consequences of non-compliance with Data Protection Laws or other obligations (collectively, including Data Protection Laws, Data Protection Obligations).

Compliance with Data Protection Obligations is, and will likely remain, uncertain for the foreseeable future, and our actual or perceived failure to address or comply with them could increase our compliance and operational costs; limit our ability to market our solutions and attract new and retain current publishers, clients, retailers, and consumers; limit or eliminate our ability to Process data; require us to modify our platform or our solutions; require us to delete data; expose us to regulatory scrutiny, actions, investigations, fines, and penalties; result in reputational harm; lead to a loss of business; result in claims, litigation, and liability, including class action litigation; cause us to incur significant costs, expenses, and fees (including attorney fees); cause a material adverse impact to business, financial condition, results of operations, or prospects; and otherwise result in other material harm to our reputation and business (each, an Adverse Data Protection Impact).

Moreover, despite our efforts, we may not be successful in achieving or maintaining compliance with Data Protection Obligations. For example, we may fail, or be alleged to fail, to comply with Data Protection Obligations if our employees, clients, publishers, or service providers do not comply with applicable Data Protection Obligations. Our service providers, clients’, or publishers’ failure to adhere to restrictions on data use or other Data Protection Obligations also may result in an Adverse Data Protection Impact.

We expect that there will continue to be new proposed laws, regulations, and industry standards concerning privacy, data protection, and information security in the United States and we cannot yet determine the impact such future laws, regulations, and standards may have on our business. There is a risk that the requirements of these laws, regulations, and standards, or of contractual or other actual or asserted obligations relating to privacy, data protection, or information security, are interpreted or applied in manners that are, or are alleged to be, inconsistent with our policies, practices, or solutions. For instance, with the increased focus on the use of data for advertising, the anticipation and expectation of future laws, regulations, standards, and other obligations could impact us and our existing and potential clients or publishers and delay certain partnerships or deals until there is greater certainty. In addition, as we expand our data analytics and other data-related solutions, there may be increased scrutiny on our Processing of data, and we may be subject to new and unexpected laws, regulations, standards, or other obligations. Future laws, regulations, standards, and other obligations, or changes in their interpretation or enforcement, could, for example, impair our ability to Process information that we use to provide targeted digital promotions and media to consumers on behalf of CPG brands and retailers, thereby impairing our ability to maintain and grow our total consumers and increase revenues. Future restrictions on the Processing of data, or additional requirements associated with data Processing could require us to modify our solutions, possibly in a material manner, which we may be unable to complete in a commercially reasonable manner or at all, could prohibit new or potential solutions and features, could limit our ability to store and Process data or to develop new solutions and features, and could increase our compliance costs or other costs of doing business.

Changes to federal and state laws, including changing interpretations by relevant authorities, regarding money services businesses and money transmitters could impact our rewards programs and other offerings.

Various federal laws, such as the Bank Secrecy Act, as amended, impose registration and certain other obligations on companies that are financial institutions, which are broadly defined to include money services businesses (MSBs), such as money transmitters. In addition, many states impose license obligations on those companies that are engaged in the business of money transmission, with varying definitions of what constitutes money transmission. We do not believe we are a money transmitter subject to these laws based, in part, upon the characteristics of and our role with respect to our rewards programs and other offerings. Questions of whether and to what extent our products and offerings require licensure and constitute money transmission are subject to regulatory interpretation and could change over time. If any of our products and offerings were deemed by relevant authorities to subject us to federal regulation as an MSB or state money transmitter licensure in any state, or if laws and regulations were changed to subject us to such, our regulatory compliance costs would likely increase to meet those requirements and we could be forced to cease conducting certain aspects of our business in certain jurisdictions pending receipt of any necessary licenses, which could materially adversely affect our business, financial condition, results of operations, and prospects. There can be no assurance that we will be able to obtain any such licenses, and, even if we were able to do so, there could be substantial costs and potential product or operational changes involved in maintaining such licenses and meeting other relevant regulatory obligations, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

If we do not comply with the specialized regulations and laws in the United States that regulate marketing and promotions, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Marketing and promotions in the United States are regulated extensively by federal and state agencies. These regulations and laws change frequently, differ from state to state, and present a complex and sometimes inconsistent regulatory environment. There is no assurance that we will always be in compliance with these regulations and laws, or that we will be able to comply with all future versions of such regulations and laws. We rely on various internal and external personnel with relevant experience complying with legal requirements applicable to marketing and promotions in the United States, and the loss of personnel with such expertise could materially adversely affect our business, financial condition, results of operations, and prospects.

The federal and state “tied-house” laws governing ownership interests in alcoholic beverage manufacturers, wholesalers, and retailers could materially adversely affect our business, financial condition, results of operations, and prospects.

Alcoholic beverage manufacturers, wholesalers, retailers, and their investors are subject to federal and state “tied-house” laws (Tied-House Laws) that restrict investments between the three tiers of the alcoholic beverage industry (the manufacturing tier, the wholesale tier, and the retail tier). Tied-House Laws change frequently, differ from state to state, and present a complex and inconsistent regulatory environment. Tied-House Laws may impact how alcoholic beverage manufacturers and retailers work together and with us, and these impacts could materially adversely affect our business, financial condition, results of operations, and prospects.

Changes in laws and regulations related to the internet or changes to internet infrastructure may diminish the demand for our solutions, and could materially adversely affect our business, financial condition, results of operations, and prospects.

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations could require us to modify our solutions in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally or result in reductions in the demand for internet-based solutions and services such as ours. The performance of the internet has been adversely affected by "viruses," "worms," and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our solutions could decline.

The current legislative and regulatory landscape regarding the regulation of the Internet is subject to uncertainty. For example, in January 2018, the Federal Communications Commission (FCC) released an order that repealed the "open internet rules," often known as "net neutrality," which prohibit internet service providers in the United States from impeding access to most content, or otherwise unfairly discriminating against content providers like us and also prohibit internet service providers from entering into arrangements with specific content providers for faster or better access over their data networks. In response to this decision, California and a number of other states implemented their own net neutrality rules which mirrored parts of the repealed federal regulations. In October 2023, the FCC voted to begin the process of reinstating substantially all of the net neutrality rules that had been in place prior to the 2018 repeal. In May 2024, the FCC issued an order implementing those rules. In January 2025, a decision from the U.S. Court of Appeals for the Sixth Circuit set aside the FCC's order, deeming it to exceed the FCC's authority under the Telecommunications Act of 1996. We cannot predict the outcome of any litigation or whether any new FCC order or existing state initiatives regulating providers will be modified, overturned, or vacated by legal action, federal legislation, or the FCC, or the degree to which further regulatory action or inaction could materially adversely affect our business, if at all. If the FCC is unable or chooses not to reinstate net neutrality or if state initiatives are modified, overturned, or vacated, internet service providers may be able to limit our users' ability to access our platform or make our platform a less attractive alternative to our competitors' applications. If new FCC or other rules directly or inadvertently impose costs on online providers like our business, our expenses may rise, our ability to retain existing users or attract new users may be impaired, our costs may increase, and our business, financial condition, results of operations, and prospects could be materially adversely affected.

We have previously identified material weaknesses in our internal controls over financial reporting, and if we are unable to maintain effective internal controls or if we identify additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations, which could materially adversely affect our business, financial condition, results of operations, and prospects.

We have previously identified material weaknesses in our internal controls over financial reporting. For example, in connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2022, we identified one material weakness in our internal controls over financial reporting that existed as of December 31, 2021 and was remediated as of December 31, 2022. A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented, or detected and corrected on a timely basis. The material weakness related to our risk assessment process and resulted in the ineffective design of process level controls to address the impact on revenue, specifically breakage revenue, of changes made to our platform related to the user redemption liability, and the impact of those changes on reports used in determining breakage revenue.

Although our material weaknesses have been remediated, if we are unable to successfully maintain internal controls over financial reporting, or identify any additional material weaknesses, the accuracy and timing of our financial reporting could be materially adversely affected. In addition, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting when required, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets, and our stock price may be materially adversely affected. Moreover, we could become subject to investigations by regulatory authorities, which could require additional financial and management resources.

If we fail to maintain an effective system of internal controls, 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 (Sarbanes-Oxley Act), and the rules and regulations of the listing standards of the New York Stock Exchange. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed with the Securities and Exchange Commission (SEC) is reported within the time periods and in the manner specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal controls over financial reporting. Some members of our management team have limited or no experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies, and we have limited accounting and financial reporting personnel and other resources with which to address our internal controls and related procedures, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act that we expect to be required to include in our next annual report filed with the SEC. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs, personnel costs, and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. 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 controls over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports. Ineffective disclosure controls and procedures and internal controls over financial reporting could also cause investors to lose confidence in our reported financial and other information, which could have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the New York Stock Exchange. We are required to provide an annual management report on the effectiveness of our internal controls over financial reporting commencing with our second Annual Report on Form 10-K.

Our independent registered public accounting firm is not required to attest to the effectiveness of our internal controls over financial reporting until after we are no longer an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended (JOBS Act). We expect our independent registered public accounting firm to be required to attest to the effectiveness of our internal controls over financial reporting in our next annual report filed with the SEC. At such time, 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 controls over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal controls over financial reporting could have a material adverse effect on our business, financial condition, results of operations, and prospects and could cause a decline in the price of our Class A common stock.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, particularly after we are no longer an “emerging growth company,” which could materially adversely affect our business, financial condition, results of operations, and prospects.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the rules and regulations of the New York Stock Exchange. These requirements have increased and will continue to increase our legal, accounting, and financial compliance costs and have made, and will continue to make, some activities more time-consuming and costly, particularly after we cease to be an “emerging growth company.” For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management’s attention may be diverted from the day-to-day management of our business, which could materially adversely affect our business, financial condition, results of operations, and prospects. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses. Additionally, as a public company subject to additional rules and regulations and oversight, we may not have the same flexibility we had as a private company.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business, financial condition, results of operations, and prospects could be materially adversely affected.

We also expect these rules and regulations to make it more expensive for us to obtain directors’ and officers’ liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

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 an increased risk of threatened or actual litigation. If such claims are successful, our business, financial condition, results of operations, and prospects could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially adversely affect our business, financial condition, results of operations, and prospects.

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

As of December 31, 2024, we had no U.S. federal net operating loss carryforwards (NOLs), net of uncertain tax positions, and U.S. state NOLs of $68.1 million, net of uncertain tax positions. Our U.S. state NOLs begin to expire in 2034. In addition, as of December 31, 2024, we had U.S. federal tax credit carryforwards of approximately $7.8 million, which begin to expire in 2042. Our NOLs may be unavailable to offset future taxable income because of restrictions under U.S. tax law, including that our NOLs may expire or may not be available to offset our entire taxable income on an annual basis. For U.S. state income tax purposes, there may be periods during which the use of NOLs is limited, which could accelerate or permanently increase state taxes owed.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an “ownership change” (generally defined as a cumulative change in the corporation’s ownership by “5-percent shareholders” that exceeds 50 percentage points over a rolling three-year period), the corporation’s ability to use its pre-change NOLs and certain other pre-change tax attributes to offset its post-change taxable income may be limited. Similar rules may apply under state tax laws. We believe that we have undergone ownership changes in the past, and we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which are outside our control. Our ability to use our pre-change NOLs and certain other pre-change tax attributes may be limited by such ownership changes as described above, and consequently, we may not be able to use a material portion of our NOLs and certain other tax attributes to offset our taxable income, which could have a material adverse effect on our cash flows and results of operations.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be materially adversely affected.

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as described in the section titled, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The results of these estimates form the basis for making judgments about the recognition and measurement of certain assets and liabilities and revenue and expenses that is not readily apparent from other sources. Our accounting policies that involve judgment include, but are not limited to, revenue recognition, breakage, allowances for credit losses, income taxes and associated valuation allowances, leases, stock-based compensation, contingent liabilities, impairment of the equity investment, convertible notes derivative liability, software development costs, including capitalization and the allocation of labor costs between cost of revenue and research and development expense, and the useful lives and impairment of long-lived assets. If our assumptions change or if actual circumstances differ from those in our assumptions, our business, financial condition, results of operations, and prospects could be materially adversely affected, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

Failure to comply with anti-bribery and anti-corruption laws, anti-money laundering laws, and similar laws could subject us to penalties and other adverse consequences.

We are subject to the U.S. Foreign Corrupt Practices Act (FCPA), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and, if we expand our operations internationally, possibly other anti-bribery and anti-corruption laws and anti-money laundering laws in countries outside of the United States. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public and private sector. These laws also require that we keep accurate books and records and maintain internal accounting controls and compliance procedures designed to prevent any such actions.

We may in the future leverage third parties to sell our products and offerings and conduct our business abroad. We and our employees, agents, representatives, business partners, or third-party intermediaries may therefore have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners, or third-party intermediaries even if we do not authorize such activities. We cannot assure you that all of our employees, agents, representatives, business partners, or third-party intermediaries will not take actions in violation of applicable law, for which we may be ultimately held responsible. As we expand into and increase our international sales and business, our risks under these laws may increase.

Any allegations or violations of the FCPA or other applicable anti-bribery and anti-corruption laws or anti-money laundering laws could result in whistleblower complaints, sanctions, settlements, prosecutions, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. or foreign government contracts, all of which could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects. Responding to any investigation or action will likely result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

Changes in tax laws could affect our effective tax rates, business, financial condition, and results of operations.

We are subject to tax laws, regulations, and policies of U.S. federal, state, and local taxing jurisdictions and may in the future be subject to the tax laws, regulations, and policies of other taxing jurisdictions. Changes in tax laws, including recently enacted U.S. federal tax legislation commonly referred to as the One Big Beautiful Bill Act, as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates and otherwise affect our tax positions and/or our tax liabilities. We are currently evaluating the full impact of the OBBB Act on us. This legislation or other developments or changes in tax laws or rulings in jurisdictions in which we operate could affect our effective tax rate and our operating results.

Risks Related to Ownership of Our Class A Common Stock

The dual class stock structure of our common stock concentrates voting control with Bryan Leach, our Founder, Chief Executive Officer, President, and Chairman of our board of directors, which will generally preclude our stockholders' ability to influence the outcome of matters submitted to our stockholders for approval, subject to limited exceptions, including the election of our board of directors, the adoption of amendments to our amended and restated certificate of incorporation and amended and restated bylaws (where adopted by stockholders), and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transactions.

Our Class B common stock has 20 votes per share, and our Class A common stock has one vote per share. Upon the closing of our initial public offering, Mr. Leach and entities affiliated with Mr. Leach held all of the issued and outstanding shares of our Class B common stock. As of June 30, 2025, Mr. Leach and entities affiliated with Mr. Leach held approximately 71.4% of the voting power of our outstanding capital stock in the aggregate, which voting power may increase over time as Mr. Leach's equity awards are exercised or vested. If all such equity awards held by Mr. Leach had been exercised or vested and exchanged for shares of Class B common stock as of June 30, 2025, Mr. Leach and entities affiliated with Mr. Leach would collectively have held 79.3% of the voting power of our outstanding capital stock. As a result, Mr. Leach will generally be able to determine any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our amended and restated certificate of incorporation and amended and restated bylaws (where adopted by stockholders), and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transactions, subject to limited exceptions. Mr. Leach may have interests that differ from those of our stockholders and may vote in a way with which our stockholders disagree and that may be adverse to our stockholders' interests. This concentrated control may have the effect of delaying, preventing, or deterring a change in control of Ibotta, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of Ibotta, and might ultimately affect the market price of our Class A common stock.

Future transfers by the holders of Class B common stock will generally result in those shares automatically converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or other transfers among Mr. Leach and his family members and affiliates. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon the earliest of (i) the date fixed by the board of directors that is no less than 61 days and no more than 180 days following the first time after 11:59 p.m. Eastern Time on April 18, 2024 that the number of outstanding shares of Class B common stock is less than five percent (5%) of the total outstanding shares of our capital stock, (ii) 5:00 p.m. Eastern Time on the date that is seven years after April 18, 2024, (iii) the date fixed by the board of directors that is no less than 61 days and no more than 180 days following the first time after 11:59 p.m. Eastern Time on April 18, 2024 that Mr. Leach is no longer providing services to us as an officer, director, employee, or consultant, and (iv) the date of the death or permanent disability of Mr. Leach.

We cannot predict the effect our dual class structure may have on the trading price of our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile trading price of our Class A common stock, adverse publicity, or other adverse consequences. For example, certain index providers have announced restrictions affecting companies with multiple-class share structures in certain of their indices. In July 2017, FTSE Russell announced that it would require new constituents of its indices to have greater than 5% of a company's voting rights in the hands of public stockholders and other stock indices may take similar action. Under this policy, the dual class structure of our common stock could make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices would not invest in our Class A common stock. As a result, the trading price of our Class A common stock could be materially adversely affected. These policies may depress valuations of public companies excluded from such indices, as compared to similar companies that are included.

The public trading price of our Class A common stock may be volatile, and the value of our Class A common stock may decline.

We cannot predict the prices at which our Class A common stock will trade. The trading price of our Class A common stock is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. Factors that could cause fluctuations in the trading price of our Class A common stock include the other risk factors described elsewhere in this "Risk Factors" section as well as:

- price and volume fluctuations in the overall stock market;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales or expected sales of shares of our Class A common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- any plans we may have to provide or not to provide financial guidance or projections, which may increase the probability that our financial results are perceived as not in line with analysts' expectations;
- if we do provide financial guidance or projections, any changes in those projections or our failure to meet those projections;
- changes in the anticipated future size or growth rate of our addressable markets;
- announcements by us or our competitors of new solutions or platform features;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;

- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or security breaches or other incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any additions or departures of board members, management, or key personnel;
- repurchases of our Class A common stock;
- the impact of seasonality;
- other events or factors, including those resulting from war, incidents of terrorism, or pandemics; and
- regulatory and economic uncertainty, general economic conditions and slow or negative growth of our markets.

In addition, stock markets, and the market for technology companies in particular, have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. 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, and has been instituted against us. This litigation could result in substantial costs and a diversion of our management's attention and resources.

We have adopted a Share Repurchase Program to repurchase shares of our Class A common stock; however, any future decisions to reduce or discontinue repurchasing our Class A common stock pursuant to the Share Repurchase Program could cause the market price of our Class A common stock to decline.

Although our board of directors has authorized the Share Repurchase Program to purchase up to an aggregate of $300 million of the Company's Class A common stock, the timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities. We are not obligated under the Share Repurchase Program to acquire any particular amount of Class A common stock, and the Company may terminate or suspend the Share Repurchase Program at any time. If we fail to meet any expectations related to stock repurchases, the market price of our Class A common stock could decline, and could have a material adverse impact on investor confidence. Additionally, price volatility of our common stock over a given period may cause the average price at which we repurchase our common stock to exceed the stock market price at a given point in time. In addition, the United States enacted the Inflation Reduction Act in 2022, which implements, among other changes, a 1% excise tax on certain stock repurchases, which may increase the costs associated with repurchasing shares of our common stock.

We have increased and may in the future increase or decrease the amount of repurchases of our Class A common stock in the future. Any reduction or discontinuance by us of repurchases of our Class A common stock pursuant to the Share Repurchase Program could cause the market price of our Class A common stock to decline. Moreover, in the event repurchases of our Class A common stock are reduced or discontinued, our failure or inability to resume repurchasing Class A common stock at historical levels could result in a lower market valuation of our Class A common stock.

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

As a result of our dual class common stock structure, Mr. Leach and entities affiliated with Mr. Leach currently hold a majority of the voting power of our outstanding capital stock, and Mr. Leach has the authority to vote the shares of Class B common stock at his discretion on all matters to be voted upon by stockholders. Therefore, we are considered a "controlled company" as that term is set forth in the listing standards of the New York Stock Exchange. A "controlled company" may elect not to comply with certain listing standards of the New York Stock Exchange regarding corporate governance, including:

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

Although we qualify as a "controlled company," we do not currently expect to rely on these exemptions and intend to fully comply with all corporate governance requirements under the listing standards of the New York Stock Exchange. However, if we were to avail ourselves of the "controlled company" exemption, the above requirements would not apply to us, which could adversely affect the protections for our stockholders.

Future sales of our Class A common stock in the public market could cause the market price of our Class A common stock to decline.

Additional sales of a substantial number of shares of our Class A common stock in the public market, or the perception that such sales may occur, could have an adverse effect on our stock price and could impair our ability to raise capital through the sale of additional stock. In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional shares of our Class A common stock. Issuing additional shares of our common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders, reduce the market price of our Class A common stock, or both.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and have the option to use certain exemptions from various public company reporting requirements. For example, as an emerging growth company, we are not required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act; we have reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and we are exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We have taken advantage of, and expect to continue to take advantage of, these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (A) following the fifth anniversary of our initial public offering, (B) in which we have total annual revenue of at least $1.235 billion, or (C) in which we are deemed to be a large accelerated filer, with at least $700 million of equity securities held by non-affiliates as of the prior June 30th and (ii) the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period. We expect to lose emerging growth company status on December 31, 2025.

Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. Among other things, this means that our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal controls over financial reporting so long as we qualify as an emerging growth company, which may increase the risk that weaknesses or deficiencies in our internal controls over financial reporting go undetected.

Likewise, so long as we qualify as an emerging growth company, we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the SEC, which may make it more difficult for investors and securities analysts to evaluate us. As a result, investor confidence in Ibotta and the market price of our Class A common stock could be materially adversely affected. Further, we cannot predict if investors will find our Class A common stock less attractive because we will rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

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 (DGCL) may discourage, delay, or prevent a change in control by prohibiting us from engaging in certain business combinations 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 Ibotta more difficult, including the following:

- certain amendments to our amended and restated certificate of incorporation or our amended and restated bylaws require the approval of at least 66 2/3% of the voting power of our then-outstanding and issued capital stock;
- our board of directors is classified into three classes of directors with staggered three-year terms and stockholders will only be permitted to remove directors from office for cause from and after the Voting Threshold Date (as defined in our amended and restated certificate of incorporation) and for so long as the board is classified;

- our dual class common stock structure generally provides Bryan Leach, our Founder, Chief Executive Officer, President, and Chairman of our board of directors, with the ability to determine the outcome of matters requiring stockholder approval, subject to limited exceptions, even if he owns significantly less than a majority of the shares of our outstanding capital stock;
- from and after the Voting Threshold Date (as defined in our amended and restated certificate of incorporation), our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter;
- our amended and restated certificate of incorporation does not permit cumulative voting;
- vacancies and other unfilled seats on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer, our President, or the board of directors acting pursuant to a resolution adopted by a majority of the total number of authorized directors whether or not there exist any vacancies or unfilled seats in previously authorized directorships on our board of directors;
- unless we consent in writing to the selection of an alternative forum, certain litigation against us or our directors, officers, stockholders, or employees can only be brought in Delaware;
- our amended and restated certificate of incorporation authorizes $100 million shares of undesignated preferred stock, the terms of which may be established and shares of which may be issued by the board of directors without further action by our stockholders, except that the approval of a majority of the outstanding shares of Class B common stock is required for the issuance of any shares of capital stock having the right to more than one vote per share; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors at an annual or special meeting of stockholders or to propose business before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay, or prevent a transaction involving a change in control of Ibotta. 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 generally provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders, or employees.

Our amended and restated bylaws generally provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following types of proceedings:

- any derivative action or proceeding brought on behalf of us;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, stockholders, or other employees to us or our stockholders;

- any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws (as either may be amended from time to time); or
- any action asserting a claim governed by the internal affairs doctrine.

Our amended and restated bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the 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.

Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, these exclusive-forum provisions may make it more expensive for stockholders to bring a claim than if the stockholders were permitted to select another jurisdiction and may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, stockholders, or other employees, which may discourage lawsuits against us and our directors, officers, stockholders, and other employees. Our amended and restated bylaws also limit the ability of a person to bring a claim in a judicial forum that it finds favorable for disputes arising under the Securities Act against any person in connection with any offering of our securities, including 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. The enforceability of similar choice of forum provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. We also note that stockholders cannot waive compliance (or consent to noncompliance) with the federal securities laws and the rules and regulations thereunder. 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 materially adversely affect our business, financial condition, results of operations, and prospects.

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

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

Additional issuances of our stock will result in significant dilution to our stockholders.

Additional issuances of our stock will result in dilution to existing holders of our capital stock. Also, to the extent outstanding additional shares subject to options and warrants to purchase our capital stock are authorized and exercised, there will be further dilution. The amount of dilution could be substantial depending upon the size of the issuance or exercise. In addition, the perceived risk of dilution as a result of the significant number of outstanding warrants may cause our Class A common stockholders to be more inclined to sell their shares, which would contribute to a downward movement in the price of our Class A common stock. Moreover, the perceived risk of dilution and the resulting downward pressure on our Class A common stock price could encourage investors to engage in short sales of our Class A common stock, which could further contribute to price declines in our Class A common stock. The fact that our warrant holders can sell substantial amounts of our Class A common stock in the public market could make it more difficult for us to raise additional funds through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate, or at all.

To the extent we issue shares of our capital stock to effect a business combination, the potential for the issuance of a substantial number of additional shares upon exercise of our warrants could make us a less attractive acquisition vehicle in the eyes of a target business since the exercise of warrants could reduce the value of the shares issued to complete the business combination. Accordingly, our warrants may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business. Further, our warrants could make the structuring of any strategic transaction more complex and affect the terms of any such strategic transaction.

For example, on May 17, 2021, we issued a common stock purchase warrant to Walmart (Walmart Warrant) in connection with a multi-year strategic relationship that makes Ibotta the exclusive provider of digital item-level rebate offer content for Walmart U.S. Pursuant to the terms of the Walmart Warrant, Walmart has the right to purchase up to 4,121,034 shares of our Class A common stock at an exercise price of $70.12 per share.

As part of our business strategy, we may acquire or make investments in companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

General Risk Factors

Natural disasters and other events beyond our control could materially adversely affect our business, financial condition, results of operations, and prospects.

Natural disasters or other catastrophic events may cause damage or disruption to our operations and the global economy and thus could have a negative effect on us. Our facilities are located in Denver, Colorado. Our business operations are subject to interruption by natural disasters, blizzards, flooding, fire, power shortages, pandemics, terrorism, political unrest, telecommunications failure, vandalism, cyberattacks, geopolitical instability, war, the effects of climate change, and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our solutions to our clients, publishers, and consumers, could decrease demand for our solutions, could make existing clients unable or unwilling to fulfill their contractual requirements to us, including their payment obligations, and could cause us to incur substantial expense, including expenses or liabilities arising from potential litigation. Our insurance may not be sufficient to cover losses or additional expense that we may sustain. Customer data could be lost, significant recovery time could be required to resume operations, and our business, financial condition, results of operations, and prospects could be materially adversely affected in the event of a major natural disaster or catastrophic event. The occurrence of any of these business disruptions could materially adversely affect our business, financial condition, results of operations, and prospects.

We do not intend to pay dividends on our Class A common stock in the foreseeable future, so any returns will be limited to the value of our Class A common stock.

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

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

Issuer Purchases of Unregistered Equity Securities

The following table summarizes share repurchase activity for the three months ended June 30, 2025:

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share[2]	Total Number of Shares Purchased as Part of Publicly Announced Program[1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
April 1, 2025 to April 30, 2025	1,043,146	$ 45.77	1,043,146	$ 48,367
May 1, 2025 to May 31, 2025	345,227	$ 48.56	345,227	$ 31,602
June 1, 2025 to June 30, 2025	60,000	$ 49.44	60,000	$ 128,636
	1,448,373		1,448,373	

(1) On August 22, 2024, the Company announced that the Board of Directors approved a share repurchase program with authorization to purchase up to an aggregate of $100 million of Class A common stock (Share Repurchase Program). In both March 2025 and June 2025, the Board of Directors approved an additional $100 million, bringing the total authorization under the Share Repurchase Program to $300 million. The Company may, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases under this authorization. The Share Repurchase Program has no expiration date.

(2) Excludes other costs such as broker commissions and the 1% excise tax imposed by the Inflation Reduction Act of 2022.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the fiscal quarter ended June 30, 2025, the following officers, as defined in Rule 16a-1(f), adopted a “Rule 10b5-1 trading arrangement” as defined in Regulation S-K Item 408:

On May 19, 2025, Bryan Leach, our Founder, Chief Executive Officer, President, and Chairman, and his family trusts, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 281,532 shares of our Class A common stock plus an indeterminate number of shares of our Class A Common Stock for certain of Mr. Leach’s vested RSUs. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1. The duration of the trading arrangement is until June 5, 2026, or earlier if all transactions under the trading arrangement are completed.

On May 29, 2025, Marisa Daspit, our Chief People Officer, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 51,625 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1. The duration of the trading arrangement is until May 29, 2026, or earlier if all transactions under the trading arrangement are completed.

No other directors or officers, as defined in Rule 16a-1(f), adopted and/or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408, during the fiscal quarter ended June 30, 2025.

Item 6. Exhibits

		Incorporated by Reference				
Exhibit Number	**Description**	**Form**	**File Number**	**Exhibit**	**Filing Date**	**Filed Herewith**
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1^	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2^	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

^ This certification accompanies the Quarterly Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed “filed” by the registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. This will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

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

IBOTTA, INC.

Date:	August 13, 2025	**By:**	/s/ Bryan Leach Bryan Leach Founder, Chief Executive Officer, President, and Chairman of the Board of Directors *(Principal Executive Officer)*
Date:	August 13, 2025	**By:**	/s/ Valarie Sheppard Valarie Sheppard Interim Chief Financial Officer *(Principal Financial Officer)*
Date:	August 13, 2025	**By:**	/s/ Jared Chomko Jared Chomko Vice President, Accounting *(Principal Accounting Officer)*

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bryan Leach, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ibotta, 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)) 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. Omitted;
    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: August 13, 2025

By: /s/ Bryan Leach
Bryan Leach
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Valarie Sheppard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ibotta, 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)) 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. Omitted;
    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: August 13, 2025

By: /s/ Valarie Sheppard
Valarie Sheppard
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

I, Bryan Leach, certify that:

In connection with the quarterly report on Form 10-Q of Ibotta, Inc. (the “Company”) for the period ended June 30, 2025, as filed with the Securities and Exchange Commission (the “Report”), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 13, 2025	By:	/s/ Bryan Leach
		Bryan Leach Chief Executive Officer and President (Principal Executive Officer)

Exhibit 32.2

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

I, Valarie Sheppard, certify that:

In connection with the quarterly report on Form 10-Q of Ibotta, Inc. (the "Company") for the period ended June 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 13, 2025	By:	/s/ Valarie Sheppard
		Valarie Sheppard Interim Chief Financial Officer (Principal Financial Officer)