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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from ___________ to ____________.

Commission file number 001-39253

Opendoor Technologies Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**30-1318214** (I.R.S. Employer Identification No.)
410 N. Scottsdale Road, Suite 1600 **Tempe, AZ** (Address of Principal Executive Offices)	**85288** (Zip Code)

(480) 618-6760
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.0001 par value per share	OPEN	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting and non-voting stock held by non-affiliates of the registrant as of June 30, 2023 was $1,989,386,879. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates.

The number of shares of registrant’s common stock outstanding as of February 8, 2024 was 679,641,720.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive Proxy Statement relating to its 2024 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the registrant’s fiscal year ended December 31, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K.

OPENDOOR TECHNOLOGIES INC.

Annual Report On Form 10-K
For Fiscal Year Ended December 31, 2023

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OPENDOOR TECHNOLOGIES INC.

As used in this Annual Report on Form 10-K, unless the context requires otherwise, references to “Opendoor,” the “Company,” “we,” “us,” and “our,” and similar references refer to Opendoor Technologies Inc. and its wholly owned subsidiaries following the Business Combination (as defined herein) and to Opendoor Labs Inc. prior to the Business Combination.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including, without limitation, statements regarding: current and future health and stability of the real estate housing market and general economy; volatility of mortgage interest rates and expectations regarding future shifts in behavior by consumers and partners; the health and status of our financial condition; anticipated future results of operations or financial performance; priorities of the Company to achieve future financial and business goals; our ability to continue to effectively navigate the markets in which we operate; anticipated future and ongoing impacts and benefits of acquisitions, partnership channel expansions, product innovations and other business decisions; health of our balance sheet to weather ongoing market transitions and any expectation to quickly re-scale in the future upon market stabilization; our ability to adopt an effective approach to manage economic and industry risk, as well as inventory health; our expectations with respect to the future success of our partnerships and our ability to drive significant growth in sales volumes through such partnerships; our business strategy and plans, including plans to expand into additional markets; market opportunity and expansion and objectives of management for future operations, including statements regarding the benefits and timing of the roll out of new markets, products, or technology; and the expected diversification of funding sources, are forward-looking statements. When used in this Annual Report on Form 10-K, words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “might,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strategy,” “strive,” “target,” “vision,” “will,” or “would,” any negative of these words or other similar terms or expressions may identify forward-looking statements. The absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements are based on information available as of the date of this Annual Report on Form 10-K and current expectations, forecasts and assumptions, which involve a number of judgments, risks and uncertainties, including without limitation, risks related to:

- the current and future health and stability of the economy, financial conditions and residential housing market, including any extended downturns or slowdowns;
- changes in general economic and financial conditions (including federal monetary policy, interest rates, inflation, actual or anticipated recession, home price fluctuations, and housing inventory) that may reduce demand for our products and services, lower our profitability or reduce our access to future financings;
- our real estate assets and increased competition in the U.S. residential real estate industry;
- ability to operate and grow our core business products, including the ability to obtain sufficient financing and resell purchased homes;
- investment of resources to pursue strategies and develop new products and services that may not prove effective or that are not attractive to customers and real estate partners or that do not allow us to compete successfully;
- our ability to acquire and resell homes profitably;
- our ability to grow market share in our existing markets or any new markets we may enter;
- our ability to manage our growth effectively;
- our ability to expeditiously sell and appropriately price our inventory;
- our ability to access sources of capital, including debt financing and securitization funding to finance our real estate inventories and other sources of capital to finance operations and growth;
- our ability to maintain and enhance our products and brand, and to attract customers;
- our ability to manage, develop and refine our digital platform, including our automated pricing and valuation technology;
- our ability to comply with multiple listing service rules and requirements to access and use listing data, and to maintain or establish relationships with listings and data providers;
- our ability to obtain or maintain licenses and permits to support our current and future business operations;

- acquisitions, strategic partnerships, joint ventures, capital-raising activities or other corporate transactions or commitments by us or our competitors;
- actual or anticipated changes in technology, products, markets or services by us or our competitors;
- our success in retaining or recruiting, or changes required in, our officers, key employees and/or directors;
- the impact of the regulatory environment within our industry and complexities with compliance related to such environment;
- any future impact of pandemics or epidemics, including any future resurgences of COVID-19 and its variants, or other public health crises on our ability to operate, demand for our products or services, or general economic conditions;
- changes in laws or government regulation affecting our business; and
- the impact of pending or any future litigation or regulatory actions.

Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

As a result of a number of known and unknown risks and uncertainties, including, without limitation, those described in Part I. Item 1A " Risk Factors" in this Annual Report on Form 10-K, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements. Additionally, our discussion of certain environmental, social and governance ("ESG") assessments, goals and related issues in this or other disclosures is informed by various ESG standards and frameworks (including standards for the measurement of underlying data) and the interests of various stakeholders. As such, such information may not, and should not be interpreted as necessarily being, "material" under the federal securities laws for SEC reporting purposes. Furthermore, much of this information is subject to assumptions, estimates or third-party information that is still evolving and subject to change.

SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties that represent challenges that we face in connection with the successful implementation of our strategy and the growth of our business. Below is a summary of material factors that may offset our competitive strengths or have a negative effect on our business strategy or operating results, which could cause a decline in the price of shares of our common stock. Importantly, this summary does not address all of the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, can be found under "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K. The below summary is qualified in its entirety by that more complete discussion of such risks and uncertainties.

- Our business and operating results may be significantly impacted by general economic conditions, the health of the U.S. residential real estate industry and risks associated with our real estate assets.
- We have a history of losses, and we may not achieve or maintain profitability in the future.
- We operate in a competitive and fragmented industry that could impair our ability to attract users of our products, which could harm our business, results of operations and financial condition.
- Our business is dependent upon our ability to appropriately price and manage our portfolio of inventory. An ineffective pricing or portfolio management strategy may have a material adverse effect on our business, sales, and results of operations.
- Our business is dependent upon our ability to expeditiously sell inventory. Failure to expeditiously sell our inventory could have an adverse effect on our business, sales and results of operations.
- Declining real estate values have resulted in, and could continue to result in, inventory valuation adjustments, which have and may continue to adversely affect our financial condition and operating results.
- Our growth depends in part on the success of our strategic relationships with third parties.

- Our business is dependent upon access to desirable inventory. Obstacles to acquiring attractive inventory, whether because of supply, competition, macroeconomic conditions, or other factors may have a material adverse effect on our business, sales and results of operations.
- We process, store and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and violation of these privacy obligations could result in a claim for damages, regulatory action, loss of business, or unfavorable publicity.
- We operate in a highly regulated industry and are subject to a wide range of federal, state and local laws, rules and regulations. Failure to comply with these laws, rules and regulations or to obtain and maintain required licenses, could adversely affect our business, financial condition and results of operations.
- We are, and may in the future be, subject to securities litigation, which is expensive and could divert management attention.
- We utilize a significant amount of debt and financing arrangements in the operation of our business. Our cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing.

OPENDOOR TECHNOLOGIES INC.

PART I

Item 1. Business.

Mission

Our mission is to power life's progress, one move at a time.

Our Company

We are the largest digital platform for residential real estate transactions. In 2014, we founded Opendoor to reinvent one of life's most important transactions and make it possible to buy, sell, and move at the tap of a button. By leveraging software, data science, product design and operations, we are building a technology platform for residential real estate that offers buyers and sellers a digital, on-demand experience that we believe will be the future of how people buy or sell a home.

Residential real estate is the largest undisrupted category in the United States. In 2023 alone, more than four million existing homes were sold, representing approximately $1.6 trillion in transactions. Additionally, with approximately two-thirds of Americans living in a home they own, housing is the single largest consumer expenditure in the United States, ahead of transportation, food, insurance, and healthcare.

Yet, in a world where purchases are increasingly migrating online, the real estate transaction has largely remained unchanged. The typical process of buying or selling a home is complex, uncertain, time consuming, and primarily offline. A traditional home sale requires countless decisions and an average of six intermediaries, often brings unexpected costs, and takes approximately three months from start to finish. Ultimately, the consumer is left dissatisfied with a broken, disjointed experience.

Opendoor transforms the home selling and buying process into a simple and certain online experience. Since launch, customers have demonstrated their desire for our digital, on-demand real estate solution with over 246,000 homes bought and sold by Opendoor across the United States. In 2023, we sold over 18,700 homes and generated $6.9 billion in revenue, the latter of which represents a compound annual growth rate of over 45% since 2017. Importantly, we have achieved this growth while continuing to delight customers, maintaining an average Net Promoter Score of nearly 80 from our sellers since 2021.

Since our initial market launch in Phoenix in 2014, we have expanded across the United States and operated in 50 markets as of December 31, 2023: Albuquerque, Atlanta, Austin, Birmingham, Boston, Charleston, Charlotte, Chattanooga, Cincinnati, Cleveland, Colorado Springs, Columbia, Columbus, Corpus Christi, Dallas-Fort Worth, Denver, Detroit, Greensboro-Winston, Greenville, Houston, Indianapolis, Jacksonville, Kansas City, Killeen, Knoxville-Morristown, Las Vegas, Los Angeles, Miami, Minneapolis-St. Paul, Nashville, New York-New Jersey, Northern Colorado, Oklahoma City, Orlando, Phoenix, Portland, Prescott, Raleigh-Durham, Richmond, Riverside, Sacramento, Saint Louis, Salt Lake City, San Antonio, San Diego, San-Francisco-Bay Area, Southwest Florida, Tampa, Tucson, and Washington, DC.

We believe we are still in the early stages of the digital transformation of real estate. We are dedicated to building a digital, one-stop shop for buyers and sellers of residential real estate, where more consumers will be able to transact directly with simplicity, certainty and control over the entire process.

Market Overview

Residential real estate is a massive offline market. Of the $1.6 trillion residential real estate transactions in 2023, iBuyers (companies that use technology to price homes, acquire properties, and facilitate real estate transactions) captured less than 1%.

The current landscape is highly fragmented. Today, over 85% of residential real estate transactions in the United States involve an agent. There are over three million licensed real estate agents in the United States, who each complete fewer than four transactions on average per year, and many of whom do not solely work in real estate. This can lead to an inconsistent and frustrating experience for consumers looking for guidance in what is typically the largest financial decision of their lives.

Real estate is migrating online. Consumers are shifting their spend online and demanding digital-first experiences for greater efficiency, certainty and speed. They are increasingly comfortable transacting online across retail, food and transportation, and they now expect similar experiences in real estate. While the majority of home buyers browse for homes online, the transaction itself is still largely offline, requiring consumers to engage with real estate agents to access homes and requiring in-person closings. The COVID-19 pandemic catalyzed an increase in demand for digital-first experiences with consumers prioritizing simplicity and certainty.

The Problem

The traditional process of selling or buying a home is a lengthy and stressful experience for both the seller and buyer. For over 85% of United States sellers that list their home on the market using an agent, this is what their experience typically looks like:

- *Find a listing agent.* Before the seller can list, they must find a qualified agent. Approximately 80% of sellers contact only one real estate agent before listing.
- *Prepare the home for listing.* The seller often needs to get the home "sale ready." This preparation, including cleaning, staging and any necessary upgrades, typically involves a lot of guesswork, time and money.
- *List the home.* A home typically needs to be listed for over 30 days on average before it goes into contract.
- *Host open houses and home visits*. During the process, the seller will typically host dozens of strangers walking through their home, and deal with the hassle of cleaning up and clearing out, often on short notice and during inconvenient times.
- *Receive an offer.* Almost 30% of home sellers reduce their asking price at least once, while approximately 20% of sellers offer incentives to attract buyers. Once an offer is received, the seller has to negotiate the offer, negotiate the closing date, and deal with any contingencies the buyer may have.
- *Negotiate repairs or fix issues identified by buyers.* After the offer is accepted, the buyer conducts an inspection, which often forces the seller to renegotiate the offer or fix issues, increasing the homeowner's costs and potentially delaying closing.
- *Wait for closing.* Once the contract is signed, it still takes over 40 days on average to close. The seller is reliant on the home buyer and a disparate set of counterparties — such as their agent, mortgage broker and escrow officer — to coordinate and complete the closing process.
- *Fall-through risk.* Finally, there is an approximately 20% chance the contract falls through between signing and closing (based on average multiple listing services ("MLS") contract fall-through rates in our markets in 2023), forcing the home seller to start the entire process all over again.

Additionally, we estimate over two-thirds of home sellers are also home buyers. These customers face an additional set of challenges to line up their home purchase with their sale:

- *Contingencies.* Many Americans are reluctant to sell or cannot purchase their next home until they know with certainty what they can afford. Few Americans can qualify for two mortgages and few have enough money for two down payments. These buyers often have to submit offers contingent on selling their current home, putting them at a disadvantage versus other buyers.
- *The "double move."* Alternatively, homeowners can sell their current home, move into a rental or hotel, and then buy a new home, forcing them to move twice and bear those costs.

Our Solution

Opendoor is an end-to-end real estate platform enabling customers to sell and buy a home online. We offer a number of products to customers in order to facilitate the transaction that best suits their specific needs. All of our products leverage our centralized operations and platform capabilities, enabling sellers and buyers to experience a simple and certain transaction that dramatically improves the traditional process. Today, our product offerings include:

- ***Sell to Opendoor.*** Launched in 2014, sellers utilize our core product offering to sell their home directly to us and we resell the home to a home buyer. By selling to Opendoor, homeowners can avoid the stress of open houses, home repair coordination, overlapping mortgages, and the uncertainty that can come with listing a home on the open market. Using our website or mobile app, sellers can receive a preliminary offer online. We then conduct a home assessment to verify the home information and finalize the offer, taking into consideration the home's condition. Sellers can then select their preferred closing date and close electronically (where permitted).

For customers who sell directly to us, we charge a service fee. We also charge the seller for expected repairs and home quality improvements that relate to our assessment of home condition and the expectations of buyers in the market. Our offering compares favorably to the traditional listing process, which can include a broker fee and a number of additional costs, such as resale concessions, inspection costs, staging costs, mortgage payments on two homes, and additional moving and storage costs. Many of these expenses may be unforeseen by the homeowner at the outset. Our final offer, inclusive of purchase price, service fee, and repair charge, provides the homeowner with more certainty and transparency as to their expected sale proceeds, while removing the hassle of doing any repairs to get the home "sale ready."

- ***List with Opendoor.*** Customers can choose to list their home on the MLS with Opendoor while also receiving the certainty of our cash offer. By choosing this product, sellers work with one of our local agents (or partner agents) to list their home through the open MLS market, leveraging the expertise of the Opendoor brokerage that has sold thousands of homes. For customers who list their home with us, we charge a listing fee. For sellers who do not receive the offer they are looking for on the market, they can choose to accept our cash offer. Our listing product is currently available in 17 Opendoor markets.

- ***Opendoor Marketplace.*** Launched in 2022, our capital-light marketplace offering connects home sellers with both institutional and retail buyers, facilitating transactions without Opendoor taking ownership of the home. For home buyers, we are building an e-commerce-like experience that focuses on unique selection and a streamlined process, including, in some cases, self-touring and click to purchase pricing. For home sellers, we are focused on providing options: in addition to receiving an Opendoor offer, sellers can also look for a higher offer from our network of buyers. For sellers who choose to place their home into our marketplace, we charge a listing fee. There is no need for making repairs on spec and no upfront commitment. We are giving home sellers control and flexibility, including over showings and selling timelines. We have launched our marketplace offering in one market, Dallas Fort-Worth, so we can iterate on the product experience quickly. When we are ready to scale, we believe we are well positioned to expand the product across our existing markets given our ability to leverage our existing core product infrastructure.

In addition to these products, we also offer customers integrated title insurance and escrow services through our subsidiaries. Currently, we offer title insurance services in a majority of our markets and on both the acquisition and resale side of the transaction. In the markets where our title services are offered, we provided these services for over 80% of Opendoor home transactions that closed in 2023. Our title and escrow companies charge buyers and/or sellers fees related to settlement and escrow services. Additionally, as agents for national title insurance underwriters, they charge title insurance premiums, which may be based on promulgated rates or rates filed by national title insurance companies. The fees charged by our title and escrow companies vary by market.

Our Business Model

The vast majority of our revenue and margins today are generated by our core product offering, where we acquire homes directly from sellers and resell those homes to buyers. We also provide additional services to home sellers and home buyers, including title and escrow services, List with Opendoor, and Opendoor Marketplace.

To achieve our long-term margin objectives, we plan to continue to make competitive offers that customers choose, provide value-added adjacent services for our customers to increasingly adopt, and offer products that meet our customers where they are on their selling and buying journeys. We plan to incrementally scale our listing and marketplace offerings to expand into more markets over time. At scale, we believe these offerings have the potential to reduce our inventory exposure, capital intensity, and macro risk. Additionally, we plan to achieve operating leverage by growing our revenue at a faster pace than our fixed cost base, which includes general and administrative as well as technology and development expenses. We plan to continue to invest in our business and appropriately balance trade-offs between growth, margin, and risk as we scale.

Offers

We generate demand for our products and services through organic awareness and word-of-mouth, paid media spend, and partnership channels such as our relationships with homebuilders, real estate agents, and online real estate portals. Home sellers can visit our website or mobile app and answer a few questions about their home's condition, features, and upgrades. For eligible homes, customers receive a preliminary offer, which can be refreshed at any time through their personalized seller dashboard. As of December 31, 2023, all of our preliminary offers are algorithmically generated and require minimal human intervention.

In order to finalize our offer, we conduct a combination of virtual and in-person home assessments to verify the condition of the home and determine what kind of repairs and home quality improvements may need to be performed after we acquire the home. We typically ask for a repair charge that relates to our assessment of home condition and what it will require to get the home "sale ready" based on the expectations of buyers in the market. We have developed purpose-built software to guide home assessment workflows and collect over 150 unique data points on average regarding a home's condition and quality. In addition to informing the offer price for that particular home, we incorporate the proprietary data that we collect during home assessments as structured data into our underlying pricing models. After all the data has been collected and incorporated, each offer is reviewed and finalized by members of our pricing team, allowing us to marry the best of our algorithmic insights with human judgment.

We closely track the number of potential sellers who accept the Opendoor offer versus listing their home on the MLS. We define this as the "real seller" conversion rate, which is the percentage of unique leads who either accept an Opendoor offer or list their home on the MLS within 60 days of receiving an offer from us. We believe this is an important measure of the strength of our value proposition. In addition, we provide offers to homeowners who are not ready to transact at the time of the offer. We add these individuals to our expanding pool of prospective customers, and we re-engage with them over time for when they are ready to transact. Nearly 25% of sellers who listed or sold their homes have previously entered their home address on Opendoor.com across our active markets, which suggests that our registered user base is a powerful source of future sellers that we can use to drive our future growth.

Home acquisition and repairs

Once a seller has received and accepted our final purchase offer, we enable the seller to close the transaction on a flexible timeline. This is a particularly important feature as over two-thirds of sellers are also buyers, who are often looking to line up the timing of these two transactions to ensure they have their next home to move to before locking in the sale of their current home or to avoid double moves or mortgages. This feature further differentiates our service from a traditional sale.

Following acquisition, we bear the subsequent risk of conducting repairs and home quality improvements on a timely and on-budget basis. The scope of this work before resale is focused on ensuring the home is in "sale ready" condition. We engage third-party contractors within each market to conduct repairs, and continuously refine and adjust our repair strategies based on our operating experience in markets and reviewing neighborhood-level resale outcomes.

Home resale

After we complete the repairs and list the home for resale, we market our homes across a wide variety of channels to generate buyer awareness and demand. These channels include the Opendoor website and mobile app, local MLS, and syndication across real estate portals. We also generate buyer awareness through Opendoor signage for listed properties. The majority of our sales are to individual consumers, with a minority sold to institutional investors. Efficiently turning our inventory, inclusive of repairing, listing, and reselling the home, is important to our financial performance, as we bear holding costs (including utilities, property taxes, maintenance and insurance) and financing costs during our ownership period.

As part of the listing and marketing process, we determine an appropriate resale strategy for each home. As the principal rather than the agent in the transaction, we are in a structurally advantageous position as seller, relying on data-driven decisions against a large, diversified portfolio of homes. Our proprietary pricing engine helps automate many of these steps, including relevant adjustments over time. We manage and measure our inventory performance by listing cohort and by market, and our pricing models can incorporate granular, relative demand signals to optimize pricing and sell-through across the portfolio. Our resale models, in conjunction with input from our pricing team, are designed to enable realized margins within our targets while maintaining appropriate transaction velocity and inventory portfolio health.

When we receive an acceptable offer on a given home, we enter into a resale contract. Buyers will then typically conduct an inspection on the property, finalize their mortgage application process and ultimately take possession of the home upon closing of the transaction.

Industry-Leading Pricing Capabilities

Our ability to price homes competitively is fundamental to our business model. Since our inception, we have prioritized investment in our pricing capabilities across our home acquisition processes and our forecasting and resale systems. Our pricing function focuses on ensuring we are providing competitive offers to customers while managing acquisition volumes and resale policy decisions to meet our underwriting and risk management objectives.

To create our final home offers, we algorithmically produce both an estimated valuation and an assessment of our confidence level in that estimate, and we then further validate that estimate with a combination of virtual and in person assessments of the home, as well as additional review from our in-house pricing analysts, to finalize the offer. We dynamically adjust our offers to account for the level of certainty in pricing each home. This degree of certainty can be impacted by factors such as macro conditions, local market dynamics, the condition or attributes of a home, and the depth of home comparables. We recalibrate our view of pricing and where market values are trending using high-frequency detailed metrics across all segments of our business, including inputs related to the dynamics of market demand and supply across markets, home types, and time periods. These factors are reflected in our spreads, which we define as total discount to our home valuation at the time of offer, less our 5% service fee, which in turn affects seller conversion. In general, the more spread is reduced, the higher our seller conversion is, which results in more home acquisitions and ultimately more home sales.

While the real estate industry generates a wealth of publicly sourceable data, much of this data lacks the quality and specificity essential to price individual homes. Since our inception, we have invested in our research and data science teams, modeling capabilities, and systematized tooling to gather, aggregate, and synthesize an expanding catalog of proprietary, hyper-local data in order to enhance and automate pricing decisions. We have also acquired third-party data to improve our pricing models and forecast quality. Our proprietary models are informed by hundreds of data points that have been collected and synthesized in a structured way.

- *Proprietary offline data.* We have conducted approximately 690,000 assessments during which we collect over 150 data points on average for each home and its surroundings using custom inspection and operator tooling to systematically source and translate home features into a robust data library. These proprietary data points have led us to make approximately 2.1 billion annotations and adjustments to MLS and tax assessor data, as well as build out unique geospatial data assets, such as power line and busy road proximity. We also use artificial intelligence ("AI") to extract and automatically categorize data on the condition of homes from customer-provided inputs, such as chat conversations, images, and videos. Once we list a home for resale, we collect additional home-level demand data such as home visits and visitor feedback, which enable us to calibrate our resale strategy and acquisition home pricing.

- *Responsive feedback loop.* Advancements in model sophistication and the integration of systematic modeling and human insights have accelerated our feedback loops, such that our pricing system can dynamically adjust and react to macro- and micro-economic conditions.

- *Pricing competitiveness.* Our unique data works in concert with our pricing algorithms. These algorithms use machine learning to drive pricing decisions through modeling of observed home sale prices, demand forecasting, outlier detection, risk assessment, and inventory management. Over time, we have added new data inputs and refined model logic, the benefits of which compound with experience and scale.

Robust Risk Management Framework

Forecasting and managing our business to seasonal and macro market changes is important for our overall results and balance sheet health. As noted above, since our inception, we have prioritized investment in our pricing capabilities across our home acquisition processes and our forecasting and resale systems, and we expect to continue to do so. These investments pair with a strong risk management focus that is embedded in our pricing, finance and operations teams. We evaluate the quality of our pricing models and processes using high-frequency detailed metrics across all segments of our business, including home acquisition, resale strategy and inventory health. All of our pricing decisions are managed centrally, giving us a high degree of control over our overall growth and margin objectives. While residential real estate markets are subject to fluctuations, as with any market, we believe we are well-positioned to manage our risk exposure due to the following:

- A critical component of our business model is managing inventory exposure and balancing growth, margin, risk, liquidity, and capital. Transaction velocity and hold times are important inputs into how we manage our inventory exposure and overall risk. We have historically concentrated our home purchases on those segments of the residential real estate market with the highest transaction volumes, which helps lower the risk of involuntarily holding a home for longer than anticipated.

- Our pricing models and inventory management systems are designed to recalibrate to market signals on a daily basis. Accordingly, changing market conditions are reflected in our pricing for new acquisitions, largely leaving previously-acquired inventory and homes under contract to be acquired at risk for potential market volatility. In addition, we employ sophisticated resale pricing management systems that are designed to allow us to optimize sell-through and margin using real-time, local market demand information, including down to an individual home level. We believe that the quality and scale of information we utilize in our inventory management decisions and our ability to manage these decisions across a scaled, diversified portfolio provides us with a structural advantage over individual sellers or agents in the traditional home selling process.

- Our operations across 50 markets and a range of price and home types allow us to benefit from significant diversification effects. Individual buyers and sellers are exposed to price and behavioral effects that are associated with specific markets or home segments. Our scale and diverse coverage allow us to mitigate such exposures across a wider range of markets and home segments so that our overall risk per home should decrease as we increase the breadth of markets, price points and home types across which we operate.

- Our listed homes are not occupied and are in sale-ready condition given the repairs and renovations we perform. We believe that this increases the attractiveness and liquidity of our portfolio.

- At any moment in time, a significant portion of our inventory is under resale contract; this means we have already found buyers for those homes and are in the process of closing the resale transactions. This further limits the exposure of our inventory portfolio to macro market changes.

Efficient Digital Platform

We continue to invest in having an agile, low-cost platform, which allows us to provide more competitive offers to home sellers and adapt to changes in macro conditions. Each component of our real estate business and transaction experience has been purpose-built to delight our customers through a streamlined, digital-first, flexible, and vertically-integrated platform. We have reimagined the traditionally inefficient and labor-intensive processes required to purchase, repair, and resell a home, and we have designed our technology and processes to do so at scale. With this in mind, we have invested in developing technology that enables virtualization, centralization, and automation to reduce cost, increase speed and improve quality of execution.

Our proprietary construction management technology enables us to drive efficiencies across all home servicing functions, tying together pre-acquisition assessments, pricing, repair scoping, centralized back-office operations, renovation project management, and listed home maintenance. Our systems and processes facilitate the centralization of certain processes that previously required local labor, which provides staffing flexibility, cost economies, training and quality enhancements, and faster turnaround times, all of which result in a superior home product and customer experience. One example is our virtual home assessment capability for our lowest risk homes, where home sellers are able to take our operators on a virtual, guided tour of their home, both interior and exterior. Our centralized teams then assess home condition and home features, and compare the subject home to nearby recently sold homes. Leveraging a combination of industry best practices and big data, we can fully underwrite these lower risk homes via centralized teams in order to provide sellers fast and frictionless final offers. This centralization has also enabled us to shift an increasing amount of back-office work to our offshore teams, which we believe will help deliver structural cost improvements over time.

We have also established a network of approximately 600 trade partners and local service providers that use our proprietary technology to complete home repairs and maintenance. By leveraging our technology platform and directly interfacing with our trade partners, we reduce delays, eliminate waste, and improve quality of repairs while capturing data at every step to continuously improve the system. This increase in third-party capacity also gives us the flexibility to adapt to macro conditions and adjust our operating expenses commensurate with volume expectations. Due to our scale, we have procured volume discounts on the cost of materials used in our home repairs. In addition, we have designed our home inventory management processes and home access technology to ensure our homes are regularly cleaned, well-maintained and safe to enable our on-demand, self-tour experience. We receive regular home condition status updates from our trade partners and local service provider network who are in our homes multiple times per month. This feedback enables rapid response in the event of condition defects that would otherwise persist unaddressed. Quickly fixing potential quality issues helps ensure listed inventory remains in the necessary condition to maximize probability of resale.

Strategic Growth Priorities

Our growth strategy is to innovate and execute on the following key strategic priorities:

Increase penetration in existing markets. We are focused on continued growth in our existing markets — greater scale improves awareness, trust and adoption, operational cost efficiencies, and pricing competitiveness from more data. We have historically demonstrated our ability to capture over 4% market share in multiple markets, with our oldest market cohorts showing deeper market penetration. As our newer markets mature, we believe we have significant runway for growth. We will continue to expand our customer base through partnerships and marketing campaigns that increase awareness and engage customers early in their home selling and buying research.

Expand to new markets. At 50 markets as of December 31, 2023, we are making good progress towards our long-term goal of being able to deliver for customers nationwide. We select new markets by looking at drivers of supply, demand and affordability, housing stock, cost structure and expected pricing competitiveness. We have honed our market launch playbook by centralizing many of our core pricing, operations and customer service functions, enabling us to efficiently launch new markets with limited in-market physical presence. Our largely centralized and scalable framework for new market entry enabled us to rapidly grow the number of markets we served in 2021 and the first half of 2022. Furthermore, decision making for each home is informed by centralized, robust, data-driven playbooks that allow us to drive consistency across our markets and reach profitability in new markets more quickly.

Expand product offerings. Our north star is to build the best end-to-end digital experience for every home seller and buyer. We are focused on continuing to refine our best-in-class seller experience, drive additional scale and efficiencies, expand the options available to sellers to best suit their specific needs, invest in enhancing the buyer experience, and continue to integrate the seller and buyer journey. Over time, we plan to launch additional products related to real estate transactions and ancillary services.

Marketing

We utilize a diversified, multichannel approach in marketing, with a focus on efficient growth. In addition to earned media and online real estate partnerships with leading industry brands, we leverage a diverse range of channels and platforms within paid advertising, including paid online channels, direct mail, television, radio, social media, and outdoor advertising. As our market footprint has expanded, we are focused on our investment in broad reach and national channels such as television and sponsorships, to efficiently drive awareness and build trust with consumers in a new category. We also continue to build our prospective customer base by maintaining relationships and re-engaging with homeowners who might not have been ready to sell during their first interaction with Opendoor. With over two-thirds of sellers also being buyers, these homeowners represent a large part of our marketing funnel that we are focused on converting when they are ready to transact. As more consumers start their home journey with Opendoor, we expect this prospective customer base to continue to expand over time.

Competition

The U.S. housing market is highly fragmented, with over four million residential real estate transactions per year. We view our primary competition as the approximately 99% of transactions that are done offline. As such, we compete directly with traditional, offline real estate brokers and agents. In addition, we also compete with other iBuyers, and our adjacent services compete with industry service providers, including title and escrow companies. We believe our singular focus on an end-to-end digital solution, our best-in-class pricing engine, and our low-cost operational platform differentiate us from our competitors and provide a meaningful and sustainable competitive advantage.

Human Capital Resources

Our Values and People

Our values. Our values reflect how we will deliver on our goal to build a once in a generation company and include a focus on the customer, a culture of efficiency, continuous invention, and ruthless execution against results:

- *Start and end with the customer.* We invent, build and execute to improve the lives of our customers. We put in the hard work to delight customers, even when no one is looking.
- *BPs for Breakfast.* We eat “BPs (or basis points) for breakfast” — meaning we are always looking for where we can take costs out of the transaction —so we can put more money in the pockets of our customers. We will win by building the lowest cost platform.
- *Act from ownership.* When we see a problem, we roll up our sleeves and fix it. We hold ourselves accountable because it is our home and it is our responsibility to take care of it.
- *Build openness.* We are open, honest and direct about problems and seek the truth. We assume good intentions and treat feedback as a gift.

- *1% Better Every Day.* We value a growth mindset and operate from a place of humility. We are energized by constantly improving.
- *Startup mentality.* We move fast, operate with urgency, and have a bias towards action without sacrificing quality. We are relentlessly resourceful.
- *One Team, One Dream.* Our superpower is a diverse community that combines technology, operational excellence, talent and respect. We work through teams and care for each other professionally and personally. We honor and respect our diverse workforce and actively work to ensure everyone feels represented.
- *Results matter.* We focus on outputs and outcomes and hold ourselves accountable to hitting ambitious goals. We have a high quality bar and pay attention to the pixels, words, and results.
- *Celebrate moments.* We work tirelessly for our customers and teammates so we take the time to celebrate moments large and small.

Employees

As of December 31, 2023, we employed 1,982 individuals, including 1,711 in the United States. None of our employees are currently represented by a labor organization or a party to any collective bargaining.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing, and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain, and motivate selected employees, consultants, and directors through the granting of stock-based compensation awards.

Technology

Our business is driven by data and technology at all stages of the home buying and selling process. We have assembled a team of engineers, data scientists, designers, and product managers whose expertise spans a broad range of technical areas to build our proprietary technology for pricing and home assessment, access, and management. We use technological innovations where possible to increase efficiency and scale our business.

We currently use third-party cloud computing services to allow us to quickly and efficiently scale up our services without upfront infrastructure costs, allowing us to maintain our focus on building great products. We also use third-party services to allow customers to digitally sign contracts, upload videos of their home and manage customer support services.

Intellectual Property

We rely on trademarks, domain names, patents, copyrights, trade secrets, contractual provisions and restrictions on access and use to establish and protect our proprietary rights. As of December 31, 2023, we had 11 trademark registrations and 8 patent registrations.

We are the registered holder of a variety of domestic domain names, including “opendoor.com.”

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights agreements with certain of our employees, consultants, contractors and business partners. Certain of our employees and contractors are also subject to invention assignment agreements. We further control the use of our proprietary technology and intellectual property through provisions in both our general and product-specific terms of use on our website.

Government Regulation

We operate in highly regulated businesses through a number of different channels across the United States. As a result, we are currently subject to a variety of, and may in the future become subject to additional, federal, state and local statutes and regulations in various jurisdictions (as well as judicial and administrative decisions and state common law), which are subject to change at any time, including laws regarding the real estate industry, settlement services, mobile and internet based businesses and other businesses that rely on advertising, as well as data privacy, consumer protection, and employment laws.

In particular, the advertising and sale of homes is highly regulated by states in which we do business, as well as the U.S. federal government. Regulatory bodies include the Consumer Financial Protection Bureau (“CFPB”), the Federal Trade Commission (“FTC”), the Department of Justice (“DOJ”), the Department of Housing and Urban Development (“HUD”), and various state licensing authorities, consumer protection agencies, financial regulatory agencies and insurance agencies. We are subject to compliance audits of our operations by many of these authorities. For a discussion of the various risks we face from regulation and compliance matters, see *"Item 1A. Risk Factors — Risks Related to Regulatory Compliance and Legal Matters."*

Additionally, laws, regulations, and standards covering marketing and advertising activities conducted by telephone, email, mobile devices, and the internet, may be applicable to our business, such as the Telephone Consumer Protection Act ("TCPA"), the Telemarketing Sales Rule, the CAN-SPAM Act, and similar state consumer protection laws. Through our various subsidiaries, we also buy and sell homes, provide real estate brokerage, title insurance and settlement services, and provide other product offerings, which results in us receiving or facilitating transmission of personal information. This information is increasingly subject to legislation and regulation in the United States. These laws and regulations are generally intended to protect the privacy and security of personal information, including customer Social Security numbers and credit card information that is collected, processed and transmitted. These laws also can restrict our use of this personal information for other commercial purposes, including advertising. For a discussion of the various risks we face with respect to the collection and processing of personal information, see *"Item 1A. Risk Factors — Risks Related to Our Intellectual Property and Technology."*

To provide the broad range of products and services that we offer customers, certain of our subsidiaries maintain real estate brokerage, title insurance and escrow, and general contractor licenses, and we may in the future apply for additional licenses as our business grows and develops. These entities are subject to stringent state and federal laws and regulations, including, but not limited to, the Real Estate Settlement Procedures Act ("RESPA") and those administered by applicable state departments of real estate, banking, and consumer services. These entities are also subject to the scrutiny of state and federal government agencies as licensed businesses as noted above. As of December 31, 2023:

- Opendoor Brokerage LLC and Opendoor Brokerage Inc., collectively, hold real estate brokerage licenses in all our markets and certain other states.
- OS National LLC, and its subsidiaries, OSN Texas LLC and OSN Alabama LLC, are licensed as title agents in 27 states. In addition, OS National LLC, and its subsidiary, OSN Escrow, are licensed as escrow agents in seven states and OS National LLC is authorized to conduct the business of title insurance in five additional states that do not require entity and/or individual licensing.
- Open Exchange Brokerage LLC, holds real estate brokerage licenses in 18 states.
- Tremont Realty LLC (dba Opendoor Connect), holds a real estate brokerage license in Texas.

For certain licenses, we are required to designate individual licensed brokers of record, qualified individuals and control persons.

Seasonality

For information regarding the seasonality of our business, please see "*Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Business Performance."*

Corporate History and Background

Opendoor Technologies Inc. was formed through a business combination with Social Capital Hedosophia Holdings Corp. II ("SCH"), a Cayman Islands exempted company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the "Business Combination"). The Business Combination, pursuant to which Opendoor Labs Inc. became a wholly owned subsidiary of SCH and SCH changed its name from "Social Capital Hedosophia Holdings Corp. II" to "Opendoor Technologies Inc.," was completed on December 18, 2020 (the "Closing"), and was accounted for as a reverse recapitalization, in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Available Information

Our website is www.opendoor.com. At our Investor Relations website, investor.opendoor.com, we make available, free of charge, a variety of information for investors, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, proxy statements and other information, as soon as reasonably practicable after we electronically file that material with, or furnish it to, the Securities and Exchange Commission ("SEC"). We also use the Investor Relations page of our website for purposes of compliance with Regulation FD and as a routine channel for distribution of important information, including blogs, news releases, analyst presentations, financial information and corporate governance practices. The information found on our website is not part of this or any other report we file with, or furnish to, the SEC. Our SEC filings are also available to the public at the SEC's website at http://www.sec.gov.

Item 1A. Risk Factors.

In the course of conducting our business operations, we are exposed to a variety of risks. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our financial statements and the related notes and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. Any of the risk factors we describe below have affected or could materially and adversely affect our business, financial condition, results of operations and prospects. The market price of shares of our common stock could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occurs. Certain statements in "Risk Factors" are forward-looking statements. See "Forward-Looking Statements."

Risks Related to Our Business and Industry

Our business and operating results may be significantly impacted by general economic conditions, the health of the U.S. residential real estate industry, and risks associated with our real estate assets.

Our success depends, directly and indirectly, on general economic conditions, the health of the U.S. residential real estate industry, particularly the single family home resale market, and risks generally incidental to the ownership of residential real estate, many of which are beyond our control. A number of factors have impacted and could in the future negatively impact and harm our business, including the following:

- downturns in the U.S. residential real estate market that may be due to one or more factors, whether included in this list or not;
- changes in national, regional, or local economic, demographic or real estate market conditions;
- increased mortgage interest rates, such as the recent significant increases in interest rates in 2022 and 2023, or down payment requirements and/or restrictions on mortgage financing availability;
- low home inventory levels or lack of affordably priced homes;
- high rental occupancy rates;
- labor or materials supply shortages;
- slow economic growth or inflationary or recessionary conditions;
- increased levels of unemployment or declining wages;
- declines in the value of residential real estate and/or the pace of home appreciation, or the lack thereof;
- illiquidity in residential real estate;
- overall conditions in the housing market, including macroeconomic shifts in supply or demand, and increases in costs for homeowners such as property taxes, homeowners' association fees and availability and/or affordability of insurance;
- low levels of consumer confidence in the economy and/or the U.S. residential real estate industry;
- the future impacts of pandemics or epidemics, including any future resurgences of COVID-19 and its variants, on buying and selling trends in the residential real estate market;
- changes in household debt levels;
- volatility and general declines in the stock market;
- federal, state, or local legislative or regulatory changes that would negatively impact owners or potential purchasers of single family homes or the residential real estate industry in general, such as the Tax Cuts and Jobs Act of 2017, which limited deductions of certain mortgage interest expenses and property taxes; or
- natural and man-made disasters and other catastrophic events, such as hurricanes, windstorms, tornadoes, earthquakes, wildfires, floods, hailstorms, terrorist attacks and other events that disrupt local, regional, or national real estate markets.

We have a history of losses, and we may not achieve or maintain profitability in the future.

We have incurred net losses on an annual basis since we were founded. We incurred net losses of $275 million, $1.4 billion, and $662 million for the years ended December 31, 2023, 2022, and 2021, respectively. We had an accumulated deficit of $3.3 billion and $3.1 billion as of December 31, 2023 and 2022, respectively. We expect to continue to make future investments in developing and expanding our business, including technology, recruitment and training, marketing and pursuing strategic opportunities. These investments may not result in increased revenue or growth in our business. Additionally, we may incur significant losses in the future for a number of reasons, including the following:

- our failure to appropriately price and manage the home inventory we acquire;
- changes in our fee structure or rates;
- the availability of debt financing and securitization funding to finance our real estate inventories;
- our inability to grow market share in our existing markets or any new markets we may enter;
- our expansion into new markets, for which we typically incur more significant losses immediately following entry;
- increased competition in the U.S. residential real estate industry;
- our failure to realize anticipated efficiencies through our technology and business model;
- costs associated with enhancements of our products and introducing new product offerings;
- our failure to execute our growth strategies;
- declines in U.S. residential real estate transaction volumes;
- increased marketing costs;
- lack of access to housing market data that is used in our pricing models at reasonable cost, if at all;
- hiring additional personnel to support our overall growth;
- loss in value of real estate due to changes in market conditions in the area in which real estate or assets are located;
- increases in costs associated with holding our real estate inventories, including financing costs; and
- unforeseen expenses, difficulties, complications and delays, and other unknown factors.

Accordingly, we may not be able to achieve or maintain profitability and we may continue to incur significant losses in the future. Moreover, as we continue to invest in our business, we will incur expenses related to those investments, which may not result in increased revenue or growth in our business. If we fail to manage our losses or to grow our revenue sufficiently to keep pace with our investments and other expenses, our business will be harmed. In addition, we incur significant legal, accounting and other expenses related to being a public company.

Because we incur substantial costs and expenses from our growth efforts before we receive any incremental revenues with respect thereto, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in an increase in revenues to offset these expenses, which would further increase our losses.

Our limited operating history makes it difficult to evaluate our current business and future prospects.

Our business model and technology is still nascent compared to the business models of the incumbents in the U.S. residential real estate industry. We launched our first market in 2014 and do not have a long operating history. Our operating results are not predictable and our historical results may not be indicative of our future results. Few peer companies exist and none have yet established long-term track records that might assist us in predicting whether our business model and strategy can be implemented and sustained over an extended period of time. It may be difficult for you to evaluate our potential future performance without the benefit of established long-term track records from companies implementing a similar business model. We may encounter unanticipated problems as we continue to refine our business model and may be forced to make significant changes to our anticipated sales and revenue models to compete with our competitors' offerings, which may adversely affect our results of operations and profitability.

We operate in a competitive and fragmented industry that could impair our ability to attract users of our products, which could harm our business, results of operations and financial condition.

We operate in a competitive and fragmented industry, and we expect competition to continue to increase. We believe that our ability to compete depends upon many factors both within and beyond our control, including the following:

- the financial competitiveness of our products for consumers;
- the number of potential customers;
- the timing and market acceptance of our products, including new products offered by us or our competitors;
- our selling and marketing efforts;
- our customer service and support efforts;
- our continued ability to develop and improve our technology to support our business model;
- customer adoption of our platform as an alternative to traditional methods of buying and selling residential real estate; and
- our brand strength relative to our competitors.

Our business model depends on our ability to continue to attract customers to our digital platform and the products we offer and to enhance customers' engagement with our products in a cost-effective manner. New entrants may continue to join our market categories. Our existing and potential competitors include companies that operate, or could develop, national and/or local real estate businesses offering services to home buyers or sellers, including real estate brokerage services, title insurance, and escrow services.

Some of our competitors may have well-established national reputations and may market similar products and services. These companies may be larger than us and have significant competitive advantages, including better name recognition, greater resources, lower cost of funds and additional access to capital, and a broader set of offerings than we currently do. These companies may also have higher risk tolerances or different risk assessments than we do. In addition, these competitors could devote greater financial, technical and other resources than we have available to develop, grow or improve their businesses. If we are not able to continue to attract customers to our platform and products, our business, results of operations and financial condition could be harmed.

Failures by our perceived competitors or companies with an iBuying model in other markets may adversely impact Opendoor.

Because of the novelty of our business model and our limited track record as a public company, high profile failures of companies operating in similar or adjacent spaces, including companies in our market or companies operating in different markets but utilizing an "iBuyer" business model, may impact investor perceptions of the digital home buying industry as a whole. Such events may negatively impact our stock price and ability to raise capital regardless of whether those events have any actual relationship with our business and financial or operational performance.

While we have experienced rapid growth historically, our business experienced significant contraction in the second half of 2022, which continued throughout 2023. If we are unable to correct this contraction, or adequately scale our operations, we may be unable to grow in the future.

While we have experienced historic rapid growth, our business contracted in the second half of 2022, which continued throughout 2023 as we focused on selling down our old book inventory, which is comprised of homes purchased before July 1, 2022. We may not be able to reverse such contraction and grow our business in the future if we do not, among other things:

- continue to increase the number of customers using our platform;
- avoid future inventory valuation adjustments;
- acquire sufficient inventory based on our underwriting standards to meet demand for our homes;
- increase our market share within existing markets and expand into new markets;
- manage operating expenses;
- increase our brand awareness;

- retain adequate availability of financing sources;
- obtain necessary capital to meet our business objectives;
- expand our third-party vendor networks; and
- scale our internal operations and customer support teams.

Furthermore, in order to grow our business, we may need to expand into new markets. Expanding into new markets may prove to be challenging as some markets may have very different characteristics than the markets we currently operate in, some of which may be unanticipated or unknown to us. These differences may result in greater pricing uncertainty, as well as higher capital requirements, hold times, repair costs and transaction costs that may result in those markets being less profitable for us than those that we currently operate in. For instance, during 2023, we stopped acquiring inventory in, and operationally supporting, our markets in Boise, Idaho, Reno, Nevada and Asheville, North Carolina, because these markets were below the scale required for us to operate in a cost-effective manner and not sufficiently close to another market to leverage its operations.

Our business is dependent upon our ability to appropriately price and manage our portfolio of inventory. An ineffective pricing or portfolio management strategy may have a material adverse effect on our business, sales, and results of operations.

We assess and price the homes we buy and sell using data science, proprietary algorithms, and analysis from specially trained employees, incorporating a number of factors, including our knowledge of the real estate markets in which we operate. This assessment includes estimates on time of possession, seasonality, macroeconomic and local market conditions, renovation costs and holding costs, transaction costs, and anticipated resale proceeds. Our ability to acquire and resell homes profitably may be negatively impacted if our models lack robust historical data on home sales, material home features, or other market nuances, especially those outside of features and nuances we have previously encountered and modeled in our existing 50 markets. This, in turn, could negatively impact our revenue growth if resulting valuations are too low and/or fees are too high, or our profitability, if valuations are too high and/or fees are too low.

Once we have acquired a home, we may decrease our anticipated resale price for reasons such as unknown defects related to home condition requiring remediation, lower/higher than forecasted demand/supply, or other detractors that were unknown or missed at the time of acquisition. This in turn could negatively impact our revenue, gross margins and results of operations, which could have a material adverse effect on our business, financial condition and results of operations.

Our business is dependent upon our ability to expeditiously sell inventory. Failure to expeditiously sell our inventory could have an adverse effect on our business, sales and results of operations.

A critical component of our business model is managing inventory exposure and balancing growth, margin, and risk. Our purchases of homes are based in large part on our estimates of projected demand. If actual sales are materially less than our forecasts, we would experience an over-supply of inventory. An over-supply of home inventory will generally cause downward pressure on our sales prices and margins and increase our average days to sale. Our inventory of homes purchased has typically represented a significant portion of total assets. Having such a large portion of our total assets in the form of non-income producing home inventory for an extended period of time subjects us to significant holding costs, including financing expenses, maintenance and upkeep, insurance, property taxes, homeowners' association fees, and other expenses that accompany the ownership of residential real property and increased risk of depreciation of value. Disruptions in the supply chain for the materials, such as paint and carpet, and constraints in the market for labor necessary to restore and resell home inventory could lengthen the period of time during which we must hold home inventory.

In addition, the value of homes in inventory may decline, and we could experience losses as a result, which in the aggregate could be detrimental to our business and results of operations. For example, due in part to macroeconomic factors such as increased interest rates and lower consumer confidence stemming from recession risk, in the second half of 2023, market clearance rates slowed, which resulted in reduced pace of our resales. As a result, we reduced home-level prices to stay inline with our clearance rate targets, which adversely affected our results of operations. Furthermore, if we have excess inventory or our average days to sale increases, as was the case in the second half of 2022 alongside home price value decreases, the results of our operations may be adversely affected because we may be unable to liquidate such inventory at prices that allow us to meet margin targets or to recover our costs.

Declining real estate values have resulted in, and could continue to result in, inventory valuation adjustments, which have and may continue to adversely affect our financial condition and operating results.

There are risks inherent in owning properties and inventory risks are substantial for our business. Home prices have been and can be volatile, and the values of our inventory have and may continue to fluctuate significantly. As a result of such fluctuations, we have in the past and may in the future incur inventory valuation adjustments. We periodically review the value of our properties to determine whether their value, based on market factors and generally accepted accounting principles, has decreased such that it is necessary or appropriate to record an inventory valuation adjustment in the relevant accounting period. As a result of such review, we recorded an inventory valuation adjustment of $65 million in 2023, of which $23 million related to homes remaining in inventory at December 31, 2023. These adjustments, based upon anticipated, but not realized losses, caused an immediate reduction of net income and a corresponding decrease in real estate inventory in the accounting period identified. Even if we do not determine that it is necessary or appropriate to record an inventory valuation adjustment in the current financial period, a reduction in the estimated net realizable value of a property could subsequently manifest and would therefore affect our earnings and financial condition at that time.

Launches of new product or service offerings and expansions of existing products, like our listing and marketplace products, may consume significant financial and other resources and may not achieve the desired results.

We regularly evaluate launching new product or service offerings to our customers, as well as expanding existing offerings. Such offerings may require significant expenses, new sources of capital and financing, and time of our key personnel. New or expanded product and service offerings may also subject us to new regulatory environments, which could increase our costs as we evaluate compliance with the new regulatory regime. Despite the expenses and time devoted to launching new or expanded product or service offerings, we may fail to achieve the financial and market share goals anticipated, which may adversely affect our business and results of operations.

For example, our listing and marketplace products are only available in a limited number of markets. Expanding offerings such as our listing and marketplace products and setting up new offerings comes with substantial upfront costs and we may not achieve profitability in time, if at all, to make up for those costs. Further, there is no guarantee that buyers and sellers will want to transact in a manner contemplated by such offerings, or that we will be able to attract a sufficient number of sellers to attract buyers, or a sufficient number of buyers to attract sellers. In addition, we may encounter difficulties in building and marketing new offerings, such as obtaining the necessary licensing and staffing, building a marketing apparatus for the offering, or standing up other business operations. These difficulties could make expanding to new markets too slow to cover the fixed and upfront costs of setting up the marketplace. Incumbents in the industry may also organize efforts to oppose our innovations and find ways to use existing regulations, or convince authorities to make new regulations that would make our business model unviable. Even if we are successful, it may attract competitors who reduce the size of our market or its economic viability. Those competitors may have strategic advantages that make them better able to provide marketplace services or expand those services to new markets faster than we can, and we may be unable to compete in a sustainable way. As we expand to new markets, we may find that local preferences, conditions, or regulations differ from our other markets such that the benefits of scale do not materialize. In addition, developing and marketing our listing and marketplace products could have higher costs than anticipated and could adversely impact our results or dilute our brand.

Our business model and growth strategy depend on our marketing efforts and ability to attract buyers and sellers to our website and mobile application in a cost-effective manner.

Our long-term success depends in part on our ability to continue to attract more buyers and sellers to our platform in each of our markets. We believe that an important component of our growth will be the attraction of potential customers to our website and mobile application. Our marketing efforts may not succeed for a variety of reasons, including changes to search engine and social network algorithms, ineffective campaigns across marketing channels, and limited experience in certain marketing channels. We may also be unable to deliver a sufficiently rewarding experience on mobile devices whether through our mobile website or mobile application, which may make us unable to attract and retain customers. External factors beyond our control may also affect the success of our marketing initiatives, such as filtering of our targeted communications by email servers, buyers and sellers failing to respond to our marketing initiatives, and competition from third parties. Any of these factors could reduce the number of customers coming to our platform.

Our business model relies on our ability to scale rapidly and to decrease incremental customer acquisition costs as we grow. If we are unable to recover our marketing costs through increases in customer traffic and in the number of transactions by users of our platform, or if our broad marketing campaigns are not successful or are terminated, it could have a material adverse effect on our growth, results of operations, and financial condition.

A significant portion of our costs and expenses are fixed, and we may not be able to adapt our cost structure to offset declines in our revenue.

A significant portion of our expenses are fixed and do not vary proportionately with fluctuations in revenues. We need to maintain and continue to increase our transaction volumes to benefit from operating efficiencies. When we operate at less than expected capacity, fixed costs are inflated and represent a larger percentage of overall cost basis and percentage of revenue. Due to our fixed cost base, our operating results can vary significantly based on transaction volumes in any given period. For example, our fixed costs have not decreased proportionately to our decreasing revenue, beginning in the second quarter of 2022. This contributed to increased losses in 2022 and 2023 when transaction volumes declined.

Our growth depends in part on the success of our strategic relationships with third parties.

In order to grow our business, we anticipate that we will continue to depend on relationships with third parties, such as settlement service providers, lenders, real estate agents, valuation companies, vendors we use to service and repair our homes, third-party partners we rely on for referrals, such as homebuilders and online real estate websites, and institutional buyers of our inventory, such as single family rental REITs. Identifying partners, and negotiating and documenting agreements with them, and establishing and maintaining good relationships requires significant time and resources.

In addition, we rely on our relationships with MLS providers in all our markets both as key data sources for our pricing and for listing our inventory for resale. Many of our competitors and other real estate websites have similar access to MLSs and listing data and may be able to source real estate information faster or more efficiently than we can. If we lose existing relationships with MLSs and other listing providers, whether due to termination of agreements or otherwise, changes to our rights to use or timely access listing data, an inability to continue to add new listing providers or changes to the way real estate information is shared, our ability to price or list our inventory for resale could be impaired and our operating results may suffer.

If we are unsuccessful in establishing or maintaining successful relationships with third parties, our ability to compete in the marketplace or to grow our revenues could be impaired and our operating results may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer usage of our product or increased revenues.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business.

Our success depends upon the continued service of our senior management team and successful transitions when management team members pursue other opportunities. In addition, our business depends on our ability to continue to attract, motivate, and retain a large number of skilled employees across all of our product lines. Furthermore, much of our key technology and processes are custom-made for our business by our personnel. The loss of key personnel, including key members of management, could materially and adversely affect our ability to build on the efforts they have undertaken and to execute our business plan, and we may not be able to find adequate replacements. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees in a cost-effective manner, our business could be harmed.

Our business is concentrated in certain geographic markets. Exposure to local economies, regional economic downturns, severe weather, or catastrophic occurrences, or other disruptions or events may materially adversely affect our financial condition and results of operations.

As of December 31, 2023, we were in 50 markets across the United States. For the year ended December 31, 2023, a majority of our revenue was generated from our top-eight markets by revenue. As a result, local and regional conditions in these markets may differ significantly from prevailing conditions in the United States or other parts of the country. Any unforeseen events or circumstances that negatively affect these areas could materially adversely affect our revenues and profitability. These risks include, without limitation: possible declines in the value of real estate; risks related to general and local economic conditions; demographic and population shifts and migration; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; increased labor costs; unemployment; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; changes in meteorological or climatic conditions; and uninsured damages from floods, hurricanes, wildfires, earthquakes or other natural disasters, which may become more frequent or severe as a result of climate change.

In addition, our top markets are primarily larger metropolitan areas, where home prices and transaction volumes are generally higher than other markets in the United States. To the extent people migrate outside of these markets due to lower home prices or other factors, and this migration continues to take place over the long-term, then the relative percentage of residential housing transactions may shift away from our historical top markets where we have generated most of our revenue. If we are unable to effectively adapt to any shift, including failing to increase revenue from other markets, then our financial performance may be harmed.

Our business is dependent upon access to desirable inventory. Obstacles to acquiring attractive inventory, whether because of supply, competition, macroeconomic conditions, or other factors, may have a material adverse effect on our business, sales, and results of operations.

We primarily acquire homes directly from consumers and there can be no assurance of an adequate supply of such homes on terms that are attractive to us. A reduction in the availability of or access to inventory, including due to macroeconomic conditions, could have a material adverse effect on our business, sales, and results of operations. Additionally, we evaluate thousands of potential homes daily using our proprietary pricing model. If we fail to adjust our pricing to stay in line with broader market trends, or fail to recognize those trends, it could adversely affect our ability to acquire inventory.

Our ongoing ability to acquire homes is critical to our business model. A lack of available homes that meet our purchase criteria may have adverse effects on our ability to reach our desired inventory levels, our desired portfolio diversification, and our results of operations. For example, during 2023, historically low listing volumes, due in part to macro uncertainty in the housing market and elevated mortgage rates, constrained the supply of homes on the market and limited our access to desirable inventory.

Increases in transaction costs to acquire properties, including costs of evaluating homes and making offers, title insurance and escrow service costs, changes in transfer taxes, and any other new or increased acquisition costs, would have an adverse impact on our home acquisitions and our business.

Reductions in the availability of mortgage financing provided by government agencies, changes in government financing programs, and increases in mortgage interest rates could decrease our buyers' ability or desire to obtain financing, which would adversely affect our business and financial results.

The secondary market for mortgage loans continues to primarily desire securities backed by Fannie Mae, Freddie Mac, or Ginnie Mae, and we believe the liquidity these agencies provide to the mortgage industry is important to the housing market. Any significant change regarding the long-term structure and viability of Fannie Mae and Freddie Mac could result in adjustments to the size of their loan portfolios and to guidelines for their loan products. Additionally, a reduction in the availability of financing provided by these institutions could adversely affect interest rates, mortgage availability, and sales of new homes and mortgage loans.

Since March 2022, the Federal Reserve Board has raised its benchmark rate multiple times from 0.25% to 5.50% as of December 31, 2023. As a result of these significant interest rate increases, the cost of financing a home purchase has increased significantly for the typical home buyer, which has reduced the affordability of mortgage financing and resulted in a decline in the demand for our homes. Future increases in mortgage rates could further decrease our buyers' ability or desire to obtain financing, which would adversely affect our business and financial results.

We rely on third parties to renovate and repair homes before we resell the homes, and the cost or availability of third-party labor could adversely affect our holding period and investment return for homes.

We frequently need to renovate or repair homes prior to listing for resale. We rely on third-party contractors and sub-contractors to undertake these renovations and repairs. These third-party providers may not be able to complete the required renovations or repairs within our expected timeline or proposed budget. Labor and supply shortages, as well as increased demand for home construction, may exacerbate these delays and increase our costs. In addition, the inflation we experienced in the last year has increased the cost of goods and services that we consume, such as labor and materials costs for home repairs.

Difficulty sourcing third-party contractors and subcontractors and a longer than expected period for completing renovations or repairs could both negatively impact our ability to sell a home within our anticipated timeline. This prolonged timing exposes us to factors that adversely affect the home's resale value and may result in selling the home for a lower price than anticipated or not being able to sell the home at all. Meanwhile, incurring more than budgeted costs would adversely affect our investment return on purchased homes. Additionally, any undetected issues with a third-party provider's work may adversely affect our reputation as a home seller.

We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our operating results.

As part of our business strategy, we may make investments in or acquire complementary companies, products or technologies. We may not realize benefits from acquisitions that we may make in the future. If we fail to integrate successfully such acquisitions, or the businesses and technologies associated with such acquisitions, into our Company, the revenue and operating results of our Company could be adversely affected. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired business or technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our capital stock. The sale of equity or issuance to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness in connection with an acquisition would result in increased fixed obligations and could also include covenants or other restrictions that may impede our ability to manage our operations.

A health and safety incident relating to our operations, misconduct by our employees or third parties operating on our behalf or regulatory sanctions could be costly in terms of potential liability and reputational damage.

Customers will visit homes on a regular basis through our mobile application or with a real estate agent. Due to the number of homes we own, the safety of our homes is critical to the success of our business. A failure to keep our homes safe that results in a major or significant health and safety incident could expose us to liability that could be costly. We are also subject to risks of errors and misconduct by our employees that could adversely affect our business. The precautions that we take to detect and deter employee misconduct might not be effective. If any of our employees engage in illegal, improper, or suspicious activity or other misconduct, we could suffer serious harm to our reputation, financial condition, customer relationships, and our ability to attract new customers. We also could become subject to regulatory sanctions and significant legal liability, which could cause serious harm to our financial condition, reputation, customer relationships and prospects of attracting additional customers.

The occurrence of any of the above or other incidents could generate significant negative publicity and have a corresponding impact on our reputation, our relationships with relevant regulatory agencies or governmental authorities, and our ability to attract customers and employees, which in turn could have a material adverse effect on our financial results and liquidity.

There are risks related to our ownership of vacant homes and the listing of those homes for resale that are not possible to fully eliminate.

The homes in our inventory generally are not occupied during the time we own them prior to resale. As a result, certain of our homes have incurred damage such as water and plumbing damage that was not promptly addressed as a result of the home being vacant. Further, when a home is listed for resale, prospective buyers or their agents typically can access our homes instantly through our technology without the need for an appointment or one of our representatives being present. In certain circumstances, we also allow sellers to continue to occupy a home after we have purchased the home for a short period of time. Having visitors or short-term occupants in our homes entails risks of damage to the homes, personal injury, unauthorized activities on the properties, theft, rental scams, squatters and trespassers, and other situations that may have adverse impacts on us or the homes, including potential adverse reputational impacts. Additionally, all of these circumstances may involve significant costs to resolve that may not be fully covered by insurance, including legal costs associated with making repairs to the homes or removing unauthorized visitors and occupants. If these increased costs are significant across our homes inventory, both in terms of costs per home and numbers of homes impacted, this could have an adverse material impact on our results of operations.

Environmentally hazardous conditions may adversely affect us.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by applicable environmental laws may be held responsible for all of the clean-up costs incurred. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, as well as any repairs to or arrangement for the transport of materials from such properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially and adversely affect us.

Compliance with new or more stringent environmental and climate-related laws or regulations or stricter interpretation of existing laws may require material expenditures by us. We may be subject to environmental laws or regulations relating to our properties, such as those concerning lead-based paint, mold, asbestos, radon, pesticides, proximity to power lines or other issues. Failure to comply with such applicable laws and regulations could result in fines and/or damages, suspension of personnel, civil liability or other sanctions.

Estimates of market opportunity may prove to be inaccurate.

Market opportunity estimates are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that our market opportunity estimates will reflect actual revenue that we will generate from our platform in the future. Any expansion in our markets depends on a number of factors, including the cost, performance, and perceived value associated with our platform and the products and services of our competitors.

Some of our potential losses may not be covered by insurance. We may not be able to obtain or maintain adequate insurance coverage.

We maintain insurance to cover costs and losses from certain risk exposures in the ordinary course of our operations, including in connection with the issuance of title insurance policies, but our insurance may not cover 100% of the costs and losses from all events. We are responsible for certain retentions and deductibles that vary by policy, and we may suffer losses that exceed our insurance coverage limits by a material amount. We may also incur costs or suffer losses arising from events against which we have no insurance coverage. In addition, large-scale market trends or the occurrence of adverse events in our business may raise our cost of procuring insurance or limit the amount or type of insurance we are able to secure. We may not be able to maintain our current coverage, or obtain new coverage in the future; on commercially reasonable terms or at all. Incurring uninsured or underinsured costs or losses could harm our business.

Risks Related to Our Intellectual Property and Technology

Any significant disruption in service in our computer systems and third-party networks and mobile infrastructure that we depend on could result in a loss of customers and we may be unable to maintain and scale the technology underlying our offerings.

Customers and potential customers access our products primarily through our website and mobile applications. Our ability to attract, retain and serve customers depends on the reliable performance and availability of our website, mobile application, and technology infrastructure. Furthermore, we depend on the reliable performance of third-party networks and mobile infrastructure to provide our technology offerings to our customers and potential customers. The proper operation of these third-party networks and mobile infrastructure is beyond our control, and service interruptions or website unavailability could impact our ability to service our customers in a timely manner, and may have an adverse effect on existing and potential customer relationships.

Our information systems and technology may not be able to continue to accommodate our growth and are subject to security risks. The cost of maintaining such systems may increase. Such a failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on our business and results of operations and could result in a loss of customers.

We process, store, and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and violation of these privacy obligations could result in a claim for damages, regulatory action, loss of business, or unfavorable publicity.

We receive, store, and process personal information and other customer information ("personal information"). There are numerous federal and state laws, as well as regulations and industry guidelines, regarding privacy and the storing, use, processing, and disclosure and protection of personal information, the scope of which are changing, subject to differing interpretations, and may be inconsistent among countries or conflict with other rules. Additionally, laws, regulations, and standards covering marketing and advertising activities conducted by telephone, email, mobile devices, and the internet, may be applicable to our business, such as the TCPA (as implemented by the Telemarketing Sales Rule), the CAN-SPAM Act, and similar state consumer protection laws. In addition, there has been a notable increase in class actions in the U.S. where plaintiffs have utilized a variety of laws, including state wiretapping laws, in relation to the use of chatbots, cookies and other tracking technologies. We generally seek to align our practice with industry standards and are subject to the terms of our own privacy policies and privacy-related obligations to third parties. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection to the extent possible. However, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or regulations, making enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Any failure or perceived failure by us to comply with our privacy policies, privacy-related obligations to customers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized access to or unintended release of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation, or public statements against us by consumer advocacy groups or others. Any of these events could cause us to incur significant costs in investigating and defending such claims and, if found liable, pay significant damages. Further, these proceedings and any subsequent adverse outcomes may cause our customers to lose trust in us, which could have an adverse effect on our reputation and business.

Any significant change to applicable laws, regulations or industry practices regarding the use or disclosure of personal information, or regarding the manner in which the express or implied consent of customers for the use and disclosure of personal information is obtained (including for advertising purposes), could require us to modify our products and features, possibly in a material manner and subject to increased compliance costs, which may limit our ability to develop new products and features that make use of the personal information that our customers voluntarily share. For example, the California Consumer Privacy Act (the “CCPA”), which took effect on January 1, 2020, imposes obligations and restrictions on companies regarding their collection, use, and sharing of personal information and provides new and enhanced data privacy rights to California residents. The CCPA, like other comprehensive state privacy laws, imposes a severe statutory damages framework. Additionally, we are subject to the California Privacy Rights Act (the “CPRA”), which expands upon the CCPA. The CCPA and CPRA require covered companies to, among other things, provide new disclosures to California consumers, and affords such consumers new privacy rights such as the ability to opt-out of certain sales of personal information and expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is collected, used and shared. The CCPA provides for civil penalties for violations, as well as a private right of action for certain security breaches that may increase security breach litigation. Further, Virginia enacted the Virginia Consumer Data Protection Act (the “VCDPA”), Colorado enacted the Colorado Privacy Act (the “CPA”), Connecticut enacted the Connecticut Data Privacy Act (the “CTDPA”) and Utah enacted the Utah Consumer Privacy Act (the “UCPA”), other comprehensive state privacy laws, that became effective in 2023. The CCPA, CPRA, VCDPA, CPA, CTDPA and UCPA may increase our compliance costs and potential liability, particularly in the event of a data breach, and could have a material adverse effect on our business, including how we use personal information, our financial condition, the results of our operations or prospects. A number of other proposals exist for new federal and state privacy legislation that, if passed, could increase our potential liability, increase our compliance costs and adversely affect our business.

Any of the foregoing could materially adversely affect our brand, reputation, business, results of operations, and financial condition.

Failure to protect our trade secrets, know-how, proprietary applications, business processes and other proprietary information, could adversely affect the value of our technology and products.

Our success and ability to compete depends in part on our intellectual property and our other proprietary business information. We seek to control access to our proprietary information by entering into a combination of confidentiality and proprietary rights agreements, invention assignment agreements and nondisclosure agreements with our employees, consultants and third parties with whom we have relationships. While these agreements will give us contractual remedies upon any unauthorized use or disclosure of our proprietary information, we cannot guarantee that we will be able to detect such unauthorized activity, or if detected, that our rights under these agreements will be effective in controlling access to, or use and distribution of, our proprietary information, intellectual property or technology. We also have numerous trademarks and patents to protect certain aspects of our intellectual property. However, we may be unable to secure intellectual property protection for all of our technology and methodologies, or the steps we take to enforce our intellectual property rights may be inadequate. Furthermore, third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and we may not be able to prevent infringement or misappropriation of our proprietary rights without incurring substantial expense. If our intellectual property rights are used or misappropriated by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our products and methods of operations. Any of these events would have a material adverse effect on our business, results of operations, and financial condition.

In the future we may be party to intellectual property rights claims and other litigation which are expensive to support, and if resolved adversely, could have a significant impact on us.

Our success depends in part on us not infringing upon the intellectual property of others. Our competitors and other third parties may own or claim to own intellectual property relating to the real estate industry. In the future, third parties may claim that we are infringing on their intellectual property rights, and we may be found to be infringing such rights. Any claims or litigation could cause us to incur significant expenses. If such claims are successfully asserted against us, it would require additional damages or ongoing licensing payments, prevent us from offering our services or require us to comply with unfavorable terms. Even if we were to prevail, the time and resources necessary to resolve such disputes could be costly, time-consuming, and divert the attention of management and key personnel from our business operations. We have been previously subject to trademark infringement claims. These claims allege, among other things, that aspects of our trademarks infringe upon the plaintiffs' trademarks. While these prior claims have not been material and have all been resolved, there may be additional claims in the future where, if we are not successful in defending ourselves against these claims, we may be required to pay damages and may be subject to injunctions, each of which could harm our business, results of operations, financial condition and reputation.

Issues in, and increasing regulation with respect to, the development and use of artificial intelligence ("AI") may result in reputational harm or liability.

We currently incorporate AI capabilities into our pricing algorithms, and our research into and continued development of such capabilities to build additional proprietary real estate specific models remain ongoing. As with many innovations, AI presents risks, challenges, and unintended consequences that could affect its adoption, and therefore our business. AI algorithms and training methodologies may be flawed. Ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals or society, including unintended biases and discriminatory outcomes. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. If we employ AI capabilities that are controversial because of their impact on human rights, privacy, employment, or social, economic, political or other issues, we may experience competitive, brand, or reputational harm or legal and/or regulatory action. Further, incorporating AI gives rise to litigation risk and risk of non-compliance and unknown cost of compliance, as AI is an emerging technology for which the legal and regulatory landscape is not fully developed, (including potential liability for breaching intellectual property or privacy rights or other laws). U.S. regulators are applying existing authority to adopt laws and regulations and take other actions with respect to AI, including the risks described above. For example, in October 2023, an executive order was issued addressing the safety and security of AI and which orders various federal agencies to ensure that their use of AI, and use by their respective regulated entities, address unintended bias and discriminatory outcomes. While new AI initiatives, laws, and regulations are emerging and evolving, what they ultimately will look like remains uncertain, and our obligation to comply with them could entail significant costs, negatively affect our business, or entirely limit our ability to incorporate certain AI capabilities into our offerings.

Additionally, incorporating AI capabilities into our pricing algorithms and other models to potentially improve internal functions and operations presents further risks and challenges. While we aim to use AI ethically and attempt to identify and mitigate ethical or legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. The use of AI to support business operations carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets for such support. Further, dependence on AI without adequate safeguards to make certain business decisions may introduce additional operational vulnerabilities by impacting our relationships with customers and business partners; by producing inaccurate outcomes based on flaws in the underlying data; or other unintended results.

Our services utilize third-party open source software components, which may pose particular risks to our proprietary software, technologies, products and services in a manner that could negatively affect our business.

We use open source software in our services and will continue to use open source software in the future. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. To the extent that our services depend upon the successful operation of open source software, any undetected errors or defects in this open source software could prevent the deployment or impair the functionality of our platform, delay new solutions introductions, result in a failure of our platform, and injure our reputation.

Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release or license the source code of our proprietary software to the public. Although we monitor our use of open-source software to avoid subjecting our platform to conditions we do not intend, we cannot assure you that our processes for controlling our use of open-source software in our platform will be effective. From time to time, we may be subject to claims claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, requiring us to provide attributions of any open source software incorporated into our distributed software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to re-engineer our software or change our products or services, any of which would have a negative effect on our business and results of operations.

We rely on licenses to use the intellectual property rights of third parties which are incorporated into our products and services. Failure to renew or expand existing licenses may require us to modify, limit or discontinue certain offerings, which could materially affect our business, financial condition and results of operations.

We rely on products, technologies and intellectual property that we license from third parties for use in our services. We cannot assure that these third-party licenses, or support for such licensed products and technologies, will continue to be available to us on commercially reasonable terms, if at all. In the event that we cannot renew and/or expand existing licenses, we may be required to discontinue or limit our use of the products that include or incorporate the licensed intellectual property.

We cannot be certain that our licensors are not infringing the intellectual property rights of others or that our suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our services containing that technology could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our offerings, which could adversely affect our business, financial condition and results of operations.

Our software is highly complex and may contain undetected errors.

The software and code underlying our platform is highly interconnected and complex and may contain undetected errors, malicious code or vulnerabilities, some of which may only be discovered after the code has been released. We release or update software code regularly and this practice may result in the more frequent introduction of errors or vulnerabilities into the software underlying our platform, which can impact the customer experience on our platform. Additionally, due to the interconnected nature of the software underlying our platform, updates to certain parts of our code, including changes to our mobile app or website or third-party application programming interfaces on which our mobile app or website rely, could have an unintended impact on other sections of our code, which may result in errors or vulnerabilities to our platform. Any errors or vulnerabilities discovered in our code after release could result in damage to our reputation, loss of our customers, loss of revenue or liability for damages, any of which could adversely affect our growth prospects and our business.

Furthermore, our development and testing processes may not detect errors and vulnerabilities in our technology offerings prior to their implementation. Any inefficiencies, errors, technical problems or vulnerabilities arising in our technology offerings after their release could reduce the quality of our products or interfere with our customers’ access to and use of our technology and offerings.

Risks Related to Regulatory Compliance and Legal Matters

We operate in a highly regulated industry and are subject to a wide range of federal, state, and local laws, rules, and regulations. Failure to comply with these laws, rules, and regulations or to obtain and maintain required licenses, could adversely affect our business, results of operations, and financial condition.

We operate in highly regulated businesses through a number of different channels across the United States. As a result, we are currently subject to a variety of, and may in the future become subject to additional, federal, state and local statutes and regulations in various jurisdictions (as well as judicial and administrative decisions and state common law), which are subject to change at any time, including laws regarding the real estate, settlement services, insurance, construction, mobile and internet based businesses and other businesses that rely on advertising, as well as data privacy and consumer protection laws, and employment laws. These laws are complex and sometimes ambiguous, and can be costly to comply with, require significant management time and effort, require a substantial investment in technology, and subject us to supervisory audits, claims, government enforcement actions, civil and criminal liability or other remedies, including suspension of business operations.

We buy and sell homes, provide real estate brokerage services, provide title insurance and settlement services, provide other product offerings, and have historically provided mortgage lending and brokerage services, which results in us receiving or facilitating transmission of personally identifiable information. This information is increasingly subject to legislation and regulation in the United States. These laws and regulations are generally intended to protect the privacy and security of personal information, including borrower Social Security numbers and credit card information that is collected, processed and transmitted. These laws also can restrict our use of this personal information for other commercial purposes. We could be adversely affected if government regulations require us to significantly change our business practices with respect to this type of information, if penetration of network security or misuse of personal information occurs, or if the third parties that we engage with to provide processing and screening services violate applicable laws and regulations, misuse information, or experience network security breaches.

In order to provide the broad range of products and services that we offer customers, certain of our subsidiaries maintain title insurance and escrow, property and casualty insurance, construction, and real estate licenses in certain states in which we operate. These entities are subject to stringent state and federal laws and regulations and to the scrutiny of state and federal government agencies as licensed businesses.

As a buyer and seller of residential real estate through our business, we hold real estate brokerage licenses in multiple states and may apply for additional real estate brokerage licenses as our business grows. To maintain these licenses, we must comply with the requirements governing the licensing and conduct of real estate brokerage services and brokerage-related businesses in the markets where we operate. We may be subject to additional local, state and federal laws and regulations governing residential real estate transactions, including those administered by the U.S. Department of Housing and Urban Development, and the states and municipalities in which we transact. Further, due to the geographic scope of our operations and the nature of the products and services we provide, certain of our other subsidiaries maintain real estate brokerage, property and casualty, and title insurance and escrow, and construction licenses in certain states in which we operate. Each of these licenses subjects our subsidiaries to different federal, state, and local laws and the scrutiny of different licensing authorities, including state insurance departments. Each subsidiary must comply with different licensing statutes and regulations, as well as varied laws that govern the offering of compliant products and services.

For certain licenses, we are required to designate individual licensed brokers of record, qualified individuals and control persons. Certain licensed entities also are subject to routine examination and monitoring by the CPFB (for title and escrow) and/or state licensing authorities. We cannot assure you that we, or our licensed personnel, are and will remain at all times, in full compliance with local, state and federal real estate, title insurance and escrow, property and casualty insurance, real estate licensing and consumer protection laws and regulations, and we may be subject to litigation, government investigations and enforcement actions, fines or other penalties in the event of any non-compliance. As a result of findings from examinations, we also may be required to take a number of corrective actions, including modifying business practices and making refunds of fees or money earned. In addition, adverse findings in one state may be relied on by another state to conduct investigations and impose remedies. If we apply for new licenses, we will become subject to additional licensing requirements, which we may not be in compliance with at all times. If in the future a state agency were to determine that we are required to obtain additional licenses in that state in order to operate our business, or if we lose or do not renew an existing license or are otherwise found to be in violation of a law or regulation, we may be subject to fines or legal penalties, lawsuits, enforcement actions, void contracts, or our business operations in that state may be suspended or prohibited. Our business reputation with consumers and third parties also could be damaged. Compliance with, and monitoring of, these laws and regulations is complicated and costly and may inhibit our ability to innovate or grow.

If we are unable to comply with these laws or regulations in a cost-effective manner, it may require us to modify certain products and services, which could require a substantial investment and result in a loss of revenue, or cease providing the impacted product or service altogether. Furthermore, laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our products and business.

Our business is subject to the risks of international operations.

Some of our employees are located in Canada and India. Compliance with applicable U.S. and foreign laws and regulations, such as labor laws, anti-corruption laws, anti-bribery laws, anti-money laundering laws, tax laws, foreign exchange controls and data privacy and data localization requirements, increases our cost of doing business. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by us or our employees, contractors or agents could nevertheless occur. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another country. Violations of these laws and regulations could materially adversely affect our brand, international growth efforts and business.

We entered into a consent order with the FTC that imposes ongoing obligations. Any alleged or actual noncompliance with the consent order could have a material adverse effect on our business.

The FTC began conducting an investigation into Opendoor in August 2019. The inquiry related primarily to statements in our advertising and website comparing selling homes to us with selling homes in a traditional manner using an agent and relating to statements that our offers reflect or are based on market prices. We began discussing resolution of this matter with the FTC in December 2020. After extensive negotiations, we agreed to enter into a consent order resolving all aspects of the inquiry, which became final on October 21, 2022. Pursuant to the consent order, we did not admit any wrongdoing and are required to possess competent and reliable supporting data prior to making statements regarding the costs, savings, repair costs, or financial benefits of our services related to assisting consumers selling homes. The consent order also required that we pay $62 million (an amount previously accrued) and that we retain certain records and submit a compliance report to the FTC.

If we fail to comply, or are alleged to be in noncompliance with the consent order, we could be subject to additional regulatory or governmental investigations or civil actions, which may result in significant monetary fines, judgments or other penalties that could have a material adverse effect on our business.

We are, and may in the future be, subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock has been, and may continue to be, volatile. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We are currently, and may in the future be, the target of this type of litigation. For example, securities litigation claims related to our pricing algorithm were filed against us and certain of our current and former officers and directors in 2022 and 2023.

Litigation is inherently uncertain and adverse rulings could occur, including monetary damages. An unfavorable outcome or settlement may result in a material adverse impact on our business, results of operations, and financial condition. In addition, regardless of the outcome, litigation could result in substantial costs and divert management's attention from other business concerns, which could seriously harm our business.

Risks Related to Our Financial Reporting

We rely on assumptions, estimates, and business data to calculate our key performance indicators and other business metrics, and real or perceived inaccuracies in these metrics may harm our reputation and negatively affect our business.

Certain of our performance metrics are calculated using third-party applications or internal company data that have not been independently verified. While these numbers are based on what we believe to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring such information. For example, our measurement of visits and unique users may be affected by applications that automatically contact our servers to access our mobile applications and websites with no user action involved, and this activity can cause our system to count the user associated with such a device as a unique user or as a visit on the day such contact occurs. In addition, our measure of certain metrics may differ from estimates published by third parties or from similarly-titled metrics of our competitors due to differences in methodology and as a result our results may not be comparable to our competitors.

Our results of operations and financial condition are subject to management's accounting judgments and estimates, as well as changes in accounting policies.

The preparation of our financial statements requires us to make estimates and assumptions affecting the reported amounts of our assets, liabilities, revenues and expenses. If these estimates or assumptions are incorrect, it could have a material adverse effect on our results of operations and financial condition. Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

Our management is required to evaluate the effectiveness of our internal control over financial reporting. If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy of our financial reports.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting. Additionally, our auditor is required to deliver an attestation report on the effectiveness of our disclosure controls and internal control over financial reporting. An adverse report may be issued in the event our auditor is not satisfied with the level at which our controls are documented, designed or operating.

When evaluating our internal control over financial reporting, we have identified in the past, and may identify in the future, material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal control over financial reporting, are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is ineffective, or if our auditor is unable to express an opinion as to the effectiveness of our internal control over financial reporting, we could fail to meet our reporting obligations.

In addition, our internal control over financial reporting will not prevent or detect all errors and fraud. Because of the inherent limitations in all control systems, no evaluation can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If there are material weaknesses or failures in our ability to meet any of the requirements related to the maintenance and reporting of our internal control, investors may lose confidence in the accuracy and completeness of our financial reports and that could cause the price of our common stock to decline. In addition, we could become subject to investigations by the applicable stock exchange, the SEC or other regulatory authorities, which could require additional management attention and which could adversely affect our business.

The obligations associated with being a public company require significant resources and management attention, and we have and will continue to incur increased costs as a result of being a public company.

We incur costs as a result of operating as a public company, and our management devotes substantial time to our compliance initiatives. As a public company, we are subject to the reporting and other requirements of the Exchange Act, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules adopted, and to be adopted, by the SEC and Nasdaq. These rules and regulations result in legal and financial compliance costs that are costly and our management and other personnel will continue to need to devote a substantial amount of time to these compliance initiatives. The increased costs will increase our net loss. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, its board committees or as executive officers.

We could be subject to additional tax liabilities and our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the Business Combination or other ownership changes.

We are subject to federal and state income and non-income taxes in the United States, and foreign income and non-income taxes in Canada and India. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating these taxes. Our effective tax rates could be affected by numerous factors, such as entry into new businesses and geographies, changes to our existing business and operations, acquisitions and investments and how they are financed, changes in our stock price, changes in our deferred tax assets and liabilities and their valuation, and changes in the relevant tax, accounting, and other laws, regulations, administrative practices, principles and interpretations. We are required to take positions regarding the interpretation of complex statutory and regulatory tax rules and on valuation matters that are subject to uncertainty, and the U.S. Internal Revenue Service ("IRS") or other tax authorities may challenge the positions that we take.

We have incurred losses during our history, and we may not achieve or maintain profitability in the future. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire, if at all. As of December 31, 2023, we had federal and state net operating loss ("NOL") carryforwards of $2.2 billion and $1.7 billion, respectively. Under the Tax Act, as modified by the CARES Act, U.S. federal net operating loss carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards in taxable years beginning after December 31, 2020, is limited to 80% of taxable income.

In addition, our net operating loss carryforwards are subject to review and possible adjustment by the IRS, and state tax authorities. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), our federal net operating loss carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in our ownership. An "ownership change" pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of a company's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Our ability to utilize our net operating loss carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes, including potential changes in connection with the Business Combination (as defined herein) or other transactions. Similar rules may apply under state tax laws.

Changes in tax laws or tax rulings could materially affect our business, results of operations, and financial condition.

The tax regimes we are subject to or operate under, including income and non-income (including indirect) taxes, are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially adversely affect our results of operations and financial condition. The United States government may enact further significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate, the imposition of minimum taxes or surtaxes on certain types of income or significant changes to the taxation of income derived from international operations.

We are subject to taxes in the United States under federal, state and local jurisdictions in which we operate. The governing tax laws and applicable tax rates vary by jurisdiction and are subject to interpretation and macroeconomic, political or other factors. For example, the results of U.S. Presidential and Congressional elections may lead to tax law changes. We may be subject to examination in the future by federal, state and local authorities on income, employment, sales and other tax matters. While we regularly assess the likelihood of adverse outcomes from such examinations and the adequacy of our provision for taxes, there can be no assurance that such provision is sufficient and that a determination by a tax authority would not have an adverse effect on our business, financial condition and results of operations. Various tax authorities may disagree with tax positions we take and if any such tax authorities were to successfully challenge one or more of our tax positions, the results could adversely affect our financial condition. Further, the ultimate amount of tax payable in a given financial statement period may be impacted by sudden or unforeseen changes in tax laws, changes in the mix and level of earnings by taxing jurisdictions, or changes to existing accounting rules or regulations. For example, the Inflation Reduction Act of 2022, enacted on August 16, 2022, imposed a one-percent non-deductible excise tax on repurchases of stock that are made by U.S. publicly traded corporations on or after January 1, 2023, which may affect any future share repurchases. In addition, as of January 1, 2022, the Tax Act required research and experimental expenditures attributable to research conducted within the United States to be capitalized and amortized ratably over a five-year period. Any such expenditures attributable to research conducted outside the United States must be capitalized and amortized over a 15-year period. Accordingly, the determination of our overall provision for income and other taxes is inherently uncertain as it requires significant judgment around complex transactions and calculations. As a result, fluctuations in our ultimate tax obligations may differ materially from amounts recorded in our financial statements and could adversely affect our business, financial condition and results of operations in the periods for which such determination is made.

Risks Related to Our Liquidity and Capital Resources

We will require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, and we cannot be sure that additional financing will be available.

We will require additional capital and debt financing to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, including to increase our marketing expenditures to build and maintain our inventory of homes, develop new products or services or further improve existing products and services, improve our brand awareness, enhance our operating infrastructure and acquire complementary businesses and technologies. During past economic and housing downturns and at the onset of the COVID-19 pandemic, credit markets constricted and reduced sources of liquidity. In addition, throughout 2022 and 2023 significant increases in interest rates, supply chain issues, and higher inflation increased concerns that the economy may enter into a recession. Such a recessionary environment or economic uncertainty may also result in reduced sources of financing and liquidity, among other adverse impacts for our business, results of operations, and financial condition.

If cash on hand and cash generated from operations is not sufficient to meet our cash and liquidity needs, we may need to seek additional capital and engage in equity or debt financings to secure funds. However, additional funds may not be available when we need them on terms that are acceptable to us, or at all. In addition, any financing that we secure in the future could involve restrictive covenants which may make it more difficult for us to obtain additional capital and to pursue business opportunities and could reduce our operational flexibility.

Our ability to obtain financing will depend, among other things, on our product development efforts, business plans, operating performance, action or performance of competitors, and condition of the capital markets and housing markets at the time we seek financing. Volatility in the credit markets may also have an adverse effect on our ability to obtain debt financing. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of our common stock, or may require us to agree to unfavorable terms, and our existing stockholders may experience significant dilution.

If new financing sources are required, but are insufficient or unavailable, 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, results of operations, financial condition, and prospects could be adversely affected.

We utilize a significant amount of debt and financing arrangements in the operation of our business. Our cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing.

As of December 31, 2023 we had approximately $2.2 billion of non-recourse asset-backed loans. Our leverage could have meaningful consequences to us, including increasing our vulnerability to economic downturns, limiting our ability to withstand competitive pressures, or reducing our flexibility to respond to changing business and economic conditions. We are also subject to general risks associated with debt financing, including (1) our cash flow may not be sufficient to satisfy required payments of principal and interest; (2) we may not be able to refinance our existing indebtedness or refinancing terms may be less favorable to us than the terms of our existing debt; (3) debt service obligations or facility prepayments could reduce funds available for capital investment and general corporate purposes; and (4) any default on our indebtedness could result in acceleration of the indebtedness and foreclosure on the homes collateralizing that indebtedness, with our attendant loss of any prospective income and equity value from such property. Any of these risks could place strains on our cash flows, reduce our ability to grow, and adversely affect our results of operations.

If the holders of our 0.25% convertible senior notes due in 2026 (the “2026 Notes”) become entitled to convert the 2026 Notes pursuant to the related indenture and one or more holders elect to convert their 2026 Notes, we would be required to elect to settle either all or a portion of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2026 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

We may not have the ability to raise the funds necessary for cash settlement upon conversion of the 2026 Notes or to repurchase the 2026 Notes for cash following a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion of the 2026 Notes or to repurchase the 2026 Notes.

Subject to limited exceptions, holders of the 2026 Notes have the right to require us to repurchase their 2026 Notes upon the occurrence of a fundamental change at a cash repurchase price generally equal to 100% of the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. In addition, upon conversion of the 2026 Notes, we will be required to make cash payments in respect of the 2026 Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of 2026 Notes surrendered therefor or pay the cash amounts due upon conversion. In addition, our ability to repurchase the 2026 Notes or to pay cash upon conversions of the 2026 Notes may be limited by applicable law, by regulatory authorities or by agreements governing our future indebtedness. Our failure to repurchase the 2026 Notes at a time when such repurchase is required by the indenture governing the 2026 Notes or to pay the cash amounts due upon future conversions of the 2026 Notes as required by such indenture would constitute a default under such indenture. A default under the indenture governing the 2026 Notes or the fundamental change itself may also lead to a default under agreements governing our existing or future indebtedness, which may result in such existing or future indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under such existing or future indebtedness and repurchase the 2026 Notes or make cash payments upon conversions thereof.

The accounting method for reflecting the 2026 Notes on our balance sheet, accruing interest expense for the 2026 Notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"), which, among other things, simplifies the accounting for certain convertible instruments. We early adopted the provisions of ASU 2020-06 effective January 1, 2021.

In accordance with ASU 2020-06, the 2026 Notes are reflected as a liability on our consolidated balance sheets, with the initial carrying amount equal to the principal amount of the 2026 Notes, net of issuance costs. The issuance costs were treated as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the 2026 Notes. As a result of this amortization, the interest expense that we expect to recognize for the notes for accounting purposes will be greater than the cash interest payments we will pay on the notes, which will result in lower reported earnings.

In addition, the shares underlying the 2026 Notes will be reflected in our diluted earnings per share using the "if-converted" method. Under that method, if the conversion value of the 2026 Notes exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share assuming that all of the 2026 Notes were converted at the beginning of the reporting period and that we issued shares of our common stock to settle the excess. However, if reflecting the 2026 Notes in diluted earnings per share in this manner is anti-dilutive, or if the conversion value of the 2026 Notes does not exceed their principal amount for a reporting period, then the shares underlying the 2026 Notes will not be reflected in our diluted earnings per share. The application of the if-converted method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share.

The Capped Calls may affect the value of the 2026 Notes and our common stock.

In connection with the pricing of the 2026 Notes, we entered into privately negotiated capped calls (the "Capped Calls") with certain financial institutions (the "option counterparties"). The Capped Calls are expected generally to reduce the potential dilution to our common stock (or, in the event of a conversion of the 2026 Notes settled in cash, to reduce our cash payment obligation) in the event that at the time of conversion of the 2026 Notes our common stock price exceeds the conversion price.

We have been advised that, in connection with establishing their initial hedges of the Capped Calls, the option counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the 2026 Notes.

In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions from time to time prior to the maturity of the 2026 Notes (and are likely to do so during any observation period related to a conversion of 2026 Notes or any redemption or repurchase of the 2026 Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the 2026 Notes, which could affect holders' ability to convert the 2026 Notes and, to the extent the activity occurs during any observation period related to a conversion of 2026 Notes, it could affect the number of shares and value of the consideration that holders will receive upon conversion of such 2026 Notes.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the 2026 Notes or our common stock. In addition, we do not make any representation that the option counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We are subject to counterparty risk with respect to the Capped Calls.

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties.

Inventory homes held for longer periods may not be eligible for financing or may receive less financing under our debt facilities than homes held for shorter periods.

Under our asset-backed financing facilities, the amount we are permitted to borrow against a given property generally begins to step down after we have owned that property for approximately six months, and ultimately steps down to zero after 12 months. These holding time-based reductions in permitted borrowing amount may result in a requirement to pledge additional properties or cash as collateral or, in some cases, to repay outstanding debt financing with respect to a given property prior to our sale of that property. If we were to hold a significant portion of our homes in inventory for more than six months, this could result in a material reduction in the amount of debt financing available for those homes and a corresponding reduction in our unrestricted cash balances. These considerations could also incentivize us to sell inventory homes for prices that do not allow us to meet our margin targets or to fully cover our costs to repay our borrowings with respect to those properties.

We rely on agreements with third parties to finance our business.

We have entered into debt agreements with various counterparties to provide capital for the growth and operation of our businesses, including to finance our purchase and renovation of homes. If we fail to maintain adequate relationships with potential financial sources or we elect to prepay or we are unable to renew, refinance or extend our existing debt arrangements on favorable terms or at all, we may be unable to maintain sufficient inventory, which would adversely affect our business and results of operations. Obtaining new or replacement funding arrangements may be at higher interest rates or other less favorable terms.

Some of our financing facilities are not fully committed, meaning the applicable lender is not obligated to advance new loan funds if they choose not to do so. In addition, the availability of committed financing is typically subject to us meeting certain conditions, which may include financial or collateral performance tests or metrics. As of December 31, 2023, we satisfied the financial and collateral performance-based conditions to borrowing under our debt facilities. If we are unable to access funds from either our committed or not fully committed facilities, we may not be able to sufficiently fund our business.

Our financing sources are not required to extend the maturities of our financing arrangements and if a financing source is unable or unwilling to extend financing, and other financing sources are unable or unwilling to make or increase their financing commitments, then we will be required to repay the outstanding balance of the financing on the related maturity date. If we are unable to pay the outstanding balance of our debt obligations at maturity, the financing sources generally have the right to foreclose on the homes and other collateral securing that debt and to charge higher "default rates" of interest until the outstanding obligations are paid in full.

In addition, each of our mezzanine term debt facilities is associated with and subordinated to one or more of our senior credit facilities. Our mezzanine term debt facilities have initial terms that may be significantly longer than the related senior facilities and often contain terms that make it financially unattractive to prepay borrowings under those term debt facilities, including certain “make-whole” payments and other prepayment penalties. If we are unable to renew or extend the terms of our existing senior facilities, we may not be able to terminate or prepay the related mezzanine term debt facilities without incurring significant financial costs. Our senior term debt facilities also generally include “make-whole” payments or other prepayment penalties that make it financially unattractive to prepay borrowings under those term debt facilities.

If realized, any of these financing risks could negatively impact our results of operations and financial condition.

We intend to rely on proceeds from the sale of financed homes to repay amounts owed under our property financing facilities, but such proceeds may not be available or may be insufficient to repay the amounts when they become due.

For our senior revolving credit facilities, we typically are required to repay amounts owed with respect to a financed home upon the sale of that home. There is no assurance such sale proceeds will fully cover the amounts owed. Our senior revolving credit facilities commonly have initial terms of two years or less. It may be the case that not all homes securing these arrangements will be sold on or before the maturity dates of such financing arrangements, which would mean that sale proceeds would not be available to pay the amounts due at maturity. We may also be required to repay amounts owed with respect to a financed home prior to the sale of that home and prior to maturity of the related financing facility, typically due to the home having been held in our inventory for an extended period of time or, less commonly, if other unforeseen issues with the home arise during our holding period. In these situations, we may use cash on hand to repay the amounts owed or contribute other homes as additional collateral. To the extent we do not have sufficient cash or substitute collateral or are unable to draw on other financing facilities to make the required repayments, which could occur if a significant amount of our debt were to become due suddenly and unexpectedly, we would be in default under the related facility.

Covenants in our debt agreements may restrict our borrowing capacity and/or operating activities and adversely affect our financial condition.

Our existing debt agreements contain, and future debt agreements may contain, various financial and collateral performance covenants. These covenants may limit our operational flexibility or restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our shareholders. If we breach these covenants, the amounts we are able to borrow against our inventory homes may be reduced and/or our lenders may be entitled to apply any excess cash proceeds from the sale of our homes that would normally be available to us in the absence of the covenant breach to the repayment of principal and other amounts due. In certain cases, we could be required to repay all or a portion of the relevant debt immediately, even in the absence of a payment default. The occurrence of these events would have an adverse impact on our financial condition and results of operations and such impact could be material.

The borrowers under the debt facilities we use to finance the purchase and renovation of homes are special purpose entity (“SPE”) subsidiaries of Opendoor. While our SPEs’ lenders’ recourse in most situations following an event of default is only to the applicable SPE or its assets, we have provided limited guarantees for certain of the SPEs’ obligations in situations involving “bad acts” by an Opendoor entity and certain other limited circumstances. To the extent a guaranty obligation is triggered, we may become obligated to pay all or a portion of the amounts owed by our SPEs to their lenders.

Our debt facilities contain cross defaults and similar provisions that could cause us to be in default under multiple debt facilities or otherwise lose access to financing for new homes and excess proceeds from sales of homes in the event we default under a single facility.

If certain events of default or related enforcement or foreclosure events occur under one or more of our asset-backed senior debt facilities, this may trigger an event of default under any related mezzanine term debt facility and/or result in us losing access to financing through the mezzanine term debt facility or to excess proceeds from sales of homes that would otherwise be available to us. Similarly, foreclosure by the lenders under a mezzanine term debt facility would trigger an event of default under the related senior facilities and result in us losing access to financing through those senior facilities and to excess proceeds from sales of homes that would otherwise be available to us. In addition, our asset-backed senior debt facilities and mezzanine term debt facilities generally contain cross defaults to indebtedness and similar obligations of Opendoor Labs Inc., subject to varying minimum dollar thresholds. It is possible our debt facilities could include similar cross defaults to indebtedness of Opendoor Technologies in the future. The foregoing considerations significantly increase the likelihood that a default or related enforcement or foreclosure event under one or more of our debt facilities would result in adverse consequences for our other debt facilities.

Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

While borrowings under our term debt facilities accrue interest at a fixed rate, borrowings under our senior revolving credit facilities bear interest at variable rates and expose us to interest rate risk. Interest rates have increased in the past and may increase in the future, in which case our debt service obligations on the variable rate indebtedness would increase and our earnings and cash flows would correspondingly decrease. Increased interest costs could also reduce the amount of debt financing that our homes inventory can support. See "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 5. Credit Facilities and Long-Term Debt*" for additional information regarding our debt and financing arrangements.

In connection with our floating rate debt, we may seek to obtain interest rate protection in the form of swap agreements, interest rate cap contracts or other derivatives or instruments to hedge against the possible negative effects of interest rate increases. There is no assurance that we will be able to obtain any such interest rate hedging arrangements on attractive terms or at all. Even if we are successful in obtaining interest rate hedges, we cannot assure you that any hedging will adequately relieve the adverse effects of interest rate increases or that counterparties under these agreements will honor their obligations thereunder.

We may use derivatives and other instruments to reduce our exposure to interest fluctuations and those derivatives and other instruments may not prove to be effective.

We may use derivatives or other instruments to reduce our exposure to adverse changes in interest rates. Hedging interest rate risk is a complex process, requiring sophisticated models and constant monitoring. Due to interest rate fluctuations, hedged assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation will generally be offset by income or loss on the derivative instruments that are linked to the hedged assets and liabilities. If we engage in derivative transactions, we will be exposed to credit and market risk. If the counterparty fails to perform, credit risk exists to the extent of the fair value gain in the derivative. Market risk exists to the extent that interest rates change in ways that are significantly different from what we expected when we entered into the derivative transaction. Our hedging activity, if any, may fail to provide adequate coverage for interest rate exposure due to market volatility, hedging instruments that do not directly correlate with the interest rate risk exposure being hedged or counterparty defaults on obligations.

Failures at financial institutions at which we deposit funds could adversely affect us.

We deposit substantial funds in various financial institutions in excess of insured deposit limits. In the event that one or more of these financial institutions fail, there is no guarantee that we could recover the deposited funds in excess of federal deposit insurance. Under these circumstances, our losses could have a material adverse effect on our results of operations or financial condition.

Additional Risks Related to Ownership of Our Common Stock

The price of our common stock may be volatile.

The price of our common stock may fluctuate due to a variety of factors, including:

- changes in the industries in which we and our customers operate;
- developments involving our competitors;
- changes in laws and regulations affecting our business;
- variations in our operating performance and the performance of our competitors in general;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- changes in financial estimates and recommendations by securities analysts;
- short sellers manipulating our stock, resulting in a price decrease;
- our business being subject to seasonality with greater demand and home price appreciation from home buyers in the spring and summer, and typically weaker demand and lower home price appreciation in late fall and winter;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;

- actions by stockholders, including the sale of their shares of our common stock;
- additions and departures of key personnel;
- commencement of, or involvement in, litigation involving our Company;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our common stock available for public sale; and
- general economic and political conditions, such interest rate increases, including the recent significant increases in 2022 and 2023, higher inflation and decreased consumer confidence, recessions, the future impacts of pandemics or epidemics, including any future resurgences of COVID-19 and its variants, local and national elections, fuel prices, international currency fluctuations, corruption, inflation, political instability, and acts of war or terrorism.

These market and industry factors may materially reduce the market price of our common stock and warrants regardless of our operating performance.

We do not intend to pay cash dividends for the foreseeable future.

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our board of directors deems relevant.

General Risk Factors

Catastrophic events may disrupt our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, real estate commerce, and the global economy, and thus could harm our business. For example, the COVID-19 pandemic significantly and adversely affected our business in 2020 when governmental authorities put in place limitations on in-person activities related to the sale of residential real estate. As a result of these restrictions and safety concerns for our customers and employees, we temporarily suspended home acquisitions and sold down most home inventory before resuming home acquisitions later in the year. We also have a large employee presence in San Francisco, California, a region that contains active earthquake zones. In addition, properties located in the markets in which we operate in Florida, portions of North Carolina or Texas are more susceptible to certain hazards (such as floods, hurricanes or hail, which may become more frequent or severe as a result of climate change) than properties in other parts of the country.

In the event of a major earthquake, hurricane, windstorm, tornado, flood, or catastrophic event such as pandemic (including any future resurgences of COVID-19 and its variants), epidemic, fire, flood, power loss, telecommunications failure, cyber-attack, war, or terrorist attack, we may be unable to continue our operations and may endure reputational harm, delays in developing our platform and solutions, breaches of data security and loss of critical data, all of which could harm our business, results of operations and financial condition. Climate change is expected to adversely impact the frequency and/or intensity of such events, as well as contribute to various chronic changes in the physical environment that may also impact our operations, such as sea-level rise and changes to temperature or precipitation patterns. Furthermore, these sorts of catastrophic events may cause disruption on both resale and acquisition side as we may not be able to transact on real estate. For example, homes that we own may be damaged and disruptions to infrastructure may mean our contractors are unable to perform the necessary home repairs in a timely manner. Closures of local recording offices or other governmental offices in charge of real property records, including tax or lien-related records, would adversely affect our ability to conduct operations in the affected geographies. Any of these delays will likely result in extended hold times and increased costs. Also, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions.

As we grow our business, the need for business continuity planning and disaster recovery plans will grow in significance. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business and reputation would be harmed.

Cybersecurity incidents could disrupt our business or result in the loss of critical and confidential information.

The evolution of technology systems introduces ever more complex security risks that are difficult to predict and defend against. An increasing number of companies, including those with significant online operations, have recently disclosed breaches of their security, some of which involved sophisticated tactics and techniques allegedly attributable to criminal enterprises or nation-state actors. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of company, customer, or other third-party data or systems; theft of sensitive, regulated, or confidential data including personal information and intellectual property; the loss of access to critical data or systems through ransomware, destructive attacks or other means; and business delays, service or system disruptions or denials of service. We experience cyber incidents and other security incidents of varying degrees from time to time. The controls and other preventative actions that we have taken to prevent, detect, and investigate these incidents may vary in maturity and are not always effective.. Further, we may not be able to react in a timely manner, or our remediation efforts following a cybersecurity incident may not be successful.

In addition, we do not know whether our current practices will be deemed sufficient under applicable laws or whether new regulatory requirements might make our current practices insufficient. If there is a breach of our computer systems and we know or suspect that certain personal information has been accessed, or used inappropriately, we may need to inform the affected individual and may be subject to significant fines and penalties. Further, under certain regulatory schemes, we may be liable for statutory damages on a per breached record basis, irrespective of any actual damages or harm to the individual. In the event of a breach we could face government scrutiny or consumer class actions alleging statutory damages amounting to hundreds of millions, and possibly billions of dollars.

The risk of cybersecurity incidents directed at us or our third-party vendors includes uncoordinated individual attempts to gain unauthorized access to information technology systems, as well as sophisticated and targeted measures known as advanced persistent threats. In addition, we face the risk of confidential data inadvertently leaking through human or technological errors. Cybersecurity incidents are also constantly evolving, increasing the difficulty of detecting and successfully defending against them. In the ordinary course of our business, we and our third-party vendors collect and store personal information, as well as our proprietary business information and intellectual property and that of our customers and employees.

Additionally, we rely on third parties and their security procedures for the secure storage, processing, maintenance, and transmission of information that is critical to our operations. Cybersecurity incidents may occur to us or our third-party providers and, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including personal information of our customers and employees) and the disruption of business operations. Any such compromises to our security, or that of our third-party vendors, could cause customers to lose trust and confidence in us and stop using our website and mobile applications. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage, and compensation to customers, employees, and business partners. We may also be subject to government enforcement proceedings and legal claims by private parties.

Any actual or alleged security breaches or alleged violations of federal or state laws or regulations relating to privacy and data security could result in mandated user notifications, litigation, government investigations, significant fines, and expenditures; divert management's attention from operations; deter people from using our platform; damage our brand and reputation; and materially adversely affect our business, results of operations, and financial condition. Defending against claims or litigation based on any security breach or incident, regardless of their merit, will be costly and may cause reputational harm. The successful assertion of one or more large claims against us that exceed available insurance coverage, denial of coverage as to any specific claim, or any change or cessation in our insurance policies and coverages, including premium increases or the imposition of large deductible requirements, could have a material adverse effect on our business, results of operations, and financial condition. See "*Part I – Item 1C. Cybersecurity*" for additional information regarding our cybersecurity governance, risk management and strategy.

Internet law is evolving, and unfavorable changes to, or failure by us to comply with, these laws and regulations could adversely affect our business, results of operations, and financial condition.

We are subject to regulations and laws specifically governing the internet. The scope and interpretation of the laws that are or may be applicable to our business are often uncertain, subject to change, and may be conflicting. If we incur costs or liability as a result of unfavorable changes to these regulations or laws or our failure to comply therewith, our business, results of operations, and financial condition could be adversely affected. Any costs incurred to prevent or mitigate this potential liability could also harm our business, results of operations, and financial condition.

Our fraud detection processes and information security systems may not successfully detect all fraudulent activity by third parties aimed at our employees or customers, which could adversely affect our reputation and business results.

Third-party actors have attempted in the past, and may attempt in the future, to conduct fraudulent activity by engaging with our customers, particularly in our title insurance and escrow business. We make a large number of wire transfers in connection with loan and real estate closings and process sensitive personal data in connection with these transactions. We may not be able to detect and prevent all fraudulent activity on our mobile applications, websites, and internal systems. Similarly, the third parties we use to effectuate these transactions may fail to maintain adequate controls or systems to detect and prevent fraudulent activity. Persistent or pervasive fraudulent activity may cause customers and real estate partners to lose trust in us and decrease or terminate their usage of our products, or could result in financial loss, thereby harming our business and results of operations.

Our risk management efforts may not be effective.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as pricing risk, interest rate risk, liquidity risk, and other market-related risks, as well as operational and legal risks related to our business, assets, and liabilities. We also are subject to various laws, regulations and rules that are not industry specific, including employment laws related to employee hiring and termination practices, health and safety laws, environmental laws and other federal, state and local laws, regulations and rules in the jurisdictions in which we operate. Our risk management policies, procedures, and techniques may not be sufficient to identify all of the risks to which we are exposed, mitigate the risks we have identified, or identify additional risks to which we may become subject in the future. Expansion of our business activities may also result in our being exposed to risks to which we have not previously been exposed or may increase our exposure to certain types of risks, and we may not effectively identify, manage, monitor, and mitigate these risks as our business activities change or increase.

We are from time to time involved in, or may in the future be subject to, claims, suits, government investigations, and other proceedings that may result in adverse outcomes.

We are from time to time involved in, or may in the future be subject to, claims, suits, government investigations, and proceedings arising from our business, including actions with respect to intellectual property, privacy, consumer protection, information security, our historic mortgage lending services, real estate, environmental, data protection or law enforcement matters, tax matters, labor and employment, and commercial claims, as well as actions involving content generated by our customers, shareholder derivative actions, purported class action lawsuits, and other matters. Such claims, suits, government investigations, and proceedings are inherently uncertain, and their results cannot be predicted with certainty. Regardless of the outcome, any such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, negative publicity and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing us from offering certain features, functionalities, products, or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results and financial condition.

Our business could be negatively impacted by corporate citizenship and ESG matters and/or our reporting of such matters.

Institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers, and other stakeholders are increasingly focused on environmental, social, and governance ("ESG") practices of companies. For example, various groups produce ESG scores or ratings based at least in part on a company's ESG disclosures, and certain market participants, including institutional investors and capital providers, use such ratings to assess companies' ESG profiles. Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG-related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. There are also increasing regulatory expectations on ESG matters. For example, various policymakers, such as the SEC and the States of California and New York, have adopted (or are considering adopting) requirements for the disclosure of certain climate-related or other ESG information, which may require us to incur additional costs to comply.

As we look to respond to evolving standards for identifying, measuring, and reporting ESG information, our efforts may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements. For example, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or not in keeping with best practice. If we fail to, or are perceived to fail to, comply with or advance certain ESG initiatives (including the manner in which we complete such initiatives), we may be subject to various adverse impacts, including to our financial results, our reputation, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders. Additionally, many of our business partners and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us.

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 or our trademarks or service marks.

We have registered domain names for our websites that we use in our business. If we lose the ability to use a domain name, we may incur significant expenses to market our products and services under a new domain name, which could harm our business. In addition, our competitors 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 and enforcing our rights in our domain names and determining the rights of others may require litigation, which could result in substantial costs and diversion of management's attention.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes multiple layers of security controls, including network segmentation, security monitoring, endpoint protection, and identity and access management, as well as a cybersecurity incident response plan.

We assess our program based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"). While we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business, this does not imply that we meet any particular technical standards, specifications, or requirements, and our maturity varies across our cybersecurity program.

Our cybersecurity risk management program considers cybersecurity risks alongside other company risks as part of our overall cybersecurity risk assessment process, and shares common methodologies, reporting channels and governance processes that apply to other risks impacting the company, such as regulatory, financial and operational risks.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of vulnerability scans and penetration testing;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management, including annual incident training, regular phishing email simulations and tabletop exercises to simulate incident responses;
- a robust cybersecurity incident response plan that includes documented procedures for preparing for, detecting, responding to and recovering from cybersecurity incidents, as well as processes to triage, assess severity for, escalate, contain, investigate, and remediate the incident; and

- a third-party risk management process for service providers, suppliers, and vendors.

We have not identified any risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. However, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with or effective in protecting our systems and information. See "*Item 1A. Risk Factors*" for additional discussion regarding the risks we face from cybersecurity threats.

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (the "Committee") oversight of cybersecurity and other information technology risks. The Committee oversees management's implementation of our cybersecurity risk management program.

The Committee receives reports at least annually from our Chief Technology Officer and management on our cybersecurity risk management and strategy, including, as applicable, progress towards our risk-mitigation goals, results from third-party assessments, and the emerging threat landscape. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The Committee reports to the full Board regarding its activities, including those related to cybersecurity and, will, from time to time, brief the full Board on our cybersecurity risk management program. From time to time, our Committee members receive presentations on cybersecurity topics from our internal or external experts as part of its continuing education on topics that impact public companies.

Our Chief Technology Officer, in coordination with our Head of Security and our internal security staff, is responsible for assessing and managing our material risks from cybersecurity threats, and has primary responsibility for our overall cybersecurity risk management program and supervising both our internal cybersecurity personnel and our retained external cybersecurity consultants.

Our Chief Technology Officer, who possesses a 25-year track record in overseeing technology, 15 of which includes oversight of information security systems, reports directly to our Chief Executive Officer. This extensive experience spans both public and private companies and includes over a decade as the dedicated key individual responsible for cybersecurity. Our Head of Security, who leads our internal security staff and reports directly to our Chief Technology Officer, has over 20 years of software development experience, ten of which have focused on cybersecurity, and includes managing information security systems, developing cybersecurity strategy and implementing effective information and cybersecurity programs.

Our Chief Technology Officer and Head of Security supervise efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel, threat intelligence and other information obtained from governmental, public or private sources, and alerts and reports produced by security tools deployed in the IT environment, such as regular network and endpoint monitoring, vulnerability assessments, penetration testing, and tabletop exercises.

Item 2. Properties.

We have various operating leases for office space, which are summarized as of December 31, 2023 in the table below. We believe that our facilities are adequate for our current needs.

Location	Purpose	Approximate Square Feet	Principal Lease Expiration Dates
Tempe, Arizona	General Office Space, Corporate Mailing Address	53,867	2030
Duluth, Georgia	General Office Space	71,085	2029

In addition, we lease office space in several other locations in the United States and India.

Item 3. Legal Proceedings.

On October 7, 2022 and November 22, 2022, purported securities class action lawsuits were filed in the United States District Court for the District of Arizona, captioned Alich v. Opendoor Technologies Inc., et al. (Case No. 2:22-cv-01717-JFM) (“Alich”) and Oakland County Voluntary Employee’s Beneficiary Association, et al. v. Opendoor Technologies Inc., et al. (Case No. 2:22-cv-01987-GMS) (“Oakland County”), respectively. The lawsuits were consolidated into a single action, captioned *In re Opendoor Technologies Inc. Securities Litigation* (Case No. 2:22-CV-01717-MTL). The consolidated amended complaint names as defendants the Company, Social Capital Hedosophia Holdings Corp. II (“SCH”), certain of the Company’s current and former officers and directors and the underwriters of a securities offering the Company made in February 2021. The complaint alleges that the Company and certain officers violated Section 10(b) of the Exchange Act and SEC Rule 10b-5, and that the Company, SCH, certain officers and directors and the underwriters violated Section 11 of the Securities Act, in each case by making materially false or misleading statements related to the effectiveness of the Company’s pricing algorithm. The plaintiffs also allege that certain defendants violated Section 20(a) of the Exchange Act and Section 15 of the Securities Act, respectively, which provide for control person liability. The complaint asserts claims on behalf of all persons and entities that purchased, or otherwise acquired, Company common stock between December 21, 2020 and November 3, 2022 or pursuant to offering documents issued in connection with our business combination with SCH and the secondary public offering conducted by the Company in February 2021. The plaintiffs seek class certification, an award of unspecified compensatory damages, an award of interest and reasonable costs and expenses, including attorneys’ fees and expert fees, and other and further relief as the court may deem just and proper. The defendants filed motions to dismiss on June 30, 2023, which are pending before the court. We believe that the allegations in the complaint are without merit and we intend to vigorously defend ourselves in the matter.

On March 1, 2023 and March 15, 2023, shareholder derivative lawsuits were filed in the United States District Court for the District of Arizona, captioned *Carlson v. Rice, et al.* (Case No. 2:23-cv-00367-GMS) and *Van Dorn v. Wu, et al.* (Case No. 2:23-cv-00455-DMF), respectively, which were subsequently consolidated into a single action, captioned *Carlson v. Rice* (Case No. 2:23-CV-00367-GMS). Plaintiffs voluntarily dismissed the matter on June 22, 2023, and thereafter re-filed complaints in the Court of Chancery of the State of Delaware, captioned *Carlson v. Rice, et al.* (Case No. 2023-0642) and *Van Dorn v. Rice, et al.* (Case No. 2023-0643).The cases have been consolidated into a single action, captioned *Opendoor Technologies Inc. Stockholder Derivative Litigation* (Case No. 2023-0642). On June 29, 2023, a shareholder derivative lawsuit was filed in the United States District Court for the District of Delaware, captioned *Juul v. Wu, et al.* (Case No. 1:23-cv-00705-UNA). The complaints in each matter are based on the same facts and circumstances as *In re Opendoor Technologies Inc. Securities Litigation* and name certain officers and directors of the Company as defendants. The defendants are alleged to have violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 and breached fiduciary duties. The plaintiffs seek to maintain the derivative actions on behalf of the Company, an award of unspecified compensatory damages, an order directing the Company to reform its corporate governance and internal procedures, restitutionary relief, an award of interest and expenses, including attorneys’ fees and expert fees, and other and further relief as the court may deem just and proper. These derivative actions have been stayed pending further developments in *In re Opendoor Technologies Inc. Securities Litigation*.

On October 13, 2023, a shareholder derivative lawsuit was filed in the United States District Court for the District of Delaware, captioned *Woods, et al. v. Bain, et al*. (Case No. 1:23-cv-01158-UNA). The complaint is based on facts and circumstances related to *In re Opendoor Technologies Inc. Securities Litigation*. The plaintiffs have brought claims against certain current and former directors and officers of the Company for breaches of fiduciary duty, contribution under Sections 10(b) and 21D of the Exchange Act, and violations of Section 14(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder. The plaintiffs seek to maintain the derivative action on behalf of the Company, an award of unspecified compensatory damages, an order directing one of the defendants to disgorge monies allegedly obtained from certain personal sales of Company stock, equitable relief, an award of interest and expenses, including attorneys’ fees and expert fees, and other and further relief as the court may deem just and proper. This derivative action has been stayed pending further developments in *In re Opendoor Technologies Inc. Securities Litigation.*

On October 18, 2023, a shareholder derivative lawsuit was filed in the United States District Court for the District of Arizona, captioned *Gera v. Palihapitiya, et al*. (Case No. 2:23-cv-02164-SMB). The complaint is based on facts and circumstances related to *In re Opendoor Technologies Inc. Securities Litigation*, and names as defendants certain current and former officers and directors of the Company and SCH Sponsor II LLC. The complaint alleges that the defendants violated Section 14(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder. The plaintiff seeks to maintain the derivative action on behalf of the Company, an award of unspecified compensatory damages, an order directing the Company to reform certain corporate governance and internal procedures, restitution, an award of cost and expenses, including attorneys’ fees and expert fees, and other and further relief as the court may deem just and proper.

In addition to the foregoing, we are currently and have in the past been subject to legal proceedings and regulatory actions in the ordinary course of business. We do not anticipate that the ultimate liability, if any, arising out of any such matters will have a material effect on our financial condition, results of operations or cash flows. In the future, we may be subject to further legal proceedings and regulatory actions in the ordinary course of business and we cannot predict whether any such proceeding or matter will have a material effect on our financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information for Common Stock

Our common stock is listed on the Nasdaq Global Select Market ("Nasdaq") under the symbol "OPEN."

Holders of Record

As of February 8, 2024, there were approximately 61 holders of record of our common stock.

Dividend Policy

We have never declared or paid dividends on our capital stock. We currently intend to retain any future earnings to fund the development and growth of our business, and therefore do not expect to pay any dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to compliance with contractual restrictions and covenants in the agreements governing our current and future indebtedness. Any such determination will also depend upon our business prospects, results of operations, financial condition, cash requirements and availability and other factors that our board of directors may deem relevant.

Sales of Unregistered Equity Securities

None.

Issuer Purchases of Equity Securities

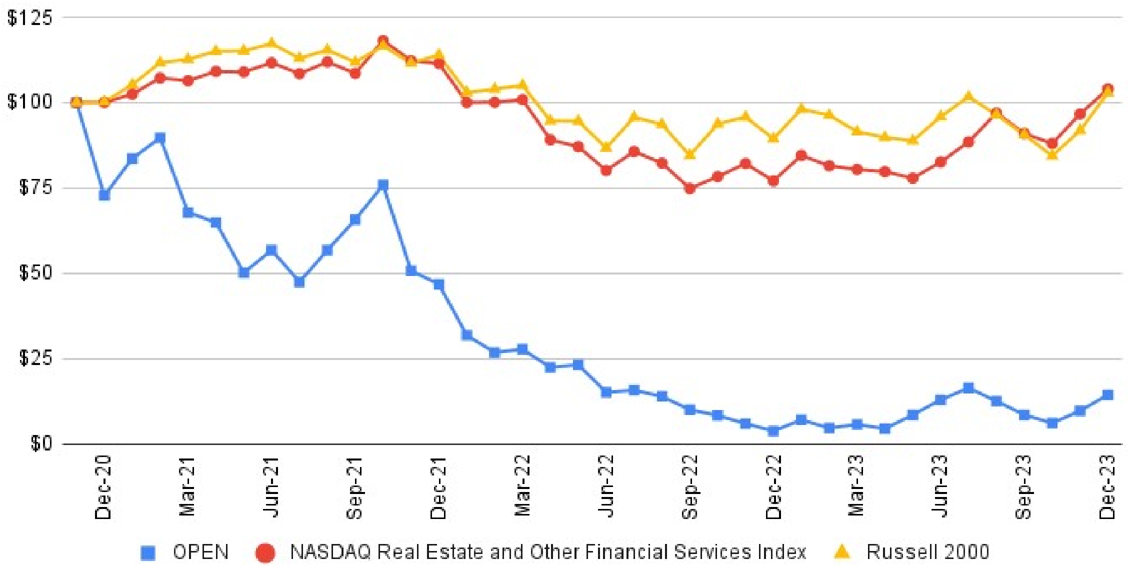
None.

Performance Graph

The stock performance graph set forth below shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act and will not be deemed to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act. The information contained in the graph is based on historical data and is not intended to forecast possible future performance.

The following graph compares our cumulative total shareholder return on the Company's common stock with the Nasdaq Real Estate and Other Financial Services Index and the Russell 2000 Index.

This graph covers the period from December 21, 2020, which was the first day our common stock began trading after the closing of the Business Combination, through December 31, 2023 for the Company's common stock. This graph assumes that the value of the investment in the Company's common stock and each index (including reinvestment of dividends) was $100 on December 21, 2020.



Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis provides information that our management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. The discussion should be read together with the historical audited annual consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022, and 2021.

This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Forward-Looking Statements,” “Risk Factors,” or in other parts of this Annual Report on Form 10-K.

Overview

Opendoor’s mission is to power life’s progress, one move at a time. Residential real estate is a trillion-dollar industry underpinned by a process that is complicated, time-consuming, stressful, and offline. We believe all consumers deserve to buy, sell, and move between homes with simplicity and confidence, and we have dedicated almost a decade to delivering on this vision. We have built unique pricing and operations capabilities to become one of the largest buyers and sellers of homes in the United States. Since our founding, we have helped customers to buy or sell homes in over 246,000 transactions and have expanded our footprint to 50 markets across the country.

Financial Highlights and Operating Metrics

(in millions, except percentages, homes purchased, homes sold, number of markets, and homes in inventory)	Year Ended December 31, 2023	2022	2021	2022 to 2023 Change	2021 to 2022 Change
Revenue	$ 6,946	$ 15,567	$ 8,021	$ (8,621)	$ 7,546
Gross profit	$ 487	$ 667	$ 730	$ (180)	$ (63)
Gross margin	7.0 %	4.3 %	9.1 %		
Net loss	$ (275)	$ (1,353)	$ (662)	$ 1,078	$ (691)
Number of markets (at period end)	50	53	44	(3)	9
Homes sold	18,708	39,183	21,725	(20,475)	17,458
Homes purchased	11,246	34,962	36,908	(23,716)	(1,946)
Homes in inventory (at period end)	5,326	12,788	17,009	(7,462)	(4,221)
Inventory (at period end)	$ 1,775	$ 4,460	$ 6,096	$ (2,685)	$ (1,636)
Percentage of homes “on the market” for greater than 120 days (at period end)	18 %	55 %	8 %		
Non-GAAP Financial Highlights (1)					
Contribution (Loss) Profit	$ (258)	$ 525	$ 525	$ (783)	$ —
Contribution Margin	(3.7)%	3.4 %	6.5 %		
Adjusted EBITDA	$ (627)	$ (168)	$ 58	$ (459)	$ (226)
Adjusted EBITDA Margin	(9.0)%	(1.1)%	0.7 %		
Adjusted Net Loss	$ (778)	$ (574)	$ (116)	$ (204)	$ (458)

(1) See “—*Non-GAAP Financial Measures*” for further details and a reconciliation of such non-GAAP measures to their nearest comparable GAAP measures.

Current Housing Environment

2023 was a year underpinned by macro uncertainty in the housing market, driven by interest rate volatility, which caused 30-year mortgage rates to increase by 170 basis points between February and October. These dynamics resulted in hesitation by both buyers and sellers with overall home sales declining nearly 20% year-over-year. In the first half of 2023, home prices performed better than expected on the back of historically low listing volumes. Against this backdrop of constrained supply, market clearance exceeded levels seen historically over the same time period. In the second half of 2023, the elevated 30-year mortgage rates further depressed buyer demand, amplifying the typical seasonal decline in market clearance rates. The slowing market clearance rates impacted our financial performance for the final quarter of 2023 in the following three ways. First, as market clearance rates slowed, our pace of resales, and therefore revenue, was reduced quarter over quarter. Second, although the impact was tempered by historically low listing volumes, we reduced home-level list prices in order to stay inline with our clearance targets, which flowed through to revenue, gross profit, gross margin and contribution margin. Third, as a result of slower resale clearance rates, some sales from the old book of inventory shifted out of the third quarter of 2023 and continued to be a drag on overall margins as they sold through given their negative margin profile.

(Tabular amounts in millions, except share and per share data and ratios, or as noted)

As we look ahead, the real-time metrics we track are continuing to show constrained supply and demand, which is resulting in home price stability. Several macroeconomic indicators have been trending favorably, including a healthy U.S. labor market and moderating inflation. However, given continued interest rate volatility, we remain focused on preserving flexibility in setting spreads to operate against a range of macroeconomic outcomes in 2024.

Contribution Margin is a non-GAAP financial measure. See "—*Non-GAAP Financial Measures*" for further details and a reconciliation of Contribution Margin to Gross Margin.

Factors Affecting our Business Performance

Market Penetration in Existing Markets

Residential real estate is one of the largest consumer markets in the United States, of which less than 1% of the estimated $1.6 trillion of home value transacted annually is conducted online. Given the fact that we operate in a highly fragmented industry and offer a differentiated value proposition to the traditional offline selling process, we believe there is significant opportunity to expand our share in our existing markets. By providing a consistent, high-quality and differentiated experience to our customers, we hope to continue to drive positive word-of-mouth awareness and trust in our platform.

We are steadily growing our reach via our partnership channels with homebuilders, agents, and online real estate platforms. We have relationships with the three largest online real estate platforms, Zillow, Redfin, and Realtor.com, which collectively reach millions of unique monthly visitors. We launched our partnership agreement with Zillow, Inc. in early 2023, allowing home sellers on the Zillow, Inc. platform to request an offer directly from Opendoor, and creating an additional channel for us to drive brand awareness and acquire customers. As of December 31, 2023, our partnership was live in 45 markets. In the fourth quarter of 2023, we also announced a new partnership agreement with eXp Realty, the largest independent real estate company in the world. This agreement enables eXp's agents to request a cash offer on qualifying properties on behalf of their clients directly within their eXp dashboard and present the Opendoor offer alongside the option of listing the client's home on the market.

A continued source of growth is re-engagement with our base of registered sellers, meaning sellers that have received an offer from Opendoor but have not yet sold their home. In the last ten years, we have sent millions of offers and, while not everyone is ready to act when they request an offer, we treat everyone as a potential future seller. We perpetually iterate on our reengagement strategies and believe that our registered customer base will continue to be an important source of home acquisition volumes.

Market Footprint

The following table represents the number of markets we operated in as of the periods presented:

	Year Ended December 31,		
(in whole numbers)	**2023**	**2022**	**2021**
Number of markets (at period end)	50	53	44

Due to the deteriorating macro environment in 2022 and 2023, we slowed down our new market expansion plans. During the three months ended December 31, 2023, we stopped acquiring inventory in, and operationally supporting, our markets in Boise, Idaho, Reno, Nevada and Asheville, North Carolina. These three markets are below the scale required for us to operate in a cost-effective manner and are not sufficiently close to another market to leverage its operations. In total, these three markets represented less than 1% of total homes sold in 2023.

Adjacent Services

We believe home sellers and buyers value simplicity and certainty. To that end, we are building an online, integrated suite of home services, which currently includes title insurance, escrow services and real estate brokerage services.

Our success with title insurance and escrow services helps validate our view that customers prefer an online, integrated experience. We will continue to evaluate new ways to improve our end-to-end solution and expect to invest in additional adjacent products and services over time with the expectation that these adjacent services will continue to improve our unit economics.

Unit Economics

We view Contribution Margin as a key measure of unit economic performance. Contribution Margin is a non-GAAP financial measure. See "*—Non-GAAP Financial Measures*" for further details and a reconciliation of Contribution Margin to Gross Margin. Our long-term financial performance depends, in part, on continuing to maintain and expand unit margins through the following initiatives:

- Optimization and enhancements of our pricing engine;
- Platform efficiency improvements through greater automation and self-service;
- Incremental attach of services, which supplement the core transaction margin profile; and
- Expansion of our listing and marketplace product offerings, which will reduce our inventory exposure and capital intensity, and eliminate the holding and selling costs associated with taking ownership of the home.

Inventory Management

Effectively managing our overall inventory position and balancing growth, margin, and risk are critical to our financial performance. Since our inception, we have prioritized investment in our pricing capabilities across our home acquisition processes and our forecasting and resale systems, and will continue to do so. As part of our overall risk management framework, we consider both individual market and aggregate portfolio exposures. We typically seek to maximize the resale margin performance of our inventory in the context of managing overall risk and inventory health through monitoring sell-through rates, holding periods, and portfolio aging.

Our performance in 2023 reflects the sharp transition in the housing market from peak levels earlier in 2022 to lower transaction velocity and home price appreciation well beyond typical seasonal trends. Given these macroeconomic pressures, we have been focused on managing overall inventory health and risk. We have been particularly focused on homes that we acquired based on offers made in the first half of 2022 and prior ("old book") and we have continued to adjust down listed prices on our inventory to stay in-line with market sell-through rates and drive resale clearance. As of December 31, 2023, we had $34 million of old book homes in inventory, down 99% from $3.5 billion at December 31, 2022. We also increased the spreads embedded in our offers and reduced our marketing investment, which slowed our acquisition pacing. (Spreads are defined as total discount to our home valuation at time of offer less than Opendoor service fee of 5%.) We expect to achieve positive gross margins and contribution margins on acquisitions arising from offers made in the second half of 2022 onward once fully sold through, and we expect to resume a higher acquisition pace as the housing market stabilizes.

Related primarily to the sharp transition in the housing market, we recorded inventory valuation adjustments of $737 million during the year ended December 31, 2022. In 2023, resale clearance is trending better than the back half of 2022 and a lack of supply of new listings has helped to stabilize home prices. As such, inventory valuation adjustments of $65 million recorded during the year ended December 31, 2023 were significantly lower than 2022.

As one key measure of inventory management performance, we evaluate our portfolio metrics relative to the broader market (as observed on the multiple listing services ("MLS")). One such metric is our percentage of homes "on the market" for greater than 120 days as measured from initial listing date. As of December 31, 2023, such homes represented 18% of our portfolio, compared to 21% for the broader market when filtered for the types of homes we are able to underwrite and acquire in a given market based on characteristics such as price range, home type, home location, year built and lot size (which we refer to as our “buybox”).

Inventory Financing

Our business model is working capital intensive and inventory financing is a key enabler of our growth. We primarily rely on our access to non-recourse asset-backed debt, which consists of asset-backed senior debt facilities and asset-backed mezzanine term debt facilities, to finance our home acquisitions. See “—*Liquidity and Capital Resources — Debt and Financing Arrangements.*”

Seasonality

The residential real estate market is seasonal, with greater demand and home price appreciation from home buyers in the spring and summer, and typically weaker demand and lower home price appreciation in late fall and winter. In general, we expect our financial results and working capital requirements to reflect seasonal variations over time. However, other factors, including growth, market expansion and changes in macroeconomic conditions, such as rising inflation and interest rate increases as recently observed, have obscured the impact of seasonality in our historical financials and we expect may continue to do so.

Non-GAAP Financial Measures

In addition to our results of operations below, we report certain financial measures that are not required by, or presented in accordance with, U.S. generally accepted accounting principles (“GAAP”).

These measures have limitations as analytical tools when assessing our operating performance and should not be considered in isolation or as a substitute for GAAP measures, including gross profit and net loss. We may calculate or present our non-GAAP financial measures differently than other companies who report measures with similar titles and, as a result, the non-GAAP financial measures we report may not be comparable with those of companies in our industry or in other industries.

Adjusted Gross Profit and Contribution Profit (Loss)

To provide investors with additional information regarding our margins and return on inventory acquired, we have included Adjusted Gross Profit and Contribution Profit (Loss), which are non-GAAP financial measures. We believe that Adjusted Gross Profit and Contribution Profit (Loss) are useful financial measures for investors as they are supplemental measures used by management in evaluating unit level economics and our operating performance. Each of these measures is intended to present the economics related to homes sold during a given period. We do so by including revenue generated from homes sold (and adjacent services) in the period and only the expenses that are directly attributable to such home sales, even if such expenses were recognized in prior periods, and excluding expenses related to homes that remain in inventory as of the end of the period. Contribution Profit (Loss) provides investors a measure to assess Opendoor’s ability to generate returns on homes sold during a reporting period after considering home purchase costs, renovation and repair costs, holding costs and selling costs.

Adjusted Gross Profit and Contribution Profit (Loss) are supplemental measures of our operating performance and have limitations as analytical tools. For example, these measures include costs that were recorded in prior periods under GAAP and exclude, in connection with homes held in inventory at the end of the period, costs required to be recorded under GAAP in the same period. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. We include a reconciliation of these measures to the most directly comparable GAAP financial measure, which is gross profit.

Adjusted Gross Profit / Margin

We calculate Adjusted Gross Profit as gross profit under GAAP adjusted for (1) inventory valuation adjustment in the current period and (2) inventory valuation adjustment in prior periods. Inventory valuation adjustment in the current period is calculated by adding back the inventory valuation adjustments recorded during the period on homes that remain in inventory at period end. Inventory valuation adjustment in prior periods is calculated by subtracting the inventory valuation adjustments recorded in prior periods on homes sold in the current period. We define Adjusted Gross Margin as Adjusted Gross Profit as a percentage of revenue. See "*—Critical Accounting Policies and Estimates — Real Estate Inventory"* for detailed discussion of inventory valuation adjustment.

We view this metric as an important measure of business performance as it captures gross margin performance isolated to homes sold in a given period and provides comparability across reporting periods. Adjusted Gross Profit helps management assess home pricing, service fees and renovation performance for a specific resale cohort.

Contribution Profit / Margin

We calculate Contribution Profit (Loss) as Adjusted Gross Profit, minus certain costs incurred on homes sold during the current period including: (1) holding costs incurred in the current period, (2) holding costs incurred in prior periods, and (3) direct selling costs. The composition of our holding costs is described in the footnotes to the reconciliation table below. Contribution Margin is Contribution Profit (Loss) as a percentage of revenue.

We view this metric as an important measure of business performance as it captures the unit level performance isolated to homes sold in a given period and provides comparability across reporting periods. Contribution Profit (Loss) helps management assess inflows and outflows directly associated with a specific resale cohort.

The following table presents a reconciliation of our Adjusted Gross Profit and Contribution Profit to our gross profit, which is the most directly comparable GAAP measure, for the periods indicated:

(in millions, except percentages)	Year Ended December 31, 2023	2022	2021
Revenue (GAAP)	**$ 6,946**	**$ 15,567**	**$ 8,021**
Gross profit (GAAP)	**$ 487**	**$ 667**	**$ 730**
Gross Margin	7.0 %	4.3 %	9.1 %
Adjustments:			
Inventory valuation adjustment – Current Period(1)(2)	23	458	39
Inventory valuation adjustment – Prior Periods(1)(3)	(455)	(39)	—
Adjusted Gross Profit	**$ 55**	**$ 1,086**	**$ 769**
Adjusted Gross Margin	0.8 %	7.0 %	9.6 %
Adjustments:			
Direct selling costs(4)	(197)	(414)	(195)
Holding costs on sales – Current Period(5)(6)	(50)	(109)	(47)
Holding costs on sales – Prior Periods(5)(7)	(66)	(38)	(2)
Contribution Profit (Loss)	**$ (258)**	**$ 525**	**$ 525**
Contribution Margin	(3.7)%	3.4 %	6.5 %

(1) Inventory valuation adjustment includes adjustments to record real estate inventory at the lower of its carrying amount or its net realizable value. See "*—Critical Accounting Policies and Estimates — Real Estate Inventory.*"

(2) Inventory valuation adjustment — Current Period is the inventory valuation adjustments recorded during the period presented associated with homes that remain in inventory at period end.

(3) Inventory valuation adjustment — Prior Periods is the inventory valuation adjustments recorded in prior periods associated with homes that sold in the period presented.

(4) Represents selling costs incurred related to homes sold in the relevant period. This primarily includes broker commissions, external title and escrow-related fees and transfer taxes.

(5) Holding costs include mainly property taxes, insurance, utilities, homeowners association dues, cleaning and maintenance costs. Holding costs are included in Sales, marketing, and operations on the Consolidated Statements of Operations.

(6) Represents holding costs incurred in the period presented on homes sold in the period presented.

(7) Represents holding costs incurred in prior periods on homes sold in the period presented.

Adjusted Net Loss and Adjusted EBITDA

We also present Adjusted Net Loss and Adjusted EBITDA, which are non-GAAP financial measures that management uses to assess our underlying financial performance. These measures are also commonly used by investors and analysts to compare the underlying performance of companies in our industry. We believe these measures provide investors with meaningful period over period comparisons of our underlying performance, adjusted for certain charges that are non-recurring, non-cash, not directly related to our revenue-generating operations, not aligned to related revenue, or not reflective of ongoing operating results that vary in frequency and amount.

Adjusted Net Loss and Adjusted EBITDA are supplemental measures of our operating performance and have important limitations. For example, these measures exclude the impact of certain costs required to be recorded under GAAP. These measures also include inventory valuation adjustments that were recorded in prior periods under GAAP and exclude, in connection with homes held in inventory at the end of the period, inventory valuation adjustments required to be recorded under GAAP in the same period. These measures could differ substantially from similarly titled measures presented by other companies in our industry or companies in other industries. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. We include a reconciliation of these measures to the most directly comparable GAAP financial measure, which is net loss.

Adjusted Net Loss

We calculate Adjusted Net Loss as GAAP net loss adjusted to exclude non-cash expenses of stock-based compensation, equity securities fair value adjustment, warrant fair value adjustment, and intangibles amortization expense. It excludes expenses that are not directly related to our revenue-generating operations such as restructuring and legal contingency accruals. It excludes (gain) loss on extinguishment of debt as these expenses or gains were incurred as a result of decisions made by management to repay portions of our outstanding credit facilities and the 0.25% convertible senior notes due in 2026 (the "2026 Notes") early; these expenses are not reflective of ongoing operating results and vary in frequency and amount. It also excludes non-recurring payroll tax on initial RSU release, and goodwill impairment. Adjusted Net Loss also aligns the timing of inventory valuation adjustments recorded under GAAP to the period in which the related revenue is recorded in order to improve the comparability of this measure to our non-GAAP financial measures of unit economics, as described above. Our calculation of Adjusted Net Loss does not currently include the tax effects of the non-GAAP adjustments because our taxes and such tax effects have not been material to date.

Adjusted EBITDA / Margin

We calculated Adjusted EBITDA as Adjusted Net Loss adjusted for depreciation and amortization, property financing and other interest expense, interest income, and income tax expense. Adjusted EBITDA is a supplemental performance measure that our management uses to assess our operating performance and the operating leverage in our business. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of revenue.

The following table presents a reconciliation of our Adjusted Net Loss and Adjusted EBITDA to our net loss, which is the most directly comparable GAAP measure, for the periods indicated:

	Year Ended December 31,		
(in millions, except percentages)	**2023**	**2022**	**2021**
Revenue (GAAP)	**$ 6,946**	**$ 15,567**	**$ 8,021**
Net loss (GAAP)	**$ (275)**	**$ (1,353)**	**$ (662)**
Adjustments:			
Stock-based compensation	126	171	536
Equity securities fair value adjustment[1]	1	35	(35)
Warrant fair value adjustment[1]	—	—	(12)
Intangibles amortization expense[2]	7	9	4
Inventory valuation adjustment – Current Period[3][4]	23	458	39
Inventory valuation adjustment – Prior Periods[3][5]	(455)	(39)	—
Restructuring[6]	14	17	—
(Gain) loss on extinguishment of debt	(216)	25	—
Goodwill impairment	—	60	—
Payroll tax on initial RSU release	—	—	5
Legal contingency accrual and related expenses	—	46	14
Other[7]	(3)	(3)	(5)
Adjusted Net Loss	**$ (778)**	**$ (574)**	**$ (116)**
Adjustments:			
Depreciation and amortization, excluding amortization of intangibles	45	41	33
Property financing[8]	174	329	119
Other interest expense[9]	37	56	24
Interest income[10]	(106)	(22)	(3)
Income tax expense	1	2	1
Adjusted EBITDA	**$ (627)**	**$ (168)**	**$ 58**
Adjusted EBITDA Margin	(9.0)%	(1.1)%	0.7 %

(1) Represents the gains and losses on certain financial instruments, which are marked to fair value at the end of each period.

(2) Represents amortization of acquisition-related intangible assets. The acquired intangible assets have useful lives ranging from 1 to 5 years and amortization is expected until the intangible assets are fully amortized.

(3) Inventory valuation adjustment includes adjustments to record real estate inventory at the lower of its carrying amount or its net realizable value.

(4) Inventory valuation adjustment — Current Period is the inventory valuation adjustments recorded during the period presented associated with homes that remain in inventory at period end.

(5) Inventory valuation adjustment — Prior Periods is the inventory valuation adjustments recorded in prior periods associated with homes that sold in the period presented.

(6) Restructuring costs consist primarily of severance and employee termination benefits and bonuses.

(7) Includes primarily gain or loss on the sale of available for sale securities, sublease income, income from equity method investments, and gain on lease termination.

(8) Includes interest expense on our non-recourse asset-backed debt facilities.

(9) Includes amortization of debt issuance costs and loan origination fees, commitment fees, unused fees, other interest related costs on our asset-backed debt facilities, interest expense related to the 2026 Notes outstanding, and interest expense on other secured borrowings.

(10) Consists mainly of interest earned on cash, cash equivalents, restricted cash and marketable securities.

Components of Our Results of Operations

Revenue

We generate the majority of our revenue from the sale of homes that we previously acquired from homeowners. In addition, we generate revenue from additional services we provide to both home sellers and buyers, which consists primarily of title insurance and escrow services and brokerage services.

Home sales revenue from selling residential real estate is recognized when title to and possession of the property has transferred to the buyer and we have no continuing involvement with the property, which is generally the close of escrow. The amount of revenue recognized for each home sale is equal to the sale price of the home net of any concessions.

Cost of Revenue

Cost of revenue includes the property purchase price, acquisition costs and direct costs to renovate or repair the home. These costs are accumulated in real estate inventory during the property holding period and charged to cost of revenue under the specific identification method when the property is sold. Real estate inventory is reviewed for valuation adjustments at least quarterly. If the carrying amount for a given home is not expected to be recovered, an inventory valuation adjustment is recorded to cost of revenue and the home's carrying value is adjusted to its net realizable value. Additionally, for our revenue other than home sales revenue, cost of revenue consists of any costs incurred in delivering the service, including associated headcount expenses such as salaries, benefits and stock-based compensation.

Operating Expenses

Sales, Marketing and Operations Expense

Sales, marketing and operations expense consists primarily of broker commissions (paid to the home buyers' real estate agents and third-party listing agents, if applicable), resale closing costs, holding costs related to real estate inventory including utilities, property taxes and maintenance, and expenses associated with product marketing, promotions and brand-building. Sales, marketing and operations expense also includes any headcount expenses in support of sales, marketing, and real estate operations such as salaries, benefits and stock-based compensation.

General and Administrative Expense

General and administrative expense consists primarily of headcount expenses, including salaries, benefits and stock-based compensation for our executive, finance, human resources, legal and administrative personnel, third-party professional services fees and rent expense.

Technology and Development Expense

Technology and development expense consists primarily of headcount expenses, including salaries, benefits and stock-based compensation for employees in the design, development, testing, maintenance and operation of our mobile applications, websites, tools, applications, and mobile apps that support our products. Technology and development expense also includes amortization of capitalized software development costs and third-party software and hosting costs.

Goodwill Impairment Expense

Goodwill impairment expense consists of impairment charges recorded as a result of goodwill impairment testing.

Restructuring Expense

Restructuring expense consists primarily of severance and other termination benefits for employees whose roles have been eliminated.

Warrant Fair Value Adjustment

Warrant fair value adjustment consists of unrealized and realized gains and losses as a result of marking our warrants to fair value at the end of each reporting period and subsequent settlement through exercise of warrants to equity.

Gain (Loss) on Extinguishment of Debt

Gain (loss) on extinguishment of debt is primarily related to the Company's partial repurchase of the 2026 Notes at a discount net of unamortized deferred costs associated with the 2026 Notes. Gain on extinguishment of debt also includes any gains or losses recognized in conjunction with the termination of debt facilities, partial debt extinguishments, and unamortized deferred costs associated with these facilities. See "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 5. Credit Facilities and Long-Term Debt—Convertible Senior Notes"* for additional information regarding the 2026 Notes.

Interest Expense

Interest expense consists primarily of interest paid or payable and the amortization of debt discounts and debt issuance costs. Interest expense varies period over period, primarily due to fluctuations in our inventory volumes and changes in the floating benchmark interest rates ("Benchmark Rates"), based on a London Interbank Offered Rate ("LIBOR") for certain periods prior to December 31, 2022 or the secured overnight financing rate ("SOFR"), plus an applicable margin, which impact the interest incurred on our senior revolving credit facilities (see "*— Liquidity and Capital Resources — Debt and Financing Arrangements*").

We expect our overall interest expense to increase as inventory increases. Subject to market conditions and cost of capital trade-offs, we will evaluate opportunities to expand our sources of financing over time, which may allow us to diversify our mix of financing sources to include more cost effective financing relative to our higher cost mezzanine term debt facilities.

Other Income (Loss) — Net

Other income (loss) – net consists primarily of interest income on our Cash and Restricted cash balances and from our investment in money market funds, time deposits, and debt securities as well as changes in fair value of, and dividend income, from our investment in equity securities.

Income Tax Expense

We record income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. We recognize the effect on deferred income taxes of a change in tax rates in income in the period that includes the enactment date.

We record a valuation allowance to reduce our deferred tax assets and liabilities to the net amount that we believe is more likely than not to be realized. We consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing tax planning strategies in assessing the need for a valuation allowance.

Results of Operations

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth our results of operations for the years ended December 31, 2023 and 2022:

	Year Ended December 31,		Change in	
(in millions, except percentages)	2023	2022	$	%
Revenue	$ 6,946	$ 15,567	$ (8,621)	(55)%
Cost of revenue	6,459	14,900	(8,441)	(57)%
Gross profit	487	667	(180)	(27)%
Operating expenses:				
Sales, marketing and operations	486	1,006	(520)	(52)%
General and administrative	206	346	(140)	(40)%
Technology and development	167	169	(2)	(1)%
Goodwill impairment	—	60	(60)	N/M
Restructuring	14	17	(3)	(18)%
Total operating expenses	873	1,598	(725)	(45)%
Net operating loss	(386)	(931)	545	(59)%
Gain (loss) on extinguishment of debt	216	(25)	241	N/M
Interest expense	(211)	(385)	174	(45)%
Other income (loss)-net	107	(10)	117	N/M
Loss before income taxes	(274)	(1,351)	1,077	(80)%
Income tax expense	(1)	(2)	1	(50)%
Net loss	$ (275)	$ (1,353)	$ 1,078	(80)%

N/M - Not meaningful.

Revenue

Revenue decreased by $8.6 billion, or 55%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease in revenue was primarily attributable to lower sales volumes as well as lower revenue per home. We sold 18,708 homes during the year ended December 31, 2023, compared to 39,183 homes during the year ended December 31, 2022, representing a decrease of 52%. Revenue per home sold decreased 7% between the same periods. The decrease in sales volumes was a result of the proactive reduction of our inventory acquisition pace beginning in the third quarter of 2022 via higher spreads embedded in our offers and lower marketing investment in reaction to volatility in the U.S. housing market. The decrease in revenue per home sold was primarily attributed to a slowdown in home price appreciation ("HPA").

Cost of Revenue and Gross Profit

Cost of revenue decreased by $8.4 billion, or 57%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease in cost of revenue was primarily attributable to lower sales volumes and a 9% decrease in cost of revenue per home, excluding inventory valuation adjustments on homes in inventory at period end, due to the slowdown in inventory acquisition pacing and HPA discussed above. In addition, the decrease in cost of revenue is attributable to a decrease in inventory valuation adjustments on homes in inventory at period end, which were $23 million for the year ended December 31, 2023 compared to $458 million for the year ended December 31, 2022. The decrease in inventory valuation adjustments reflects the relative home price stabilization experienced in 2023 as well as higher spreads embedded in our home acquisition offers.

Gross profit decreased from $667 million to $487 million and gross margin increased from 4.3% to 7.0% for the years ended December 31, 2022 and December 31, 2023, respectively. The decrease in gross profit is attributable to lower sales volumes as discussed above as well as the strong margins realized during the first half of the year ended December 31, 2022, which were fueled by a historically strong U.S. housing market at the start of the year. The increase in gross margin for the year ended December 31, 2023 compared to the year ended December 31, 2022 is attributable to $737 million in inventory valuation adjustments recorded during the year ended December 31, 2022 to reduce homes in inventory to their net realizable value following the rapid downturn in the U.S. housing market, beginning primarily in the second half of 2022. This included $458 million of inventory valuation adjustments on homes remaining in inventory at December 31, 2022.

For the same periods, Adjusted Gross Margin, which aligns the timing of inventory valuation adjustments to the period in which the home is sold, decreased from 7.0% to 0.8%. The decrease in Adjusted Gross Margin reflects the downturn in the U.S. housing market in the second half of 2022, resulting in market conditions at the time of resale to be weaker than we believed they would be at the time of pricing our inventory acquisitions. In addition, we prioritized risk management and resale clearance at the expense of resale margin performance in order to clear the old book inventory, which composed a majority of the resale cohort for the year ended December 31, 2023. Contribution Margin decreased from 3.4% to (3.7)% for the years ended December 31, 2022 and December 31, 2023, respectively, due to the reasons noted above as well as increased holding costs due to longer average inventory holding periods. Contribution Margin and Adjusted Gross Margin are non-GAAP financial measures. See "— *Non-GAAP Financial Measures*" for further details and a reconciliation of such non-GAAP measures to their nearest comparable GAAP measures.

Operating Expenses

Sales, Marketing and Operations. Sales, marketing and operations decreased by $520 million, or 52%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease was primarily attributable to a $217 million decrease in resale transaction costs and broker commissions, consistent with the 55% decrease in revenue during the same period. Property holding costs decreased by $116 million, consistent with decreased inventory levels. Advertising expense decreased by $125 million, from $200 million for the year ended December 31, 2022 to $75 million for the year ended December 31, 2023 as we decreased marketing in both existing and new markets. In addition, headcount expenses, including salaries and benefits, decreased $58 million, which was largely attributable to workforce reductions and a reduction in contingent labor in 2023.

General and Administrative. General and administrative decreased by $140 million, or 40%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease was primarily attributable to $46 million reduction in stock-based compensation, which was primarily related to the forfeiture of certain executive RSUs, including performance-based awards. In addition, the Company recorded a $46 million legal contingency accrual and related expenses recorded during the year ended December 31, 2022 in connection with the FTC consent order finalized in October 2022. Headcount expenses, including salaries and benefits decreased $19 million, which was primarily attributable to workforce reductions in 2023.

Technology and Development. Technology and development decreased by a nominal amount for the year ended December 31, 2023 compared to the year ended December 31, 2022.

Goodwill Impairment. Goodwill impairment decreased by $60 million for the year ended December 31, 2023 compared to the year ended December 31, 2022. During the fourth quarter of 2022, the market price of our common stock declined significantly causing the Company to perform an interim quantitative test for goodwill impairment. Based on the quantitative analysis, the Company recorded a goodwill impairment charge of $60 million for the year ended December 31, 2022. There was no impairment of goodwill identified for the year ended December 31, 2023.

Restructuring. Restructuring decreased by a nominal amount for the year ended December 31, 2023 compared to the year ended December 31, 2022.

Gain (Loss) on Extinguishment of Debt

Gain (loss) on extinguishment of debt increased by $241 million, for the year ended December 31, 2023 compared to the year ended December 31, 2022. The gain on extinguishment of debt of $216 million in December 31, 2023 resulted from the Company's partial repurchase of its 2026 Notes in 2023 at a discount net of unamortized deferred costs associated with the 2026 Notes, partially offset by expenses related to partial debt extinguishments during the year ended December 31, 2023.

Interest Expense

Interest expense decreased by $174 million, or 45%, for the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease was primarily attributable to a significant decrease in the average outstanding balances of our non-recourse asset-backed debt.

Other Income (Loss) — Net

Other income (loss) – net increased by $117 million for the year ended December 31, 2023 compared to the year ended December 31, 2022. The increase is primarily related to an $84 million increase in interest income due to an increase in interest rates and a $4 million unrealized gain versus a $35 million unrealized loss on marketable equity securities during the year ended December 31, 2023 and December 31, 2022, respectively.

Income Tax Expense

Income tax expense decreased by a nominal amount for the year ended December 31, 2023 compared to the year ended December 31, 2022.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

The following table sets forth our results of operations for the years ended December 31, 2022 and 2021:

	Year Ended December 31,		Change in	
(in millions, except percentages)	**2022**	**2021**	**$**	**%**
Revenue	$ 15,567	$ 8,021	$ 7,546	94 %
Cost of revenue	14,900	7,291	7,609	104 %
Gross profit	667	730	(63)	(9)%
Operating expenses:				
Sales, marketing and operations	1,006	544	462	85 %
General and administrative	346	620	(274)	(44)%
Technology and development	169	134	35	26 %
Goodwill impairment	60	—	60	N/M
Restructuring	17	—	17	N/M
Total operating expenses	1,598	1,298	300	23 %
Net operating loss	(931)	(568)	(363)	64 %
Warrant fair value adjustment	—	12	(12)	(100)%
Loss on extinguishment of debt	(25)	—	(25)	N/M
Interest expense	(385)	(143)	(242)	169 %
Other (loss) income-net	(10)	38	(48)	(126)%
Loss before income taxes	(1,351)	(661)	(690)	104 %
Income tax expense	(2)	(1)	(1)	100 %
Net loss	$ (1,353)	$ (662)	$ (691)	104 %

N/M - Not meaningful.

Revenue

Revenue increased by $7.5 billion, or 94%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in revenue was primarily attributable to higher sales volumes as well as higher revenue per home. We sold 39,183 homes during the year ended December 31, 2022, compared to 21,725 homes during the year ended December 31, 2021, representing an increase of 80%. Revenue per home sold increased 8% between periods due to inventory mix, buybox expansion and home price appreciation.

Cost of Revenue and Gross Profit

Cost of revenue increased by $7.6 billion, or 104%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in cost of revenue was primarily attributable to higher sales volumes and a 13% increase in cost of revenue per home, excluding inventory valuation adjustments, as a result of inventory mix, buybox expansion, and home price appreciation at the time of inventory acquisition. In addition, we recorded $458 million of inventory valuation adjustments during the year ended December 31, 2022 to adjust the cost basis of homes remaining in inventory at December 31, 2022 to their net realizable value as compared to $39 million of inventory valuation adjustments during the year ended December 31, 2021.

Gross profit decreased from $730 million to $667 million and gross margin decreased from 9.1% to 4.3% for the year ended December 31, 2021 and December 31, 2022, respectively. For the same periods, Adjusted Gross Margin decreased from 9.6% to 7.0%. The decrease in gross margin and Adjusted Gross Margin reflects our decision to prioritize risk management and resale clearance in the second half of 2022 at the expense of resale margin performance. As a result of the fast downturn in the housing market due to macroeconomic conditions, market conditions at the time of sale were weaker than we believed they would be at the time of pricing our inventory acquisitions. In addition, gross margin and Adjusted Gross Margin for the year ended December 31, 2021 benefited from a fresh book of inventory after we sold down our inventory in response to the COVID-19 pandemic and more favorable macroeconomic conditions as compared to the year ended December 31, 2022. Contribution Margin decreased from 6.5% to 3.4% for the same periods, due to the reasons noted above as well as due to increased direct selling and holding costs. Contribution Margin and Adjusted Gross Margin are non-GAAP financial measures. See "— *Non-GAAP Financial Measures*" for further details and a reconciliation of such non-GAAP measures to their nearest comparable GAAP measure.

Operating Expenses

Sales, Marketing and Operations. Sales, marketing and operations increased by $462 million, or 85%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to a $219 million increase in resale transaction costs and broker commissions, consistent with the 94% increase in revenue. Property holding costs increased by $91 million, consistent with increased inventory levels and longer inventory holding periods compared to the year ended December 31, 2021 when we held a fresh book of inventory. Advertising expense increased by $77 million, from $123 million for the year ended December 31, 2021 to $200 million for the year ended December 31, 2022 as we increased marketing to drive acquisition volumes in both existing and new markets. Headcount expenses, including salaries and benefits, increased $50 million consistent with the increase in headcount.

General and Administrative. General and administrative decreased by $274 million, or 44%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease was primarily attributable to $354 million reduction in stock-based compensation due to the expense recognition of certain performance awards during the year ended December 31, 2021 following the consummation of the Business Combination in December 2020, the expense recognition of certain RSUs upon the fulfillment of the liquidity event vesting condition satisfied by the February 2021 Offering and the reversal of expense in December 2022 related to the forfeiture of certain executive performance awards. The reduction in stock-based compensation was partially offset by a $46 million legal contingency accrual and related expenses recorded during the year ended December 31, 2022 in connection with the FTC consent order finalized in October 2022. Headcount expenses, including salaries and benefits increased $21 million consistent with the increase in headcount.

Technology and Development. Technology and development increased by $35 million, or 26%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to a $26 million increase in headcount expenses, including salaries and benefits, consistent with the increase in headcount.

Goodwill Impairment. Goodwill impairment increased by $60 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. During the fourth quarter of 2022, the market price of our common stock declined significantly causing the Company to perform an interim quantitative test for goodwill impairment. Based on the quantitative analysis, the Company recorded a goodwill impairment charge of $60 million for the year ended December 31, 2022. There was no impairment of goodwill identified for the year ended December 31, 2021.

Restructuring. Restructuring increased by $17 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. The restructuring expenses recorded in the year ended December 31, 2022, represented severance, and other termination benefits for employees whose roles were eliminated, and other restructuring costs related to winding down the Company’s mortgage lending and brokerage services.

Warrant Fair Value Adjustment

Warrant fair value adjustment decreased by $12 million, or 100%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The gain recorded in the year ended December 31, 2021, was attributable to a decrease in the fair value of the Sponsor Warrants between the time of the Business Combination and the completion of their redemption in July 2021.

Loss on Extinguishment of Debt

Loss on extinguishment of debt increased by $25 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. The loss on extinguishment of debt of $25 million in December 31, 2022 resulted from the Company’s voluntary partial early repayment of an asset-backed mezzanine term debt facility.

Interest Expense

Interest expense increased by $242 million, or 169%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to increases in the average outstanding balances of our asset-backed senior debt facilities and mezzanine term debt facilities, which is consistent with our increase in inventory over the same periods. In addition, interest expense from our asset-backed senior revolving credit facilities, which bear interest at a floating reference rate based on LIBOR or SOFR, has increased due to higher reference rates during the year ended December 31, 2022 compared to the year ended December 31, 2021.

Other (Loss) Income — Net

Other (loss) income – net decreased by $48 million, or 126%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease was primarily related to the fair value adjustments recorded on marketable equity securities. The Company recorded a $35 million gain in 2021 when a company in which we invested went public and then recorded a $35 million loss in 2022 when the company’s stock price declined. The fair value loss recorded in 2022 is offset by a $20 million increase in interest income due to higher interest rates during the year ended December 31, 2022 compared to the year ended December 31, 2021. During 2022, the terms of certain of our asset-backed senior revolving credit facilities were modified to replace LIBOR-based floating reference rates with SOFR-based floating reference rates. As of December 31, 2022, all such floating reference rates in our asset-backed senior revolving credit facilities were based on SOFR.

Income Tax Expense

Income tax expense increased by a nominal amount for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity have historically consisted of cash generated from our operations and from financing activities. As of December 31, 2023, we had cash and cash equivalents of $1.0 billion, restricted cash of $541 million, and marketable securities of $69 million. The decline in our cash, cash equivalents and marketable securities balance of $213 million as compared to December 31, 2022 resulted from a combination of operating losses and the partial repurchase of our 2026 Notes, offset by capital released as a result of reduced inventory levels. The decrease in our restricted cash balance of $113 million as compared to December 31, 2022 was largely a result of lower resale activity and lower outstanding balances in our term debt facilities in December 2023 as compared to December 2022.

As of December 31, 2023, the Company had total outstanding balances on our asset-backed debt of $2.2 billion and aggregate principal outstanding from convertible senior notes of $381 million. In addition, we had undrawn borrowing capacity of $6.0 billion under our non-recourse asset-backed debt facilities (as described further below), of which $650 million was committed.

During the year ended December 31, 2023, the Company entered into separate, privately negotiated transactions to repurchase a portion of the outstanding 2026 Notes ("Repurchased 2026 Notes"). We repurchased approximately $597 million in aggregate principal amount of our 2026 Notes as further described in "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 5. Credit Facilities and Long-Term Debt – Convertible Senior Notes*" in this Annual Report on Form 10-K. As market conditions warrant, we may, from time to time, repurchase additional outstanding debt securities in the open market, in privately negotiated transactions, by tender offer, by exchange transaction or otherwise. Such repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity and other factors and may be commenced or suspended at any time. The amounts involved and total consideration paid may be material.

We have incurred losses from inception through December 31, 2023 and expect to incur additional losses in the future. Our ability to service our debt and fund working capital, business operations and capital expenditures will depend on our ability to generate cash from operating activities, which is subject to our future operating success, and ability to obtain inventory acquisition financing on reasonable terms, which is subject to factors beyond our control, including potential economic recession, rising interest rates, inflation and general economic, political and financial market conditions.

Our working capital requirements may increase should our inventory balance increase. We believe our cash, cash equivalents, and marketable securities together with cash we expect to generate from future operations and borrowings, will be sufficient to meet our working capital and capital expenditure requirements for a period of at least 12 months from the date of this Annual Report on Form 10-K.

Debt and Financing Arrangements

Our financing activities include: short-term borrowings under our asset-backed senior revolving credit facilities; the issuance of long-term asset-backed senior term debt, asset-backed mezzanine term debt, and convertible debt; and new issuances of equity. Historically, we have required access to external financing resources in order to fund growth, expansion into new markets and strategic initiatives and we expect this to continue in the future. Our access to capital markets can be impacted by factors outside our control, including economic conditions.

We primarily use non-recourse asset-backed debt, consisting of asset-backed senior debt facilities and asset-backed mezzanine term debt facilities, to provide financing for our real estate inventory purchases and renovations. Our business is capital intensive and maintaining adequate liquidity and capital resources is needed as we continue to scale and accumulate additional inventory. We intend to actively manage our relationships with multiple financial institutions and seek to optimize duration, flexibility, efficiency and cost of funds, but there can be no assurance that we will be able to obtain sufficient capital for our business or to do so on acceptable financial and other terms.

Our asset-backed facilities are each collateralized by a specified pool of assets, consisting of real estate inventory, restricted cash and equity interests in certain consolidated subsidiaries of Opendoor that directly or indirectly own our real estate inventory. The terms of our inventory financing facilities require an Opendoor subsidiary to comply with customary financial covenants, such as maintaining certain levels of liquidity, tangible net worth or leverage (ratio of debt to tangible net worth). As of December 31, 2023, the Company was in compliance with all financial covenants.

Our property financing subsidiaries' assets and credit generally are not available to satisfy the debts and other obligations of any other Opendoor entities. Our asset-backed debt is non-recourse to Opendoor and our subsidiaries that are not party to the relevant financing arrangements, except for limited guarantees provided by an Opendoor subsidiary for certain obligations in situations involving "bad acts" by an Opendoor entity and certain other limited circumstances.

Our asset-backed senior debt facilities generally provide for advance rates of 75% to 90% against our cost basis in the underlying properties upon acquisition. Our mezzanine term facilities may finance up to 95% to 100% of our cost basis in the underlying properties upon acquisition. The maximum initial advance rates vary by facility and generally decrease on a fixed timeline that varies by facility based on the length of time a given property has been financed and other facility-specific adjustments, including adjustments based on collateral performance.

At times, we may be required to keep amounts in restricted cash accounts to collateralize our asset-backed term debt facilities if the property borrowing base is insufficient to satisfy the borrowing base requirements. These amounts may fluctuate due to seasonality, timing of property acquisitions and resales, and the outstanding loan balances under our asset-backed term debt facilities.

The following table summarizes certain details related to our non-recourse asset-backed debt and other secured borrowings as of December 31, 2023 (in millions, except interest rates):

		Outstanding Amount				
December 31, 2023	Borrowing Capacity	Current	Non-Current	Weighted Average Interest Rate	End of Revolving / Withdrawal Period	Final Maturity Date
Non-Recourse Asset-backed Debt:						
Asset-backed Senior Revolving Credit Facilities						
Revolving Facility 2018-2	$ 1,000	$ —	$ —	7.49 %	June 30, 2025	June 30, 2025
Revolving Facility 2018-3	1,000	—	—	6.82 %	September 29, 2026	September 29, 2026
Revolving Facility 2019-1	300	—	—	7.34 %	August 15, 2025	August 15, 2025
Revolving Facility 2019-2	550	—	—	6.83 %	October 3, 2025	October 2, 2026
Revolving Facility 2019-3	925	—	—	— %	April 5, 2024	April 4, 2025
Asset-backed Senior Term Debt Facilities						
Term Debt Facility 2021-S1	100	—	100	3.48 %	January 2, 2025	April 1, 2025
Term Debt Facility 2021-S2	400	—	300	3.20 %	September 10, 2025	March 10, 2026
Term Debt Facility 2021-S3	1,000	—	750	3.75 %	January 31, 2027	July 31, 2027
Term Debt Facility 2022-S1	250	—	250	4.07 %	March 1, 2025	September 1, 2025
Total	$ 5,525	$ —	$ 1,400			
Issuance Costs		—	(12)			
Carrying Value		$ —	$ 1,388			
Asset-backed Mezzanine Term Debt Facilities						
Term Debt Facility 2020-M1	$ 2,100	$ —	$ 600	10.00 %	April 1, 2025	April 1, 2026
Term Debt Facility 2022-M1	$ 500	$ —	$ 150	10.00 %	September 15, 2025	September 15, 2026
Total	$ 2,600	$ —	$ 750			
Issuance Costs			(4)			
Carrying Value			$ 746			
Total Non-Recourse Asset-backed Debt	$ 8,125	$ —	$ 2,134			

Asset-backed Senior Revolving Credit Facilities

We classify the senior revolving credit facilities as current liabilities on our consolidated balance sheets. In some cases, the borrowing capacity amounts under the asset-backed senior revolving credit facilities as reflected in the table are not fully committed and any borrowings above the committed amounts are subject to the applicable lender's discretion. As of December 31, 2023, we had committed borrowing capacity with respect to asset-backed senior revolving credit facilities of $650 million.

The revolving period end dates and final maturity dates reflected in the table above are inclusive of any extensions that are at the sole discretion of the Company. Certain of our asset-backed senior revolving credit facilities also have additional extension options that are subject to lender approval that are not reflected in the table above.

Asset-backed Senior Term Debt Facilities

We classify our senior term debt facilities as non-current liabilities in our consolidated balance sheets. The carrying value of the non-current liabilities is reduced by issuance costs of $12 million. In some cases, the borrowing capacity amounts under the asset-backed senior term debt facilities as reflected in the table are not fully committed and any borrowings above the committed amounts are subject to the applicable lender’s discretion. As of December 31, 2023, we had committed borrowing capacity with respect to asset-backed senior term debt facilities of $1.4 billion.

The withdrawal period end dates and final maturity dates reflected in the table above are inclusive of any extensions that are at the sole discretion of the Company. Certain of our asset-backed senior term debt facilities also have additional extension options that are subject to lender approval that are not reflected in the table above.

Asset-backed Mezzanine Term Debt Facilities

In addition to the asset-backed senior revolving credit facilities and asset-backed senior term debt facilities, we have issued asset-backed mezzanine term debt facilities which are subordinated to the related senior facilities. The borrowing capacity amounts under the asset-backed mezzanine term debt facilities as reflected in the table are not fully committed and any borrowing above the committed amounts are subject to the applicable lender’s discretion. As of December 31, 2023, we had committed borrowing capacity with respect to asset-backed mezzanine term debt facilities of $750 million.

Convertible Senior Notes

In August 2021, we issued the 2026 Notes with an aggregate principal amount of $978 million. The table below summarizes certain details related to our 2026 Notes (in millions), as of December 31, 2023, which includes certain repurchases:

December 31, 2023	Remaining Aggregate Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount
2026 Notes	$ 381	$ (5)	$ 376

See “*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 5. Credit Facilities and Long-Term Debt*” for additional information regarding our debt and financing arrangements.

Special Purpose Entities

The Company has established certain special purpose entities (“SPEs”) for the purpose of financing the Company’s purchase and renovation of real estate inventory through the issuance of asset-backed debt. The Company is the primary beneficiary of the various variable interest entities (“VIE”) within these financing structures and consolidates these VIEs. See “*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 4. Variable Interest Entities*” for additional information regarding our VIEs.

The following table summarizes the assets and liabilities related to the VIEs consolidated by the Company as well as the assets, liabilities and equity related to Opendoor Technologies Inc (Parent Company Only) ("Parent Company") and subsidiaries that are not VIEs, as of December 31, 2023 (in millions):

		VIE	Non-VIE	Total
CURRENT ASSETS:				
Cash and cash equivalents		$ —	$ 999	$ 999
Restricted cash		530	11	541
Marketable securities		—	69	69
Escrow receivable		8	1	9
Real estate inventory		1,758	44	1,802
Inventory valuation adjustment		(23)	(4)	(27)
Real estate inventory, net		1,735	40	1,775
Other current assets		10	42	52
Total current assets		2,283	1,162	3,445
OTHER ASSETS	(1)	—	122	122
TOTAL ASSETS		$ 2,283	$ 1,284	$ 3,567
CURRENT LIABILITIES:				
Other current liabilities	(2)	$ 29	$ 41	$ 70
Total current liabilities		29	41	70
Non-current asset-backed mezzanine term debt		746	—	746
Non-current asset-backed senior term debt		1,388	—	1,388
CONVERTIBLE SENIOR NOTES		—	376	376
LEASE LIABILITIES – Net of current portion		—	19	19
OTHER LIABILITIES		—	1	1
TOTAL LIABILITIES		$ 2,163	$ 437	$ 2,600
SHAREHOLDERS' EQUITY:		$ 120	$ 847	$ 967

(1) The Company's consolidated Other Assets include the following assets as shown in the Consolidated Balance Sheets: Property and Equipment - Net, $66 million; Right of Use Assets, $25 million; Goodwill, $4 million; Intangibles - Net, $5 million; and Other Assets, $22 million.

(2) The Company's consolidated Other Current Liabilities include the following liabilities as shown in the Consolidated Balance Sheets: Accounts Payable and Other Accrued Liabilities, $64 million; Interest Payable, $1 million; and Lease Liabilities - Current, $5 million.

Cash Flows

The following table summarizes our cash flows for the years ended December 31, 2023, 2022 and 2021:

	Year Ended December 31,		
(in millions)	**2023**	**2022**	**2021**
Net cash provided by (used in) operating activities	$ 2,344	$ 730	$ (5,794)
Net cash provided by (used in) investing activities	$ 44	$ 234	$ (476)
Net cash (used in) provided by financing activities	$ (2,639)	$ (1,751)	$ 7,342
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (251)	$ (787)	$ 1,072

Net Cash Provided by (Used in) Operating Activities

Net cash provided by (used in) operating activities was $2.3 billion, $730 million and $(5.8) billion for the years ended December 31, 2023, 2022 and 2021, respectively. For the year ended December 31, 2023, cash provided by operating activities was primarily driven by a $2.6 billion decrease in real estate inventory, partially offset by our net loss, net of non-cash items, of $214 million. For the year ended December 31, 2022, cash provided by operating activities was primarily driven by a $896 million decrease in real estate inventory. For the year ended December 31, 2021, cash used in operating activities was primarily driven by an $5.7 billion increase in real estate inventory and an $83 million increase in escrow receivables correlated to the increase in revenue during the year.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by (used in) investing activities was $44 million, $234 million and $(476) million for the years ended December 31, 2023, 2022 and 2021, respectively. For the year ended December 31, 2023, cash provided by investing activities primarily consisted of a $80 million net decrease in marketable securities, partially offset by a $37 million increase in property and equipment principally related to the capitalization of internally developed software. For the year ended December 31, 2022, cash provided by investing activities primarily consisted of a $300 million net decrease in marketable securities, partially offset by a $37 million increase in property and equipment, and $19 million for strategic investments in certain privately held companies. For the year ended December 31, 2021, cash used in investing activities primarily consisted of $394 million in investments in marketable securities, $33 million for the acquisitions of Pro.com and RedDoor, net of cash acquired, the $15 million purchase of strategic investments in certain privately held companies, and $33 million in capital expenditures, including internally developed software.

Net Cash (Used in) Provided by Financing Activities

Net cash (used in) provided by financing activities was $(2.6) billion, $(1.8) billion and $7.3 billion for the years ended December 31, 2023, 2022 and 2021, respectively. For the year ended December 31, 2023, cash used in financing activities was primarily attributable to $2.3 billion net principal payments on non-recourse asset-backed debt, as well as $362 million related to the partial repurchase of the 2026 Notes. For the year ended December 31, 2022, cash used in financing activities was primarily attributable to $1.7 billion net principal payments on non-recourse asset-backed debt. For the year ended December 31, 2021, cash provided by financing activities was primarily attributable to $5.7 billion net proceeds from non-recourse asset-backed debt and $886 million in proceeds from the February 2021 Offering, net of $29 million of issuance costs. In addition, we received $978 million in proceeds from the issuance of the 2026 Notes, net of $25 million of issuance costs and offset by $119 million purchase of the Capped Calls related to the 2026 Notes.

Contractual Obligations and Commitments

Contractual obligations are cash amounts that we are obligated to pay as part of certain contracts that we have entered into during the normal course of business. Below is a table that shows our contractual obligations as of December 31, 2023:

	Payment Due by Year				
(in millions)	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**More than 5 years**
Senior and mezzanine term debt facilities[1]	2,468	126	1,576	766	—
Convertible senior notes[2]	384	1	383	—	—
Operating leases[3]	34	8	9	9	8
Purchase commitments[4]	653	653	—	—	—
Total	$ 3,539	$ 788	$ 1,968	$ 775	$ 8

(1) Represents the principal amounts outstanding as of December 31, 2023 and estimated interest payments assuming the principal balances remain outstanding until maturity. The final maturity dates of the senior and mezzanine term debt facilities vary, as discussed above.

(2) Represents the principal amounts outstanding as of December 31, 2023 and interest payments assuming the principal balances remain outstanding until maturity.

(3) Represents future payments for long-term operating leases that have commenced as of December 31, 2023. In May 2023, the Company amended its Tempe, Arizona office lease to partially terminate the Company's obligation with respect to a portion of the leased premises, which resulted in a decrease of undiscounted, future lease payments of $19 million.

(4) As of December 31, 2023, we were under contract to purchase 2,114 homes for an aggregate purchase price of $653 million.

Critical Accounting Policies and Estimates

Discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue, and expenses at the date of the financial statements. Generally, we base our estimates on historical experience and on various other assumptions in accordance with GAAP that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

We consider an accounting judgment, estimate or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates and assumptions could have a material impact on the consolidated financial statements. Based on this definition, we have identified the critical accounting policies and estimates addressed below. In addition, we have other key accounting policies and estimates that are described in "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1. Description of Business and Accounting Policies*".

Real Estate Inventory

Real estate inventory carrying value is equal to the lower of cost or net realizable value and each home constitutes the unit of account. Real estate inventory cost includes but is not limited to the property purchase price, acquisition costs and direct costs to renovate or repair the home, less inventory valuation adjustments, if any. The property purchase price is net of our service fee and represents the cash proceeds paid to the home seller. Real estate inventory is reviewed for valuation adjustments on a quarterly basis. If the carrying amount for a given home is not expected to be recovered, an inventory valuation adjustment is recorded to cost of revenue and the home's carrying value is adjusted to its net realizable value. Inventory valuation adjustments are not offset by any expected gains and are not reversed or adjusted should the expected net realizable value subsequently increase. For homes under resale contract, the net realizable value is the contract price less expected selling costs and any expected concessions. For all other homes, the net realizable value is our internal projection price less expected selling costs. Changes in our pricing assumptions may lead to a change in the outcome of our inventory valuation adjustment, and actual results may also differ from our assumptions.

Stock-Based Compensation

Our stock-based awards include stock options, restricted stock units ("RSUs"), shares of restricted stock ("Restricted Shares"), and shares granted under our Employee Stock Purchase Plan ("ESPP").

We recognize the cost of stock option awards granted to employees and directors based on the estimated grant-date fair value of the awards. Cost is recognized on a straight-line basis over the service period, which is generally the vesting period of the award. We elected to recognize the effect of forfeitures in the period that they occur. We determine the fair value of stock options using the Black-Scholes-Merton option pricing model, which is impacted by the following assumptions:

- Expected Term. We use the simplified method when calculating the expected term due to insufficient historical exercise data. Management elected to use the simplified method instead of historical experience due to a lack of relevant historical data resulting from changes in option vesting schedules and changes in the pool of employees receiving option grants.
- Expected Volatility. As our shares were not actively traded on Nasdaq until December 2020, the volatility used for stock options granted prior to the Company becoming listed is based on a benchmark of comparable companies within the automotive sales industry and certain real estate technology companies. For stock options granted after the Company became listed, we use the implied volatility from traded Opendoor call options.
- Expected Dividend Yield. The dividend rate used is zero as we have never paid any cash dividends on our common stock and do not anticipate doing so in the foreseeable future.
- Risk-Free Interest Rate. The interest rates used are based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

We evaluate the assumptions used to value our share-based awards on each grant date. Following the Company's common stock being listed on Nasdaq, the fair value of our stock has been determined based on the quoted market price. Prior to our common stock being listed on Nasdaq, the grant date fair value of our common stock was determined with the assistance of an independent third-party valuation specialist. The grant date fair value of our common stock was determined using valuation methodologies which utilize certain assumptions, including probability weighting of events, volatility, time to liquidation, a risk-free interest rate, and an assumption for a discount for lack of marketability.

Prior to our common stock being listed on Nasdaq, we determined that an Option Pricing Model ("OPM") was the most appropriate method for allocating our enterprise value to determine the estimated fair value of our common stock. Application of the OPM involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of future events. Specifically, we have historically used the OPM back solve analysis in combination with the market comparables approach to estimate the fair value of our common stock. OPM back solve analysis derives the implied equity value for one type of equity security from a contemporaneous transaction involving another type of security; we utilized the OPM back solve analysis with respect to our convertible preferred stock to derive a value of our common stock. In certain periods where there is not a contemporaneous transaction, we utilized the market comparables approach to estimate an enterprise equity valuation which is then allocated using OPM to determine the common stock value.

The grant date fair value calculated using the methodology discussed above is also utilized with respect to RSUs with performance and service conditions to vest and restricted shares. For RSUs with a performance condition based on a liquidity event, as well as a service condition to vest, no compensation expense is recognized until the performance condition has been satisfied. Subsequent to the liquidity event, compensation expense is recognized to the extent the requisite service period has been completed and compensation expense thereafter is recognized on an accelerated attribution method. Under the accelerated attribution method, compensation expense is recognized over the remaining requisite service period for each service condition tranche as though each tranche is, in substance, a separate award. In February 2021, the Company completed an underwritten public offering, which met the liquidity event vesting condition and triggered the recognition of compensation expense for RSUs for which the time-based vesting condition had been satisfied or partially satisfied. For further information on the February 2021 underwritten public offering, see "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 11. Shareholders' Equity*".

We determined the grant date fair value of RSUs with market-based vesting conditions by using Monte Carlo simulations. The assumptions for stock price volatility, contractual term, dividend yield, and stock price used in the Monte Carlo simulations are determined using the same methodology as described above. The exception is that with respect to the stock price volatility used for the Monte Carlo simulations, the Company took into consideration the capital structure of each comparable company comprising the benchmark to isolate each comparable company's equity volatility without the effect of leverage and then re-levered using our capital structure. If we consider the performance conditions probable to be satisfied, we recognize the cost of these RSUs by treating each market-based condition as an unit of account and recognizing the cost over the requisite service period with respect to each unit. We determine the requisite service period by comparing the derived service period to achieve the market-based condition and the explicit service-based period, if any, using the longer of the two service periods as the requisite service period.

The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our share-based compensation expense could be materially different. For more detailed information about our historical and outstanding grants and our valuation of our share-based compensation and awards, see "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 12. Share-Based Awards*".

Recent Accounting Pronouncements

For information on recent accounting standards, see "*Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1. Description of Business and Accounting Policies*".

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily consist of fluctuations in interest rates and exposure to inflationary pressures.

Interest Rate Risk

We are subject to market risk by way of changes in interest rates on borrowings under our inventory financing facilities. As of December 31, 2023, the Company had total outstanding balances on our asset-backed debt of $2.2 billion, with an average duration of 2.6 years. Total interest expense for the year ended December 31, 2023 was $174 million, of which $156 million was fixed and $18 million was floating. As of December 31, 2023, 100% of our outstanding borrowings were at a fixed rate and did not utilize floating benchmark reference rates. As of December 31, 2022, we had outstanding borrowings of $1.4 billion, which bore interest at floating benchmark reference rates based on the secured overnight financing rate (“SOFR”), plus an applicable margin. Accordingly, fluctuations in market interest rates may increase or decrease our interest expense. We may use interest rate cap derivatives, interest rate swaps, or other interest rate hedging instruments to economically hedge and manage interest rate risk with respect to our variable floating rate debt. Many of our floating rate debt facilities also had benchmark rate floors. Assuming no change in the outstanding borrowings on our credit facilities as of December 31, 2023, we estimate that a one percentage point increase in applicable benchmark rates would not have resulted in an impact on our annual interest expense. However, we would be subject to fluctuation in interest rates in the future if we draw down under our senior revolving credit facilities. Assuming no change in the outstanding borrowings on our credit facilities as of December 31, 2022, we estimate that a one percentage point increase in the applicable benchmark rate would have increased our annual interest expense by approximately $14 million.

Inflation Risk

We believe the inflation experienced in 2022, which is still ongoing, has impacted the cost of goods and services that we consume, such as labor and materials costs for home repairs. We endeavor to offset these impacts in our business through appropriately considering them in our pricing and operational models. However, if our costs were to become subject to significant incremental inflationary pressure, we may not be able to fully offset such higher costs by adjusting our operational model or our pricing methodology. Our inability to do so could harm our business, results of operations, and financial condition.

OPENDOOR TECHNOLOGIES INC.

Item 8. Financial Statements and Supplementary Data.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE I

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Opendoor Technologies Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Opendoor Technologies Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes and Schedule I listed in the Index at Item 8 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 15, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Real Estate Inventory, Net – Refer to Notes 1 and 2 to the financial statements

Critical Audit Matter Description

Real estate inventory, net includes a valuation adjustment to record real estate inventory at the lower of cost or net realizable value. The Company applies the specific identification method whereby each home constitutes a unit of account. If the carrying amount or basis of inventory is not expected to be recovered, an inventory valuation adjustment is recorded to cost of revenue and the related assets are adjusted to their net realizable value. For homes under sales contract, the net realizable value is the contract price less expected selling costs and concessions. For homes that are not under sales contract, net realizable value is management's internal projection price less expected selling costs. The determination of net realizable value for homes not under sales contract requires management to make significant estimates related to the internal projection price. Changes in these estimates could have a significant impact on the net realizable value and a significant change in net realizable value could cause a significant valuation adjustment.

We identified real estate inventory valuation adjustment for homes that are not under sales contract, which is the majority of the real estate inventory valuation adjustment, to be a critical audit matter due to the subjectivity of management's judgment in forecasting the net realizable value of the real estate inventory, specifically with respect to the internal projection price. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's internal projection price.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the internal projection price input used for real estate inventory valuation adjustments for homes that are not under sales contract included the following, among others:

- We tested the effectiveness of internal controls over the valuation process, including controls over the inputs to the internal projection price, calculation of the valuation adjustment, and management's consideration of macroeconomic factors with respect to the valuation adjustment.
- We evaluated whether the estimates of the real estate inventory adjustments for homes that are not under sales contract were consistent with evidence obtained in other areas of the audit, including internal communications to management and the Board of Directors.
- We made inquiries of management throughout the period about the expected effects of macroeconomic factors on the internal projection price.
- We developed an expectation of the real estate inventory valuation adjustment for homes that are not under sales contract and compared it to the recorded balance.
- We evaluated management's ability to accurately forecast the internal projection price by comparing actual sales prices to management's historical internal projection prices.
- With the assistance of our fair value specialists we:
  - Evaluated the appropriateness of the methodology utilized by management to estimate the internal projection price.
  - Developed a range of independent sales price estimates for a sample of individual homes using observable market data of actual sale transactions for comparable homes and compared those to management's internal projection price.

/s/ Deloitte & Touche LLP

San Francisco, California
February 15, 2024

We have served as the Company's auditor since 2015.

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except share data)

		December 31, 2023	December 31, 2022
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		$ 999	$ 1,137
Restricted cash		541	654
Marketable securities		69	144
Escrow receivable		9	30
Real estate inventory, net		1,775	4,460
Other current assets ($0 and $1 carried at fair value)		52	41
Total current assets		3,445	6,466
PROPERTY AND EQUIPMENT – Net		66	58
RIGHT OF USE ASSETS		25	41
GOODWILL		4	4
INTANGIBLES – Net		5	12
OTHER ASSETS		22	27
TOTAL ASSETS	(1)	$ 3,567	$ 6,608
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and other accrued liabilities		$ 64	$ 110
Non-recourse asset-backed debt - current portion		—	1,376
Interest payable		1	12
Lease liabilities – current portion		5	7
Total current liabilities		70	1,505
NON-RECOURSE ASSET-BACKED DEBT – Net of current portion		2,134	3,020
CONVERTIBLE SENIOR NOTES		376	959
LEASE LIABILITIES – Net of current portion		19	38
OTHER LIABILITIES		1	—
Total liabilities	(2)	2,600	5,522
COMMITMENTS AND CONTINGENCIES (See Note 17)			
SHAREHOLDERS' EQUITY:			
Common stock, $0.0001 par value; 3,000,000,000 shares authorized; 677,636,163 and 637,387,025 shares issued, respectively; 677,636,163 and 637,387,025 shares outstanding, respectively		—	—
Additional paid-in capital		4,301	4,148
Accumulated deficit		(3,333)	(3,058)
Accumulated other comprehensive loss		(1)	(4)
Total shareholders' equity		967	1,086
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 3,567	$ 6,608

(1) The Company's consolidated assets at December 31, 2023 and 2022 include the following assets of certain variable interest entities ("VIEs") that can only be used to settle the liabilities of those VIEs: Restricted cash, $530 and $636; Real estate inventory, net, $1,735 and $4,408; Escrow receivable, $8 and $29; Other current assets, $10 and $9; and Total assets of $2,283 and $5,082, respectively.

(2) The Company's consolidated liabilities at December 31, 2023 and 2022 include the following liabilities for which the VIE creditors do not have recourse to Opendoor: Accounts payable and other accrued liabilities, $28 and $61; Interest payable, $1 and $11; Current portion of non-recourse asset-backed debt, $— and $1,376; Non-recourse asset-backed debt, net of current portion, $2,134 and $3,020; and Total liabilities, $2,163 and $4,468, respectively.

See accompanying notes to consolidated financial statements.

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Year Ended December 31,		
	2023	2022	2021
REVENUE	$ 6,946	$ 15,567	$ 8,021
COST OF REVENUE	6,459	14,900	7,291
GROSS PROFIT	487	667	730
OPERATING EXPENSES:			
Sales, marketing and operations	486	1,006	544
General and administrative	206	346	620
Technology and development	167	169	134
Goodwill impairment	—	60	—
Restructuring	14	17	—
Total operating expenses	873	1,598	1,298
LOSS FROM OPERATIONS	(386)	(931)	(568)
WARRANT FAIR VALUE ADJUSTMENT	—	—	12
GAIN (LOSS) ON EXTINGUISHMENT OF DEBT	216	(25)	—
INTEREST EXPENSE	(211)	(385)	(143)
OTHER INCOME (LOSS) – Net	107	(10)	38
LOSS BEFORE INCOME TAXES	(274)	(1,351)	(661)
INCOME TAX EXPENSE	(1)	(2)	(1)
NET LOSS	$ (275)	$ (1,353)	$ (662)
Net loss per share attributable to common shareholders:			
Basic	$ (0.42)	$ (2.16)	$ (1.12)
Diluted	$ (0.42)	$ (2.16)	$ (1.12)
Weighted-average shares outstanding:			
Basic	657,111	627,105	592,574
Diluted	657,111	627,105	592,574

See accompanying notes to consolidated financial statements.

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions)

	Year Ended December 31,		
	2023	2022	2021
NET LOSS	$ (275)	$ (1,353)	$ (662)
OTHER COMPREHENSIVE INCOME (LOSS):			
Unrealized gain (loss) on marketable securities	3	(2)	(2)
COMPREHENSIVE LOSS	$ (272)	$ (1,355)	$ (664)

See accompanying notes to consolidated financial statements.

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(In millions, except number of shares)

	Shareholders' Equity (Deficit)					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity (Deficit)
	Shares	Amount				
BALANCE-December 31, 2020	540,714,692	$ —	$ 2,596	$ (1,043)	$ —	$ 1,553
Issuance of common stock in connection with the February 2021 Offering	32,817,421	—	857	—	—	857
Vesting of restricted shares	1,370,447	—	—	—	—	—
Issuance of common stock for settlement of RSUs, net of shares withheld for participant taxes	24,004,565	—	—	—	—	—
Common stock issued upon exercise of warrants	8,200,151	—	58	—	—	58
Exercise of stock options	8,919,289	—	15	—	—	15
Purchases of Capped Calls related to the 2026 Notes	—	—	(119)	—	—	(119)
Stock-based compensation	—	—	548	—	—	548
Other comprehensive loss	—	—	—	—	(2)	(2)
Net loss	—	—	—	(662)	—	(662)
BALANCE–December 31, 2021	616,026,565	$ —	$ 3,955	$ (1,705)	$ (2)	$ 2,248

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(In millions, except number of shares)

	Shareholders' Equity (Deficit)					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity (Deficit)
	Shares	Amount				
BALANCE–December 31, 2021	616,026,565	$ —	$ 3,955	$ (1,705)	$ (2)	$ 2,248
Vesting of restricted shares	628,193	—	—	—	—	—
Issuance of common stock for settlement of RSUs, net of shares withheld for participant taxes	17,279,891	—	—	—	—	—
Exercise of stock options	2,958,586	—	4	—	—	4
Issuance of common stock under employee stock purchase plan, net of shares withheld for participant taxes	493,790	—	2	—	—	2
Stock-based compensation	—	—	187	—	—	187
Other comprehensive loss	—	—	—	—	(2)	(2)
Net loss	—	—	—	(1,353)	—	(1,353)
BALANCE–December 31, 2022	637,387,025	$ —	$ 4,148	$ (3,058)	$ (4)	$ 1,086
Issuance of common stock for settlement of RSUs, net of shares withheld for participant taxes	35,562,197	—	(1)	—	—	(1)
Exercise of stock options	2,535,147	—	3	—	—	3
Issuance of common stock under employee stock purchase plan, net of shares withheld for participant taxes	2,151,794	—	2	—	—	2
Stock-based compensation	—	—	149	—	—	149
Other comprehensive income	—	—	—	—	3	3
Net loss	—	—	—	(275)	—	(275)
BALANCE–December 31, 2023	677,636,163	$ —	$ 4,301	$ (3,333)	$ (1)	$ 967

See accompanying notes to consolidated financial statements.

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (275)	$ (1,353)	$ (662)
Adjustments to reconcile net loss to cash, cash equivalents, and restricted cash provided by (used in) operating activities:			
Depreciation and amortization	65	83	47
Amortization of right of use asset	7	7	8
Stock-based compensation	126	171	536
Warrant fair value adjustment	—	—	(12)
Inventory valuation adjustment	65	737	56
Goodwill impairment	—	60	—
Changes in fair value of equity securities	1	35	(35)
Other	13	(1)	(9)
Origination of mortgage loans held for sale	—	(118)	(196)
Proceeds from sale and principal collections of mortgage loans held for sale	1	128	197
(Gain) loss on early extinguishment of debt	(216)	25	—
Changes in operating assets and liabilities:			
Escrow receivable	21	54	(83)
Real estate inventory	2,613	896	(5,656)
Other assets	(19)	37	(52)
Accounts payable and other accrued liabilities	(38)	(25)	76
Interest payable	(10)	2	4
Lease liabilities	(10)	(8)	(13)
Net cash provided by (used in) operating activities	2,344	730	(5,794)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(37)	(37)	(33)
Purchase of intangible assets	—	—	(1)
Purchase of marketable securities	—	(28)	(486)
Proceeds from sales, maturities, redemptions and paydowns of marketable securities	80	328	92
Purchase of non-marketable equity securities	—	(25)	(15)
Proceeds from sale of non-marketable equity securities	1	3	—
Capital returns from non-marketable equity securities	—	3	—
Acquisitions, net of cash acquired	—	(10)	(33)
Net cash provided by (used in) investing activities	44	234	(476)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of convertible senior notes, net of issuance costs	—	—	953
Repurchase of convertible senior notes	(362)	—	—
Purchase of capped calls related to the convertible senior notes	—	—	(119)
Proceeds from exercise of stock options	3	4	15
Proceeds from issuance of common stock for ESPP	2	2	—
Proceeds from warrant exercise	—	—	22
Proceeds from the February 2021 Offering	—	—	886
Issuance cost of common stock	—	—	(29)
Proceeds from non-recourse asset-backed debt	238	10,108	11,499
Principal payments on non-recourse asset-backed debt	(2,515)	(11,822)	(5,838)
Proceeds from other secured borrowings	—	114	192
Principal payments on other secured borrowings	—	(121)	(192)
Payment of loan origination fees and debt issuance costs	(1)	(26)	(47)
Payment for early extinguishment of debt	(4)	(10)	—
Net cash (used in) provided by financing activities	(2,639)	(1,751)	7,342
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(251)	(787)	1,072
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH – Beginning of year	1,791	2,578	1,506
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH – End of year	$ 1,540	$ 1,791	$ 2,578
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION – Cash paid during the period for interest	$ 203	$ 355	$ 122

OPENDOOR TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

DISCLOSURES OF NONCASH FINANCING ACTIVITIES:			
Stock-based compensation expense capitalized for internally developed software	$ 23	$ 16	$ 12
Issuance of common stock in extinguishment of warrant liabilities	$ —	$ —	$ (35)
RECONCILIATION TO CONSOLIDATED BALANCE SHEETS:			
Cash and cash equivalents	$ 999	$ 1,137	$ 1,731
Restricted cash	541	654	847
Cash, cash equivalents, and restricted cash	$ 1,540	$ 1,791	$ 2,578

See accompanying notes to consolidated financial statements.

1. DESCRIPTION OF BUSINESS AND ACCOUNTING POLICIES

Description of Business

Opendoor Technologies Inc. (the “Company” and “Opendoor”) including its consolidated subsidiaries and certain variable interest entities (“VIEs”), is a managed marketplace for residential real estate. By leveraging its centralized digital platform, Opendoor is working towards a future that enables sellers and buyers of residential real estate to experience a simple and certain transaction that is dramatically improved from the traditional process. The Company was incorporated in Delaware on December 30, 2013.

The Company was formed through a business combination with Social Capital Hedosophia Holdings Corp. II (“SCH”), a Cayman Islands exempted company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”). The Business Combination, pursuant to which Opendoor Labs Inc. became a wholly owned subsidiary of SCH and SCH changed its name from “Social Capital Hedosophia Holdings Corp. II” to “Opendoor Technologies Inc.”, was completed on December 18, 2020 (the “Closing”), and was accounted for as a reverse recapitalization, in accordance with GAAP.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared pursuant to generally accepted accounting principles in the United States of America (“GAAP”). The consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 include the accounts of Opendoor, its wholly owned subsidiaries and VIEs where the Company is the primary beneficiary. The accompanying consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the periods presented. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements herein. Certain prior period amounts in the consolidated financial statements and accompanying notes have been reclassified to conform to the current period’s presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that have a material impact on the amounts reported in the financial statements and accompanying notes. Significant estimates, assumptions and judgments made by management include, among others, the determination of the fair value of common stock, share-based awards, warrants, and inventory valuation adjustment. Management believes that the estimates and judgments upon which management relies are reasonable based upon information available to management at the time that these estimates and judgments are made. To the extent there are material differences between these estimates, assumptions and judgments and actual results, the carrying values of the Company’s assets and liabilities and the results of operations will be affected. The health of the residential housing market and interest rate environment have introduced additional uncertainty with respect to judgments, estimates, and assumptions, which may materially impact the estimates previously listed, among others.

Significant Risks and Uncertainties

The Company operates in a dynamic industry and, accordingly, can be affected by a variety of factors. For example, the Company believes that changes in any of the following areas could have a significant negative effect on the Company in terms of its future financial position, results of operations or cash flows: its rates of revenue growth; its ability to manage inventory; engagement and usage of its products; the effectiveness of its investment of resources to pursue strategies; competition in its market; the stability of the residential real estate market; the impact of interest rate changes on demand for and pricing of its products and on the cost of capital; changes in technology, products, markets or services by the Company or its competitors; its ability to maintain or establish relationships with listings and data providers; its ability to obtain or maintain licenses and permits to support its current and future businesses; actual or anticipated changes to its products and services; changes in government regulation affecting its business; the outcomes of legal proceedings; natural disasters and catastrophic events, such as pandemics or epidemics (including any future resurgence of COVID-19 or its variants); scaling and adaptation of existing technology and network infrastructure; its management of its growth; its ability to attract and retain qualified employees and key personnel; its ability to successfully integrate and realize the benefits of its past or future strategic acquisitions or investments; the protection of customers' information and other privacy concerns; the protection of its brand and intellectual property; and intellectual property infringement and other claims, among other things.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents, restricted cash, and investments in marketable securities. The Company places cash and cash equivalents and investments with major financial institutions, which management assesses to be of high credit quality, in order to limit exposure of the Company's investments.

Segment Reporting

For the years ended December 31, 2023, 2022, and 2021, the Company was managed as a single operating segment on a consolidated basis. Furthermore, the Company determined that the Chief Executive Officer is the Chief Operating Decision Maker ("CODM") as the CEO is responsible for making decisions regarding the allocation of resources and assessing performance, as well as for strategic operational decisions and managing the organization at a consolidated level.

Cash and Cash Equivalents

Cash includes demand deposits with financial institutions and cash items in transit. Cash equivalents include only investments with initial maturities of three months or less that are highly liquid and readily convertible to known amounts of cash. The Company maintains portions of the Company's cash in bank deposit accounts, which, at times, may exceed federally insured limits. Management believes that the Company is not exposed to any significant credit risk related to cash deposits.

Restricted Cash

Restricted cash consists primarily of funds held in operating, collection, disbursement and reserve accounts related to the Company's credit facilities and entities established for such credit facilities. The use of the restricted cash balance related to the Company's credit facilities are constrained by contract to purchasing real estate inventory and certain related activities. In addition, the Company is required to maintain letters of credit and a time deposit account for certain of the Company's office leases. See *"Note 5 — Credit Facilities and Long-Term Debt"* for further discussion.

Investments

Marketable Securities

Marketable equity securities are publicly traded and have readily determinable fair values with changes in fair value recorded in Other (loss) income-net. The Company's investments in marketable securities consist of debt securities classified as available-for-sale as well as marketable equity securities. The Company's available-for-sale debt securities are measured at fair value with unrealized gains and losses included in Accumulated other comprehensive loss in shareholders' equity and realized gains and losses included in Other income (loss)-net.

Non-Marketable Equity Securities and Equity Method Investments

Non-marketable equity securities and equity method investments are investments in privately held companies that do not have readily determinable fair values. These securities are accounted for under one of the following accounting methods:

- Equity method: This method is applied when the Company has the ability to exert significant influence over the investee. The securities are recorded at cost and adjusted for the Company's share of the investee's earnings or losses, less any dividends received and/or impairments.
- Measurement alternative: This method is followed for all remaining non-marketable equity securities. These securities are recorded at cost minus impairment, if any, adjusted for changes resulting from observable price changes in orderly transactions for an identical or similar investment in the same issuer.

Realized and unrealized gains and losses or the Company's share of the investee's earnings or losses on non-marketable equity securities, including impairment losses, are recognized in Other income (loss)-net. Any dividends on equity method investments are recognized as a reduction of the investment's carrying value. Non-marketable equity securities and equity method investments are reported in Other assets.

The Company assesses whether an impairment loss on its non-marketable equity securities has occurred due to declines in fair value or other market conditions. When the fair value of an equity method investment is less than its carrying value, the Company writes down the investment to fair value when the decline in value is considered to be other than temporary. When the fair value of an investment accounted for using the measurement alternative is less than its carrying value, the Company writes down the investment to its fair value, without the consideration of recovery. See *"Note 3 — Cash, Cash Equivalents, and Investments"* for further discussion.

Real Estate Inventory

Real estate inventory is carried at the lower of cost or net realizable value and the Company applies the specific identification method whereby each property constitutes the unit of account. Real estate inventory cost includes but is not limited to the property purchase price, acquisition costs and direct costs to renovate or repair the home, less inventory valuation adjustments, if any. Work-in-progress inventory includes homes undergoing repairs and finished goods inventory includes homes that are listed for sale, including homes ready for listing, and homes under contract for sale. Real estate inventory is reviewed for valuation adjustments at least quarterly. If the carrying amount or cost basis is not expected to be recovered, an inventory valuation adjustment is recorded to Cost of revenue and the related assets are adjusted to their net realizable value.

Mortgage Loans Held for Sale Pledged under Agreements to Repurchase

Mortgage loans held for sale pledged under agreements to repurchase ("MLHFS") include residential mortgages originated for sale in the secondary markets on a best-effort basis. The Company has elected the fair value option for all MLHFS (see *"Note 6 — Fair Value Disclosures"*). This option allows for the Company to better offset changes in the fair value of MLHFS with derivatives used to economically hedge them when the Company moves away from selling on a best-effort basis, without applying hedge accounting. MLHFS are recorded at fair value based on sales commitments. MLHFS are transferred from the Company to the counterparty pursuant to a master repurchase agreement, which is treated as a secured borrowing; this treatment requires that the assets transferred remain on the Company's balance sheet and measured as if the transfer did not take place.

Gains and losses on MLHFS, including the change in fair value associated with MLHFS, are recorded in Revenue. Direct loan origination costs and fees including headcount costs related to loan production are recorded in Cost of revenue. Interest income on MLHFS is calculated based upon the note rate of the loan and recorded in Interest income.

Convertible Senior Notes

The 0.25% convertible senior notes due in 2026 (the "2026 Notes") issued by the Company in August 2021 are accounted for wholly as debt. The 2026 Notes have an initial carrying value equal to the net proceeds from issuance. Issuance costs associated with the 2026 Notes are amortized over the term using the effective interest method. Conversions are settled through payment of cash or a combination of cash and stock, at the Company's option. Upon conversion, the carrying amount of the 2026 Notes, including any unamortized debt issuance costs, is reduced by cash paid, with any difference being reflected as a change in equity. There will not be any gains or losses recognized upon a conversion. Upon extinguishment of any portion of the 2026 Notes, the difference between the repurchase price of the extinguished notes and the respective net carrying amount is recorded as a gain or loss in Gain on extinguishment of debt in the condensed consolidated statements of operations. See "Note 5 — Credit Facilities and Long-Term Debt" for details on the partial repurchase of the Company's convertible notes that occurred in the period.

Capped Calls

The Company purchased certain capped calls in connection with the issuance of the 2026 Notes which it expects to reduce potential dilution from conversions of the 2026 Notes. The capped calls were determined to be freestanding financial instruments that meet the criteria for classification in equity; as such, the capped calls were recorded as a reduction of additional paid-in capital within shareholders' equity and will not be subsequently remeasured.

(Tabular amounts in millions, except share and per share amounts, ratios, or as noted)

Escrow Receivable

Escrow receivable consists of proceeds from home resale held in escrow prior to such proceeds being remitted to the Company. The Company reviews the need for an allowance for credit losses quarterly based on historical collections experience, among other factors. As of December 31, 2023 and 2022, the Company did not record an allowance for credit losses and for the years ended December 31, 2023, 2022 and 2021, the Company did not have any material write-offs.

No customers accounted for 10% or more of the Company's Escrow Receivable as of December 31, 2023 or 2022, respectively.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment are capitalized and depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of assets. Maintenance and repair costs are charged to expense as incurred. The estimated useful lives of the Company's property and equipment are as follows:

Internally developed software	2 years
Software implementation costs	Lesser of 3 years or contract term
Computers	2 years
Security systems	1 year
Furniture and fixtures	5 years
Leasehold improvements	Lesser of useful life or lease term
Office equipment	3 years

Leases

The Company determines if an arrangement is or contains a lease at inception or modification of the arrangement. An arrangement is or contains a lease if there are identified assets and the right to control the use of an identified asset is conveyed for a period in exchange for consideration. Control over the use of the identified assets means the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset.

For leases for which the Company is the lessee, the Company recognizes right-of-use assets and lease liabilities for all leases other than those with a term of 12 months or less as the Company has elected to apply the short-term lease recognition exemption. Right-of-use assets represent the Company's right to use an underlying asset for the lease term. Lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are classified and recognized at the commencement date of a lease. Lease liabilities are measured based on the present value of fixed lease payments over the lease term. Right-of-use assets consist of (i) initial measurement of the lease liability; (ii) lease payments made to the lessor at or before the commencement date less any lease incentives received; and (iii) initial direct costs incurred by the Company. Lease payments may vary because of changes in facts or circumstances occurring after the commencement, including changes in inflation indices. Variable lease payments are excluded from the measurement of right-of-use assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred.

As the rates implicit on the Company's leases for which it is the lessee are not readily determinable, the Company uses its incremental borrowing rate based on information available at the commencement date in determining the present value of lease payments. When determining the incremental borrowing rate, the Company assesses multiple variables such as lease term, collateral, economic conditions, and its creditworthiness.

For operating leases, the Company recognizes straight-line rent expense.

The Company's lease arrangements may include options to extend or early terminate a lease, which it does not include in expected lease terms unless they are reasonably certain to be exercised. The Company has lease arrangements with lease and non-lease components. As a lessee, the Company has elected to apply the practical expedient to combine lease and related non-lease components, for all classes of underlying assets, and shall account for the combined component as a lease component.

Internally Developed Software

For software the Company develops for internal use, the costs incurred in the preliminary stages of development are expensed as incurred. Once an application reaches the development stage, the Company capitalizes direct costs incurred (including internal and external) to property and equipment. Maintenance and on-going operating costs of developed applications are expensed as incurred. Amortization expense is recognized on a straight-line basis into technology and development expense.

Goodwill

Goodwill represents the difference between the purchase price and the fair value of assets acquired and liabilities assumed in a business combination. Goodwill is not amortized. The Company has a single reporting unit and management reviews goodwill for impairment annually on the first day of the third quarter and also if events or changes in circumstances indicate the occurrence of a triggering event. Goodwill is reviewed for impairment by initially considering qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, as a basis for determining whether it is necessary to perform a quantitative analysis. If it is determined that it is more likely than not that the fair value of reporting unit is less than its carrying amount, a quantitative analysis is performed to identify goodwill impairment.

Intangible Assets

The Company recorded intangible assets with finite lives, including developed technology, customer relationships, trademarks, and non-competition agreements, as a result of acquisitions as well as internal development. Intangible assets are amortized based on their estimated economic lives, ranging from 1 to 5 years.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and definite-lived intangible assets, among other long-lived assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent the carrying amount of the underlying asset exceeds its fair value. The impairment loss recognized for the years ended December 31, 2023, 2022, and 2021 is related to abandonment of property and equipment, impairment and abandonment of certain internally developed software projects, and sublease of certain right of use assets. The impairment loss recognized during the periods presented is as follows (in millions):

	Year Ended December 31,		
	2023	2022	2021
General and administrative	$ 1	$ —	$ 1
Technology and development	9	3	3
Total impairment loss	$ 10	$ 3	$ 4

Revenue Recognition

The Company generates revenue through home sales, along with other revenue from ancillary real estate services. Other revenue represents an insignificant portion of the Company's total revenue.

The Company recognizes revenue when it satisfies its performance obligations by transferring control of promised goods or services to its customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Home sales revenue consists of selling residential real estate to customers. Revenue is recognized when title to and possession of the property has transferred to the customer and the Company has no continuing involvement with the property, which is generally upon close of escrow. The amount of revenue recognized for each home sale is equal to the sale price of the home net of any concessions.

Other revenue consists primarily of title insurance facilitation revenue, closing and escrow services, real estate broker commissions, and gain (loss) on sale of mortgage loans. These real estate services are provided in conjunction with home sales, and revenue is recognized consistent with home sales revenue, generally upon close of escrow.

No customers generated 10% or more of the Company’s total revenue in the years ended December 31, 2023, 2022 or 2021.

Cost of Revenue

Cost of revenue includes the property purchase price, acquisition costs, direct costs to renovate or repair the home and inventory valuation adjustments, if any. These costs are accumulated in real estate inventory during the property holding period and charged to cost of revenue under the specific identification method when the property is sold. Additionally, for the Company’s revenues other than home sales revenue, cost of revenue consists of any costs incurred in delivering the service including associated headcount expenses such as salaries, benefits, and stock-based compensation.

Sales, Marketing and Operations Expense

Sales, marketing and operations expense consists primarily of resale broker commissions, resale closing costs, holding costs related to real estate inventory including utilities, property taxes and maintenance, and expenses associated with product marketing, promotions and brand-building. Sales, marketing and operations expense includes any headcount expenses in support of sales, marketing, and real estate inventory operations such as salaries, benefits, and stock-based compensation. These costs are expensed as incurred.

Advertising costs are expensed as incurred. For the years ended December 31, 2023, 2022, and 2021, expenses attributable to advertising totaled $75 million, $200 million, and $123 million, respectively.

Technology and Development

Technology and development expense consists primarily of amortization expense of capitalized software development costs in addition to headcount expenses, including salaries, benefits, and stock-based compensation for employees in the design, development, testing, maintenance and operation of the Company’s mobile applications, websites, tools and other applications that support its products.

Stock-Based Compensation

Stock-based compensation awards consist of stock options, restricted stock units (“RSUs”), and shares of restricted stock (“Restricted Shares”), and shares issued pursuant the 2020 Employee Stock Purchase Plan (“ESPP”).

Stock Options

The Company has granted stock options with a service condition to vest, which is generally four years. The Company records stock-based compensation expense for service-based stock options on a straight-line basis over the requisite service period. These amounts are reduced by forfeitures as they occur. The Company uses the *Black-Scholes-Merton* option-pricing model to determine the fair value as of the grant date for stock options.

RSUs

Prior to its listing, the Company granted RSUs with a performance condition, based on a liquidity event, as defined by the share agreement, as well as a service condition to vest, which was generally four years. The Company determined the fair value of RSUs based on the valuation of the Company's common stock as of the grant date. No compensation expense was recognized for performance-based awards until the liquidity event occurred in February 2021. Subsequent to the occurrence of the liquidity event, compensation expense was recognized on an accelerated attribution basis over the requisite service period of the awards. After the Company became listed, the RSUs granted are generally only subject to a service condition to vest and typically vest over two to four years. Compensation expense is recognized on a straight-line basis subject to a floor of the vested number of shares for each award.

Market Condition RSUs

The Company has granted RSUs with a performance condition, based on a liquidity event, as defined by the share agreement, as well as a market condition to vest. Subject to the employee's continued services to the Company, the market-based conditions are satisfied upon the Company's achievement of certain share price milestones calculated based on 60-day volume weighted average.

For market-based RSUs, the Company determines the grant-date fair value utilizing Monte Carlo simulations, which incorporates various assumptions, including expected stock price volatility, contractual term, dividend yield, and stock price at grant date. The Company estimates the volatility of common stock on the date of grant based on the weighted-average historical stock price volatility of comparable publicly-traded companies. As the Company had no history of dividend payments and had not declared any prospective dividends, a 0% dividend yield was assumed.

For stock-based compensation, each market-based condition is treated as an accounting unit and expense is recognized over the requisite service period with respect to each unit and only if performance-based conditions are considered probable to be satisfied. The Company determines the requisite service period by comparing the derived service period to achieve the market-based condition and the explicit service-based period, if any, using the longer of the two service periods as the requisite service period.

Restricted Shares

The fair value of the Restricted Shares is equal to the estimated fair value of the Company's common stock on the grant date. The Company recognizes compensation expense for the shares on a straight-line basis over the requisite service period of the awards. The fair value of these shares will be recognized into common stock and additional paid-in-capital as the shares vest.

ESPP

The Company recognizes stock-based compensation expense related to purchase rights granted pursuant to the 2020 ESPP on a straight-line basis over the offering period. The Company estimates the fair value of purchase rights granted under the ESPP using the Black-Scholes option-pricing model.

Income Taxes

The Company records income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. The Company recognizes the effect on deferred income taxes of a change in tax rates in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process whereby: (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Consolidation of Variable Interest Entities

The Company is a variable interest holder in certain entities in which equity investors at risk do not have the characteristics of a controlling financial interest or where the entity does not have enough equity at risk to finance its activities without additional subordinated financial support from other parties; these entities are VIEs. The Company's variable interest arises from contractual, ownership or other monetary interest in the entity, which fluctuates based on the VIE's economic performance. The Company consolidates a VIE if it is the primary beneficiary. The Company is the primary beneficiary if it has a controlling financial interest, which includes both the power to direct the activities that most significantly impact the economic performance of the VIE and a variable interest that obligates the Company to absorb losses or the right to receive benefits that potentially could be significant to the VIE. To determine whether a variable interest the Company holds could potentially be significant to the VIE, the Company considers both qualitative and quantitative factors regarding the nature, size and form of its involvement with the VIE. The Company assesses whether or not the Company is the primary beneficiary of a VIE on an ongoing basis.

Public and Sponsor Warrants

On April 30, 2020, SCH consummated its IPO of 41,400,000 units, consisting of one share of Class A common stock and one third of one warrant exercisable for Class A common stock, at a price of $10.00 per unit. Each whole warrant entitled the holder to purchase one share of Class A common stock at an exercise price of $11.50 per share (the "Public Warrants"). Simultaneously with the closing of the IPO, SCH completed the private sale of 6,133,333 warrants to SCH's sponsor at a price of $1.50 per warrant (the "Sponsor Warrants"). Each Sponsor Warrant allowed the sponsor to purchase one share of Class A common stock at $11.50 per share.

The Sponsor Warrants and shares of common stock issuable upon the exercise of Sponsor Warrants were not able to be transferred, assigned, or sold until 30 days after the completion of a Business Combination. Additionally, the Sponsor Warrants were eligible for cash and cashless exercises, at the holder's option, and were redeemable only if the reference value, as defined in the Warrant Agreement, was less than $18.00 per share. If the Sponsor Warrants were held by someone other than the sponsors and certain permitted transferees, the Sponsor Warrants would have been redeemable and exercisable on the same basis as the Public Warrants.

The Company evaluated the Public and Sponsor Warrants under ASC 815-40, *Derivatives and Hedging-Contracts in Entity's Own Equity*, and concluded that the Sponsor Warrants did not meet the criteria to be classified in shareholders' equity. Specifically, the exercise and settlement features for the Sponsor Warrants precluded them from being considered indexed to the Company's own stock, given that a change in the holder of the Sponsor Warrants may alter the settlement of the Sponsor Warrants. Since the holder of the instrument is not an input to a standard option pricing model (a consideration with respect to the indexation guidance), the fact that a change in the holder could impact the value of the Sponsor Warrants means the Sponsor Warrants were not indexed to the Company's own stock. Since the Sponsor Warrants meet the definition of a derivative under ASC 815, the Company recorded these warrants as liabilities on the balance sheet at fair value upon the consummation of the Business Combination, with subsequent changes in their respective fair values recognized in the consolidated statement of operations at each reporting period. The Company concluded that the Public Warrants, which did not have the same exercise and settlement features as the Sponsor Warrants, meet the criteria to be classified in shareholders' equity.

On June 9, 2021, the Company filed a notice of redemption of all outstanding Public Warrants and Sponsor Warrants. The end of the redemption period was July 9, 2021, at which time the Company redeemed all unexercised warrants at a price of $0.10 per Warrant.

Recently Issued Accounting Standards

Recently Adopted Accounting Standards

In July 2023, the FASB issued ASU 2023-03 which amends various paragraphs in the Accounting Standards Codification pursuant to the issuance of Commission Staff Bulletin No. 120. These updates were effective immediately and did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In October 2023, the FASB issued ASU 2023-06 which is intended to clarify or improve disclosure and presentation requirements of a variety of topics. It will allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements and align the requirements in the FASB accounting standard codification with the SEC's regulations. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, or if the SEC has not removed the applicable disclosure requirement by June 30, 2027, the amendment will not be effective for any entity. Early adoption is prohibited. The Company is currently assessing the impact on the Company's disclosures.

In November 2023, the FASB issued ASU 2023-07, which expands reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This guidance is effective for fiscal years beginning after December 15, 2023 and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and retrospective application to all prior periods presented in the financials is required. The Company is currently assessing the impact on the Company's consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, which expands income tax disclosure requirements to include additional information related to the rate reconciliation of effective tax rates to statutory rates as well as additional disaggregation of taxes paid. This guidance is effective for fiscal years beginning after December 15, 2024, and early adoption is permitted. The Company is currently assessing the impact on the Company's disclosures.

2. REAL ESTATE INVENTORY

The following table presents the components of inventory, net of applicable inventory valuation adjustments of $27 million and $459 million as of December 31, 2023 and 2022, respectively (in millions):

	December 31, 2023	December 31, 2022
Work-in-progress	$ 640	$ 891
Finished goods:		
Listed for sale	882	2,788
Under contract for sale	253	781
Total real estate inventory	$ 1,775	$ 4,460

As of December 31, 2023, the Company was in contract to purchase 2,114 homes for an aggregate purchase price of $653 million.

During the years ended December 31, 2023, 2022, and 2021, the Company recorded inventory valuation adjustments for real estate inventory of $65 million, $737 million, and $56 million, respectively, in Cost of revenue in the consolidated statements of operations.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The amortized cost, gross unrealized gains and losses, and fair value of cash, cash equivalents, and marketable securities as of December 31, 2023 and 2022, are as follows (in millions):

	December 31, 2023					
	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Marketable Securities
Cash	$ 63	$ —	$ —	$ 63	$ 63	$ —
Money market funds	936	—	—	936	936	—
Corporate debt securities	55	—	(1)	54	—	54
Equity securities	15	—	—	15	—	15
Total	$ 1,069	$ —	$ (1)	$ 1,068	$ 999	$ 69

	December 31, 2022					
	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Marketable Securities
Cash	$ 422	$ —	$ —	$ 422	$ 422	$ —
Money market funds	715	—	—	715	715	—
Corporate debt securities	126	—	(4)	122	—	122
Equity securities	11	—	—	11	—	11
Certificates of deposit	9	—	—	9	—	9
Asset-backed securities	2	—	—	2	—	2
Total	$ 1,285	$ —	$ (4)	$ 1,281	$ 1,137	$ 144

During the years ended December 31, 2023 and 2022, the Company recognized $4 million and $(35) million of net unrealized gains (losses), respectively, in the consolidated statements of operations related to marketable equity securities.

A summary of debt securities with unrealized losses aggregated by period of continuous unrealized loss is as follows (in millions):

	Less than 12 Months		12 Months or Greater		Total	
December 31, 2023	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	$ —	$ —	$ 54	$ (1)	$ 54	$ (1)
Total	$ —	$ —	$ 54	$ (1)	$ 54	$ (1)

	Less than 12 Months		12 Months or Greater		Total	
December 31, 2022	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	$ 5	$ —	$ 117	$ (4)	$ 122	$ (4)
Certificates of deposit	6	—	—	—	6	—
Asset-backed securities	—	—	2	—	2	—
Total	$ 11	$ —	$ 119	$ (4)	$ 130	$ (4)

Net unrealized losses of the Company's available-for-sale debt securities as of December 31, 2023 and 2022 were $1 million and $4 million, respectively. These unrealized losses are associated with the Company’s investments in corporate debt securities and were due to interest rate increases, and not credit-related events. The Company does not expect to be required to sell the investments before recovery of the amortized cost bases. As such, no allowance for credit losses is required as of December 31, 2023 or 2022.

The scheduled contractual maturities of debt securities as of December 31, 2023 are as follows (in millions):

December 31, 2023	Fair Value	Within 1 Year	After 1 Year through 5 Years
Corporate-debt securities	$ 54	$ 54	$ —
Total	$ 54	$ 54	$ —

A summary of non-marketable equity securities and equity method investment balances as of December 31, 2023 and 2022 are as follows (in millions):

	December 31, 2023	December 31, 2022
Equity method investments	$ 20	$ 20
Non-marketable equity securities	—	5
Total	$ 20	$ 25

During the year-ended December 31, 2023, the Company recognized $5 million of net unrealized losses in the consolidated statements of operations related to non-marketable equity securities held as of December 31, 2023. No unrealized losses were recognized during the year-ended December 31, 2022 in the consolidated statements of operations related to non-marketable equity securities held as of December 31, 2022.

4. VARIABLE INTEREST ENTITIES

The Company utilizes VIEs in the normal course of business to support the Company's financing needs. The Company determines whether the Company is the primary beneficiary of a VIE at the time it becomes involved with the VIE and reconsiders that conclusion on an on-going basis. See *"Note 1 — Description of Business and Accounting Policies"* for further discussion of the Company's "Consolidation of Variable Interest Entities" policy.

The Company established certain special purpose entities ("SPEs") for the purpose of financing the Company's purchase and renovation of real estate inventory through the issuance of asset-backed debt. The Company is the primary beneficiary of the various VIEs within these financing structures and consolidates these VIEs. The Company is determined to be the primary beneficiary based on its power to direct the activities that most significantly impact the economic outcomes of the SPEs through its role in designing the SPEs and managing the real estate inventory they purchase and sell. The Company has a potentially significant variable interest in the entities based upon the equity interest the Company holds in the VIEs.

The following table summarizes the assets and liabilities related to the VIEs consolidated by the Company as of December 31, 2023 and 2022 (in millions):

	December 31, 2023	December 31, 2022
Assets		
Restricted cash	$ 530	$ 636
Real estate inventory, net	1,735	4,408
Other[(1)]	18	38
Total assets	$ 2,283	$ 5,082
Liabilities		
Non-recourse asset-backed debt	$ 2,134	$ 4,396
Other[(2)]	29	72
Total liabilities	$ 2,163	$ 4,468

(1) Includes escrow receivable and other current assets.

(2) Includes accounts payable and other accrued liabilities and interest payable.

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The creditors of the VIEs generally do not have recourse to the Company's general credit solely by virtue of being creditors of the VIEs. However, certain of the financial covenants included in the inventory financing facilities to which the VIEs are party are calculated by reference to Opendoor Labs Inc. and its consolidated subsidiaries' assets and liabilities. As a result, under certain circumstances, this may limit our flexibility to transfer assets from Opendoor subsidiaries to the Parent Company. See *"Note 5 — Credit Facilities and Long-Term Debt"* for further discussion of the recourse obligations with respect to the VIEs.

5. CREDIT FACILITIES AND LONG-TERM DEBT

The following tables summarize certain details related to the Company's credit facilities and long-term debt as of December 31, 2023 and 2022 (in millions, except interest rates):

		Outstanding Amount				
December 31, 2023	**Borrowing Capacity**	**Current**	**Non-Current**	**Weighted Average Interest Rate**	**End of Revolving / Withdrawal Period**	**Final Maturity Date**
Non-Recourse Asset-backed Debt:						
Asset-backed Senior Revolving Credit Facilities						
Revolving Facility 2018-2	$ 1,000	$ —	$ —	7.49 %	June 30, 2025	June 30, 2025
Revolving Facility 2018-3	1,000	—	—	6.82 %	September 29, 2026	September 29, 2026
Revolving Facility 2019-1	300	—	—	7.34 %	August 15, 2025	August 15, 2025
Revolving Facility 2019-2	550	—	—	6.83 %	October 3, 2025	October 2, 2026
Revolving Facility 2019-3	925	—	—	— %	April 5, 2024	April 4, 2025
Asset-backed Senior Term Debt Facilities						
Term Debt Facility 2021-S1	100	—	100	3.48 %	January 2, 2025	April 1, 2025
Term Debt Facility 2021-S2	400	—	300	3.20 %	September 10, 2025	March 10, 2026
Term Debt Facility 2021-S3	1,000	—	750	3.75 %	January 31, 2027	July 31, 2027
Term Debt Facility 2022-S1	250	—	250	4.07 %	March 1, 2025	September 1, 2025
Total	$ 5,525	$ —	$ 1,400			
Issuance Costs		—	(12)			
Carrying Value		$ —	$ 1,388			
Asset-backed Mezzanine Term Debt Facilities						
Term Debt Facility 2020-M1	$ 2,100	$ —	$ 600	10.00 %	April 1, 2025	April 1, 2026
Term Debt Facility 2022-M1	500	—	150	10.00 %	September 15, 2025	September 15, 2026
Total	$ 2,600	$ —	$ 750			
Issuance Costs			(4)			
Carrying Value			$ 746			
Total Non-Recourse Asset-backed Debt	$ 8,125	$ —	$ 2,134			

OPENDOOR TECHNOLOGIES INC.
Notes to Consolidated Financial Statements
(Tabular amounts in millions, except share and per share amounts, ratios, or as noted)

	Outstanding Amount		
December 31, 2022	**Current**	**Non-Current**	**Weighted Average Interest Rate**
Non-Recourse Asset-backed Debt:			
Asset-backed Senior Revolving Credit Facilities			
Revolving Facility 2018-2	472	—	4.86 %
Revolving Facility 2018-3	194	—	3.98 %
Revolving Facility 2019-1	55	—	4.41 %
Revolving Facility 2019-2	167	—	3.92 %
Revolving Facility 2019-3	—	—	3.86 %
Revolving Facility 2022-1	289	—	8.15 %
Asset-backed Senior Term Debt Facilities			
Term Debt Facility 2021-S1	—	400	3.48 %
Term Debt Facility 2021-S2	—	500	3.20 %
Term Debt Facility 2021-S3	—	750	3.75 %
Term Debt Facility 2022-S1	—	250	4.07 %
Term Debt Facility 2022-S2	200	—	8.48 %
Total	$ 1,377	$ 1,900	
Issuance Costs	(1)	(17)	
Carrying Value	$ 1,376	$ 1,883	
Asset-backed Mezzanine Term Debt Facilities			
Term Debt Facility 2020-M1	—	1,000	10.00 %
Term Debt Facility 2022-M1	—	150	10.00 %
Total	$ —	$ 1,150	
Issuance Costs		(13)	
Carrying Value		$ 1,137	
Total Non-Recourse Asset-backed Debt	$ 1,376	$ 3,020	

Non-Recourse Asset-backed Debt

The Company utilizes inventory financing facilities consisting of asset-backed senior debt facilities and asset-backed mezzanine term debt facilities to provide financing for the Company’s real estate inventory purchases and renovation. These inventory financing facilities are typically secured by some combination of restricted cash, equity in real estate owning subsidiaries and related holding companies, and, for senior facilities, the real estate inventory financed by the relevant facility and/or beneficial interests in such inventory.

Each of the borrowers under the inventory financing facilities is a consolidated subsidiary of Opendoor and a separate legal entity. Neither the assets nor credit of any such borrower subsidiaries are generally available to satisfy the debts and other obligations of any other Opendoor entities. The inventory financing facilities are non-recourse to the Company and are non-recourse to Opendoor subsidiaries not party to the relevant facilities, except for limited guarantees provided by an Opendoor subsidiary for certain obligations involving “bad acts” by an Opendoor entity and certain other limited circumstances.

As of December 31, 2023, the Company had total borrowing capacity with respect to its non-recourse asset-backed debt of $8.1 billion. Borrowing capacity amounts under non-recourse asset-backed debt as reflected in the table above are in some cases not fully committed and any borrowings above the committed amounts are subject to the applicable lender’s discretion. Any amounts repaid for senior term and mezzanine term debt facilities reduce total borrowing capacity as repaid amounts are not available to be reborrowed. As of December 31, 2023, the Company had committed borrowing capacity with respect to the Company’s non-recourse asset backed debt of $2.8 billion; this committed borrowing capacity is comprised of $650 million for senior revolving credit facilities, $1.4 billion for senior term debt facilities, and $750 million for mezzanine term debt facilities.

The Company recognized $9 million and $25 million in loss on extinguishment of debt on the consolidated statement of operations for the years ended December 31, 2023 and December 31, 2022, respectively, related to the Company’s voluntary partial early repayment of non-recourse asset-backed term debt facilities. The loss on extinguishment of debt for the year ended December 31, 2023 was comprised of $4 million in pre-payment fees and $5 million in write-offs of associated deferred costs that were previously capitalized. The loss on extinguishment of debt for the year ended December 31, 2022 was comprised of $10 million in prepayment fees and $15 million in write offs of associated unamortized deferred costs that were previously capitalized.

Asset-backed Senior Revolving Credit Facilities

The Company classifies the senior revolving credit facilities as current liabilities on the Company's consolidated balance sheets as amounts drawn to acquire and renovate homes are required to be repaid as the related real estate inventory is sold, which the Company expects to occur within 12 months.

The senior revolving credit facilities are typically structured with an initial revolving period of up to 24 months during which time amounts can be borrowed, repaid and borrowed again. The borrowing capacity is generally available until the end of the applicable revolving period as reflected in the table above. Outstanding amounts drawn under each senior revolving credit facility are required to be repaid on the facility maturity date or earlier if accelerated due to an event of default or other mandatory repayment event. The final maturity dates and revolving period end dates reflected in the table above are inclusive of any extensions that are at the sole discretion of the Company. These facilities may also have extensions subject to lender discretion that are not reflected in the table above.

Borrowings under the senior revolving credit facilities accrued interest at various floating rates based on a London Interbank Offered Rate ("LIBOR") for certain periods prior to November 2022 or a secured overnight financing rate ("SOFR"), plus a margin that varies by facility. Effective November 2022, all such floating rates were based on SOFR. The Company may also pay fees on certain unused portions of committed borrowing capacity. The Company's senior revolving credit facility arrangements typically include upfront fees that may be paid at execution of the applicable agreements or be earned at execution and payable over time. These facilities are generally fully prepayable at any time without penalty other than customary breakage costs.

The senior revolving credit facilities have aggregated borrowing bases, which increase or decrease based on the cost and value of the properties financed under a given facility and the time that those properties are in the Company's possession. When the Company resells a home, the proceeds are used to reduce the outstanding balance under the related senior revolving credit facility. The borrowing base for a given facility may be reduced as properties age beyond certain thresholds, and any borrowing base deficiencies may be satisfied through contributions of additional properties or partial repayment of the facility.

Asset-backed Senior Term Debt Facilities

The Company classifies its senior term debt facilities as non-current liabilities on the Company's consolidated balance sheets because its borrowings under these facilities are generally not required to be repaid until the final maturity date.

The senior term debt facilities are typically structured with an initial withdrawal period up to 60 months during which the outstanding principal amounts are generally not required to be repaid when homes financed through those facilities are sold and instead are intended to remain outstanding until final maturity for each facility. Outstanding amounts drawn under each senior term debt facility are required to be repaid on the facility maturity date or earlier if accelerated due to an event of default or other mandatory repayment event. The final maturity dates and withdrawal period end dates reflected in the table above are inclusive of any extensions that are at the sole discretion of the Company. These facilities may also have extensions subject to lender discretion that are not reflected in the table above.

Borrowings under the senior term debt facilities accrue interest at a fixed rate with the exception of Term Debt Facility 2022-S2, which accrued interest at a floating rate based on SOFR plus a margin. The Company's senior term debt facilities may include upfront issuance costs that are capitalized as part of the facilities' respective carrying values. These facilities are fully prepayable at any time but may be subject to certain customary prepayment penalties.

The senior term debt facilities have aggregated property borrowing bases, which increase or decrease based on the cost and value of the properties financed under a given facility, the time those properties are in the Company's possession and the amount of cash collateral pledged by the relevant borrowers. The borrowing base for a given facility may be reduced as properties age or collateral performance declines beyond certain thresholds, and any borrowing base deficiencies may be satisfied through contributions of additional properties, cash or through partial repayment of the facility.

Asset-backed Mezzanine Term Debt Facilities

The Company classifies its mezzanine term debt facilities as long-term liabilities on the Company's consolidated balance sheets because its borrowings under these facilities are generally not required to be repaid until the applicable final maturity date. These facilities are structurally and contractually subordinated to the related asset-backed senior debt facilities.

The mezzanine term debt facilities have been structured with an initial 42 month withdrawal period during which the outstanding principal amounts are generally not required to be repaid when homes financed through those facilities are sold and instead are intended to remain outstanding until final maturity. Outstanding amounts drawn under the mezzanine term debt facilities are required to be repaid on the facility maturity date or earlier if accelerated due to an event of default or other mandatory repayment event. The final maturity date and withdrawal period end date reflected in the table above are inclusive of any extensions that are at the sole discretion of the Company. These facilities may also have extensions subject to lender discretion that are not reflected in the table above.

Borrowings under a given term debt facility accrue interest at a fixed rate. The mezzanine term debt facilities include upfront issuance costs that are capitalized as part of the facilities' respective carrying values. These facilities are fully prepayable at any time but may be subject to certain prepayment penalties.

The mezzanine term debt facilities have aggregated property borrowing bases, which increase or decrease based on the cost and the value of the properties financed under a given facility and time in the Company's possession of those properties and the amount of cash collateral pledged by the relevant borrowers. The borrowing base for a given facility may be reduced as properties age or collateral performance declines beyond certain thresholds, and any borrowing base deficiencies may be satisfied through contributions of additional properties or cash or through partial repayment of the facility.

Covenants

The Company's inventory financing facilities include customary representations and warranties, covenants and events of default. Financed properties are subject to customary eligibility criteria and concentration limits.

The terms of these inventory financing facilities and related financing documents require an Opendoor subsidiary to comply with customary financial covenants, such as maintaining certain levels of liquidity, tangible net worth or leverage (ratio of debt to tangible net worth). Certain of these financial covenants are calculated by reference to Opendoor Labs Inc. and its consolidated subsidiaries' assets and liabilities. As a result, under certain circumstances, this may limit our flexibility to transfer assets from Opendoor subsidiaries to the Parent Company. At December 31, 2023 and December 31, 2022, $275 million and $565 million, respectively, of the Company's net assets are restricted as they reflect minimum net asset requirements at Opendoor Labs Inc. As of December 31, 2023, the Company was in compliance with all financial covenants and no event of default had occurred.

Mortgage Financing

In 2022, the Company ceased providing correspondent lending or mortgage brokering services. As a result, the Company no longer requires mortgage financing and terminated its master repurchase agreement (the "Repurchase Agreement") in October 2022.

From March 2019 through its exit of mortgage lending and brokering services, the Company utilized the Repurchase Agreement to provide capital for Opendoor Home Loans. The facility, which was classified as a current liability on the Company's consolidated balance sheets, provided short-term financing between the issuance of a mortgage loan and when Opendoor Home Loans sold the loan to an investor. In accordance with the Repurchase Agreement, the lender agreed to pay Opendoor Home Loans a negotiated purchase price for eligible loans and Opendoor Home Loans simultaneously agreed to repurchase such loans from the lender within a specified timeframe and at an agreed upon price that included interest. Opendoor Labs Inc. was the guarantor with respect to the Repurchase Agreement and the obligation to repurchase loans previously transferred under the arrangement for the benefit of the lender. This financing arrangement was an important component of Opendoor Home Loans' operations as a correspondent lender.

Convertible Senior Notes

In August 2021, the Company issued the 2026 Notes with an aggregate principal amount of $978 million. The tables below summarizes certain details related to the 2026 Notes (in millions, except interest rates):

December 31, 2023	Aggregate Principal Amount	Unamortized Debt Issuance Costs	Net Carrying Amount
2026 Notes	$ 381	$ (5)	$ 376

December 31, 2023	Maturity Date	Stated Cash Interest Rate	Effective Interest Rate	Semi-Annual Interest Payment Dates	Conversion Rate	Conversion Price
2026 Notes	August 15, 2026	0.25 %	0.78 %	February 15; August 15	51.9926	$ 19.23

The 2026 Notes will be convertible at the option of the holders before February 15, 2026 only upon the occurrence of certain events. Beginning on August 20, 2024, the Company has the option to redeem the 2026 Notes upon meeting certain conditions related to price of the Company's common stock. Beginning on February 15, 2026 and until the close of business on the second scheduled trading day immediately preceding the maturity date, the 2026 Notes are convertible at any time at election of each holder. The conversion rate and conversion price are subject to customary adjustments under certain circumstances. In addition, if certain corporate events that constitute a make-whole fundamental change occur, then the conversion rate will be adjusted in accordance with the make-whole table within the Indenture. Upon conversion, the Company may satisfy its obligation by paying cash for the outstanding principal balance, and, a combination of cash and the Company's common stock, at the Company's election, for the remaining amount, if any, based on the applicable conversion rate.

During the year ended December 31, 2023, the Company entered into separate, privately negotiated transactions to repurchase a portion of the outstanding 2026 Notes ("Repurchased 2026 Notes"). The holders of the Repurchased 2026 Notes exchanged $597 million in aggregate principal amount for aggregate payments of $360 million in cash for full settlement of the principal value and accrued interest on such date. The Company accounted for the repurchase as a debt extinguishment. Accordingly, the Company: (i) reduced the carrying value of the Repurchased 2026 Notes by $597 million, (ii) reduced outstanding deferred issuance costs by $10 million, (iii) incurred fees of $2 million and (iv) recorded $225 million of gain on debt extinguishment. The Company elected to leave the Capped Calls associated with the Repurchased 2026 Notes outstanding.

For the year ended December 31, 2023, total interest expense on the Company's convertible senior notes was $5 million, with coupon interest of $2 million and amortization of debt issuance costs of $3 million.

Capped Calls

In August 2021, in connection with the issuance of the 2026 Notes, the Company purchased capped calls (the "Capped Calls") from certain financial institutions at a cost of $119 million. The Capped Calls cover, subject to customary adjustments, the number of shares of the Company's common stock underlying the 2026 Notes. By entering into the Capped Calls, the Company expects to reduce the potential dilution to its common stock (or, in the event of a conversion of the 2026 Notes settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2026 Notes its common stock price exceeds the conversion price. The Capped Calls have an initial strike price of $19.23 per share and an initial cap price of $29.59 per share or a cap price premium of 100%.

6. FAIR VALUE DISCLOSURES

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

Following is a discussion of the fair value hierarchy and the valuation methodologies used for assets and liabilities recorded at fair value on a recurring and nonrecurring basis and for estimating fair value for financial instruments not recorded at fair value.

Fair Value Hierarchy

Fair value measurements of assets and liabilities are categorized based on the following hierarchy:

***Level 1* —** Fair value determined based on quoted prices in active markets for identical assets or liabilities.

***Level 2* —** Fair value determined using significant observable inputs, such as quoted prices for similar assets or liabilities or quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data, by correlation or other means.

***Level 3* —** Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows, or similar techniques.

Estimation of Fair Value

The following table summarizes the fair value measurement methodologies, including significant inputs and assumptions, and classification of the Company's assets and liabilities.

Asset/Liability Class	Valuation Methodology, Inputs and Assumptions	Classification
Cash and cash equivalents	Carrying value is a reasonable estimate of fair value based on the short-term nature of the instruments.	Level 1 estimated fair value measurement.
Restricted cash	Carrying value is a reasonable estimate of fair value based on the short-term nature of the instruments.	Level 1 estimated fair value measurement.
Marketable securities		
Debt securities	Prices obtained from third-party vendors that compile prices from various sources and often apply matrix pricing for similar securities when no price is observable.	Level 2 recurring fair value measurement.
Equity securities	Price is quoted given the securities are traded on an exchange.	Level 1 recurring fair value measurement.
Other current assets		
Mortgage loans held for sale	Fair value is estimated based on observable market data including quoted market prices and deal price quotes.	Level 2 recurring fair value measurement.
Non-recourse asset-backed debt		
Credit facilities	Fair value is estimated using discounted cash flows based on current lending rates for similar credit facilities with similar terms and remaining time to maturity.	Carried at amortized cost. Level 2 estimated fair value measurement.
Convertible senior notes	Fair value is estimated using broker quotes and other observable market inputs.	Carried at amortized cost. Level 2 estimated fair value measurement.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following tables present the levels of the fair value hierarchy for the Company's assets measured at fair value on a recurring basis (in millions).

December 31, 2023	Balance at Fair Value	Level 1	Level 2	Level 3
Marketable securities:				
Corporate debt securities	$ 54	$ —	$ 54	$ —
Equity securities	15	15	—	—
Total assets	$ 69	$ 15	$ 54	$ —

December 31, 2022	Balance at Fair Value	Level 1	Level 2	Level 3
Marketable securities:				
Corporate debt securities	$ 122	$ —	$ 122	$ —
Equity securities	11	11	—	—
Certificates of deposit	9	—	9	—
Asset-backed securities	2	—	2	—
Other current assets:				
Mortgage loans held for sale	1	—	1	—
Total assets	$ 145	$ 11	$ 134	$ —

Fair Value of Financial Instruments

The following presents the carrying value, estimated fair value and the levels of the fair value hierarchy for the Company's financial instruments other than assets and liabilities measured at fair value on a recurring basis (in millions).

	December 31, 2023			
	Carrying Value	Fair Value	Level 1	Level 2
Assets:				
Cash and cash equivalents	$ 999	$ 999	$ 999	$ —
Restricted cash	541	541	541	—
Liabilities:				
Non-recourse asset-backed debt	$ 2,134	$ 2,150	$ —	$ 2,150
Convertible senior notes	376	296	—	296

	December 31, 2022			
	Carrying Value	Fair Value	Level 1	Level 2
Assets:				
Cash and cash equivalents	$ 1,137	$ 1,137	$ 1,137	$ —
Restricted cash	654	654	654	—
Liabilities:				
Non-recourse asset-backed debt	$ 4,396	$ 4,427	$ —	$ 4,427
Convertible senior notes	959	391	—	391

7. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 and 2022, consisted of the following (in millions):

	2023	2022
Internally developed software	$ 124	$ 105
Security systems	19	18
Computers	12	13
Software implementation costs	4	4
Office equipment	3	3
Furniture and fixtures	2	3
Leasehold improvements	2	2
Total	166	148
Accumulated depreciation and amortization	(100)	(90)
Property and equipment – net	$ 66	$ 58

Depreciation and amortization expense of $38 million, $37 million, and $27 million was recorded for the years ended December 31, 2023, 2022 and 2021, respectively.

8. LEASES

The Company leases office space throughout the United States under operating and short-term lease agreements. These lease agreements have terms not exceeding 11 years and some contain multi-year renewal options or early termination options that are not considered reasonably certain of exercise except as discussed below. The Company also leases equipment under immaterial finance lease agreements.

Components of lease costs for the years ended the December 31, 2023, 2022, and 2021, are as follows (in millions):

	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	$ 11	$ 11	$ 12
Variable lease cost	1	—	1
Short-term lease cost	1	1	—
Sublease income	(2)	(1)	(1)
Net lease cost	$ 11	$ 11	$ 12

The following table present supplemental lease information (in millions):

December 31,	2023	2022	2021
Cash paid for amounts included in the measurement of operating lease liabilities	$ (14)	$ (11)	$ (10)
Right-of-use assets obtained in exchange for new or acquired lease liabilities	$ 1	$ 5	$ —

In May 2023, the Company amended its Tempe, Arizona office lease to partially terminate the Company’s obligation with respect to a portion of the leased premises (“Partial Lease Termination”). The Partial Lease Termination resulted in a decrease of undiscounted, future lease payments of $19 million. As a result of the Partial Lease Termination, the Company remeasured its operating lease liabilities and recorded a decrease of $10 million to reflect the reduced lease payments and termination penalties. The Company also recorded a decrease to right-of-use assets of $9 million based on the proportionate decrease in the right-of-use asset, which resulted in a gain of $1 million recognized in general and administrative expense on the consolidated statements of operations for the year ended December 31, 2023.

For the year ended December 31, 2022, the Company signed a new lease that resulted in an increase to the right-of-use asset in the amount of $5 million and an increase in operating lease liabilities in the amount of $5 million. There were no material lease modifications in the year ended December 31, 2022. In January 2021, the Company terminated the San Francisco lease prior to the anticipated termination date of September 30, 2021, which resulted in a $5 million gain recognized for the year ended December 31, 2021. There were no other material lease modifications for the year ended December 31, 2021.

The weighted average lease term and the weighted average discount rate are as follows:

December 31,	2023	2022
Weighted average remaining lease term for operating leases (in years)	5.8	6.6
Weighted average discount rate for operating leases	11.8 %	9.9 %

Maturity of operating lease liabilities as of December 31, 2023 are as follows (in millions):

2024	$	8
2025		5
2026		4
2027		4
2028		5
Thereafter		8
Total undiscounted future cash flows	$	34
Less: Imputed interest		10
Total lease liabilities	$	24

9. GOODWILL AND INTANGIBLE ASSETS

For the year ended December 31, 2023 there were no additions to goodwill. For the year ended December 31, 2022 the carrying amount of goodwill increased by $4 million due to acquisitions. For more information on significant acquisitions, refer to *"Note 16 — Business Acquisitions"*.

During the fourth quarter of 2022, the market price of our common stock declined significantly. As such, the Company determined that an indicator of potential impairment existed and decided to perform an interim quantitative test for goodwill impairment. Based on the quantitative analysis, the Company recorded a goodwill impairment charge of $60 million for the year ended December 31, 2022. There was no impairment of goodwill identified for the years ended December 31, 2023 and December 31, 2021.

Intangible assets subject to amortization consisted of the following as of December 31, 2023 and 2022, respectively (in millions, except years):

December 31, 2023	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Remaining Weighted Average Useful Life (Years)
Developed technology	$ 17	$ (13)	$ 4	0.8
Customer relationships	7	(6)	1	0.7
Trademarks	5	(5)	—	0.7
Intangible assets – net	$ 29	$ (24)	$ 5	

December 31, 2022	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Remaining Weighted Average Useful Life (Years)
Developed technology	$ 17	$ (9)	$ 8	1.8
Customer relationships	7	(5)	2	1.7
Trademarks	5	(3)	2	1.7
Intangible assets – net	$ 29	$ (17)	$ 12	

Amortization expense for intangible assets was $7 million, $9 million, and $4 million for the years ended December 31, 2023, 2022, and 2021, respectively.

As of December 31, 2023, expected amortization of intangible assets is as follows (in millions):

Fiscal Years	
2024	$ 5
Total	$ 5

10. ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of December 31, 2023 and 2022, consisted of the following:

	2023	2022
Accrued expenses due to vendors	$ 34	$ 47
Accrued payroll and other employee related expenses	18	21
Accrued property and franchise taxes	7	29
Accounts payable due to vendors	2	5
Other	3	8
Total accounts payable and other accrued liabilities	$ 64	$ 110

11. SHAREHOLDERS’ EQUITY

Common Stock

On February 9, 2021, the Company completed an underwritten public offering (the “February 2021 Offering”) in which the Company sold 32,817,421 shares of its common stock at a public offering price of $27.00 per share, including the exercise in full by the underwriters of their option to purchase up to 4,280,533 additional shares of common stock, which was completed on February 11, 2021. The Company received aggregate net proceeds from the February 2021 Offering of approximately $859 million after deducting underwriting discounts and commissions and offering expenses payable by the Company upon closing. The February 2021 Offering satisfied the liquidity event vesting condition of certain restricted stock units ("RSUs"). For further information on the RSUs, see “*Note 12 — Share-Based Awards*”.

On December 21, 2020, the Company’s common stock and warrants began trading on the Nasdaq Global Select Market (“Nasdaq”) under the ticker symbols “OPEN” and “OPENW,” respectively. Pursuant to the Company’s certificate of incorporation, the Company is authorized to issue 3,000,000,000 shares of common stock with a par value of $0.0001 per share. On July 9, 2021, the Company completed the redemption of all of its outstanding Public and Sponsor Warrants and in connection with the redemption, the Public Warrants stopped trading on Nasdaq.

Prior to the Business Combination, the Company had outstanding shares of Series A, Series B, Series C, Series C-1, Series D, Series D-1, Series E, Series E-1, and Series E-2 convertible preferred stock (collectively, “Preferred Stock”).

Immediately prior to the Business Combination, all shares of the Company's outstanding Preferred Stock converted into a total of 195 million shares of Opendoor Labs Inc. common stock on a one-for-one basis. Upon the Closing, Opendoor Labs Inc. common stock converted to Opendoor Technologies Inc. common stock with the application of the Exchange Ratio.

Preferred Stock

Pursuant to the Company's certificate of incorporation, the Company is authorized to issue 100,000,000 shares of preferred stock having a par value of $0.0001 per share ("Opendoor Technologies Preferred Stock"). The Company's board of directors has the authority to issue Opendoor Technologies Preferred Stock and to determine the rights, preferences, privileges and restrictions, including voting rights, of those shares. As of December 31, 2023, there were no shares of Opendoor Technologies Preferred Stock issued and outstanding.

Dividend

Common stock is entitled to dividends when and if declared by the Company's board of directors, subject to the rights of all classes of stock outstanding having priority rights to dividends. The Company has not paid any cash dividends on common stock to date. The Company may retain future earnings, if any, for the further development and expansion of its business and has no current plans to pay cash dividends for the foreseeable future. Any future determination to pay dividends will be made at the discretion of the Company's board of directors and will depend on, among other things, the Company's financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as the Company's board of directors may deem relevant.

12. SHARE-BASED AWARDS

2014 Stock Plan

Our 2014 Stock Plan (the "2014 Plan"), as last amended and approved by the board of directors on February 6, 2020, allowed the Company to grant up to 106,320,623 shares of common stock to employees, directors, and non-employees pursuant to awards of stock options, restricted stock or restricted stock units ("RSUs") granted under the 2014 Plan. Upon the Closing, the remaining unallocated share reserve under the 2014 Plan was cancelled and no new awards will be granted under the 2014 Plan. Awards outstanding under the 2014 Plan were assumed by Opendoor Technologies upon the Closing and continue to be governed by the terms of the 2014 Plan.

2020 Equity Incentive Plans

In connection with the close of the Business Combination, the Company adopted the 2020 Incentive Award Plan (the "2020 Plan") under which 43,508,048 shares of common stock were initially reserved for issuance. The 2020 Plan allows for the issuance of stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalents and other stock or cash based awards. The number of shares of the Company's common stock available for issuance under the 2020 Plan automatically increases on the first day of each calendar year, beginning January 1, 2022 and ending on and including January 1, 2030, by the lesser of (a) a number equal to the excess (if any) of (1) 5% of the aggregate number of shares of common Stock outstanding on the final day of the immediately preceding calendar year over (2) the number of shares of common Stock then reserved for issuance under the 2020 Plan as of such date, and (b) such smaller number of shares determined by the Company's board of directors. Pursuant to this automatic increase provision, as of December 31, 2023, 93,166,834 shares of common stock are reserved for issuance under the 2020 Plan.

In connection with the close of the Business Combination, the Company's board of directors approved the 2020 Employee Stock Purchase Plan ("ESPP"), which was last amended on February 8, 2023. There are 5,438,506 shares of common stock initially reserved for issuance under the ESPP. The number of shares of the Company's common stock available for issuance under the ESPP automatically increases on the first day of each calendar year, beginning January 1, 2022 and ending on and including January 1, 2030, by the lesser of (a) 1% of the total number of shares of common stock outstanding on December 31 of the immediately preceding calendar year and (b) such number of shares as is determined by the Company's board of directors; provided that, no more than 54,385,060 shares may be issued under the ESPP. Pursuant to this automatic increase provision, as of December 31, 2023, 17,973,904 shares of common stock are reserved for issuance under the ESPP. For the twelve months ended December 31, 2023 and December 31, 2022, shares issued under the ESPP were 2,151,794 at a weighted average price of $1.16 per share and 493,790 at a weighted average price of $3.68, respectively.

2022 Inducement Plan

In July 2022, the Company's board of directors adopted the 2022 Inducement Plan (the "Inducement Plan"). Under the Inducement Plan, 31,200,000 shares were initially reserved for issuance. The purpose of the Inducement Plan is to attract, retain and motivate prospective employees of the Company, particularly executive team members and employees joining as part of business combinations. The Inducement Plan allows for the issuance of non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalents and other stock or cash based awards to new employees of the Company or any subsidiary of the Company.

Stock options and RSUs

Option awards are generally granted with an exercise price equal to the fair value of the Company's common stock at the date of grant. Options are exercisable over a maximum term of 10 years from the date of grant and generally vest over a period of four years. Incentive stock options granted to a 10% shareholder are exercisable over a maximum term of five years from the date of grant.

A summary of the stock option activity for the year ended December 31, 2023, is as follows:

	Number of Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Balance – December 31, 2022	10,712	$ 2.13	3.5	$ 1
Granted	—	—		
Exercised	(2,535)	1.07		
Expired	(357)	2.87		
Balance – December 31, 2023	7,820	2.44	3.3	$ 16
Exercisable – December 31, 2023	7,820	2.44	3.3	$ 16

Aggregate intrinsic value represents the difference between the exercise price of the options and the estimated fair value of the Company's common stock. The total intrinsic value of options exercised for the years ended December 31, 2023, 2022, and 2021, was $3 million, $20 million, and $144 million, respectively.

The weighted-average grant date fair value per option granted for the year ended December 31, 2021 was $10.18.

RSUs typically vest upon a service-based requirement, generally over a two or four year period. Prior to 2021, certain awards also had a performance condition to vesting, which was satisfied upon completion of the February 2021 Offering and triggered the recognition of compensation expense for certain RSUs for which the time-based vesting condition had been satisfied or partially satisfied. Subsequent to the February 2021 Offering, these RSUs are only subject to time-based vesting conditions.

A summary of the RSU activity for the year ended December 31, 2023, is as follows:

	Number of RSUs (in thousands)	Weighted-Average Grant-Date Fair Value
Unvested and outstanding – December 31, 2022	54,547	$ 10.29
Granted	56,065	2.12
Vested	(35,776)	5.05
Forfeited	(13,940)	11.02
Unvested and outstanding – December 31, 2023	60,896	$ 4.05

The total fair value of RSUs vested for the years ended December 31, 2023, 2022 and 2021was $112 million, $98 million, and $599 million, respectively.

Restricted Shares

The Company has granted Restricted Shares to certain continuing employees, primarily in connection with acquisitions. The Restricted Shares vest upon satisfaction of a service condition, which generally ranges from three to four years.

There were no Restricted Shares as of December 31, 2023. The total fair value of Restricted Shares vested for the years ended December 31, 2022, and December 31, 2021 was $1 million and $21 million, respectively.

ESPP

The first offering period for the Company's 2020 ESPP began on March 1, 2022. The ESPP, pursuant to Internal Revenue Code Section 423, allows eligible participants to purchase shares using payroll deductions of up to 15% of their total compensation, subject to a $25,000 calendar year limitation on contributions. Prior to March 2023, the Company limited the maximum number of shares to be purchased in an offering period to 1,000 shares per employee, and each offering period was six months in duration. Beginning in March 2023, the maximum number of shares to be purchased in an offering period was increased to 10,000 shares per employee, 5,000 per purchase period, and each offering period is 12 months in duration, with two 6-month purchase periods. The ESPP allows eligible employees to purchase shares of the Company's common stock at a 15% discount on the lower price of either (i) the offer period start date or (ii) the purchase date. The ESPP also includes a reset provision for the purchase price if the stock price on the purchase date is less than the stock price on the offering date. ESPP employee payroll contributions withheld as of December 31, 2023 were $2 million and are included within Accounts payable and other accrued liabilities in the consolidated balance sheets. Payroll contributions withheld as of December 31, 2023 will be used to purchase shares at the end of the current ESPP purchase period ending on February 29, 2024.

The fair value of ESPP purchase rights is estimated at the date of grant using the Black-Scholes option-pricing valuation model. The following assumptions were applied in the model to estimate the grant-date fair value of the ESPP.

	Year Ended December 31, 2023	Year Ended December 31, 2022
Fair value	$0.64 - $2.13	$1.78- $3.55
Volatility	101.8% - 119.1%	94.5% - 101.4%
Risk-free rate	5.06% - 5.47%	0.60%- 3.34%
Expected life (in years)	0.5 - 1.0	0.5
Expected dividend	$ —	$ —

The Company recognized stock-based compensation expense related to the ESPP of $2 million during the year ended December 31, 2023. As of December 31, 2023, total estimated unrecognized compensation expense related to the ESPP was $1.0 million. The unamortized compensation costs are expected to be recognized over the remaining term of the offering period of 0.4 years.

Stock-based compensation expense

Stock-based compensation expense is allocated based on the cost center to which the award holder belongs. The following table summarizes total stock-based compensation expense by function as presented in the consolidated statements of operations for the years ended December 31, 2023, 2022 and 2021, as follows (in millions):

	Year Ended December 31,		
	2023	2022	2021
General and administrative	$ 63	$ 109	$ 463
Sales, marketing and operations	16	18	13
Technology and development	47	44	60
Total stock-based compensation expense	$ 126	$ 171	$ 536

The Company recognized $(4) million, $(13) million, $290 million of compensation expense during the years ended December 31, 2023, 2022, and 2021 respectively, related to all market condition awards outstanding. In December 2022, Eric Wu resigned as CEO of Opendoor, resulting in a $57 million reversal of stock-based compensation expense related to his market condition awards. In June 2021, the market condition for two market condition awards was satisfied, which resulted in the accelerated recognition of $2.0 million of stock-based compensation expense in the year ended December 31, 2021. During the years ended December 31, 2023 and December 31, 2022, no market conditions were satisfied.

As of December 31, 2023, there was $209 million of unamortized stock-based compensation costs related to unvested RSUs. The unamortized compensation costs are expected to be recognized over a weighted-average period of approximately 1.8 years.

Valuation of options

The Black-Scholes Model used to value stock options incorporates the following assumptions:

	Year Ended December 31,
	2021
Fair value	$ 15.00
Volatility	73 %
Risk-free rate	1.09 %
Expected life (in years)	7
Expected dividend	$ —

Fair Value of Common Stock

Prior to the Company’s common stock becoming publicly traded, the fair value of the common stock underlying the stock option awards was determined by the board of directors. Given the absence of a public trading market, the board of directors considered numerous objective and subjective factors to determine the fair value of the Company’s common stock at each meeting at which awards were approved. These factors included, but were not limited to (i) contemporaneous third-party valuations of common stock; (ii) the rights, preferences and privileges of convertible preferred stock relative to common stock; (iii) the lack of marketability of common stock; (iv) stage and development of the Company’s business; (v) general economic conditions and (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale, given prevailing market conditions.

Volatility

Prior to the Company’s common stock becoming publicly traded, the expected stock price volatilities were estimated based on the historical and implied volatilities of comparable publicly traded companies as the Company did not have sufficient history of trading its common stock. Subsequent to the Company’s stock becoming publicly trade, the expected stock price volatilities were determined based on the volatilities implied by the price of the Company's publicly traded call options in its common stock.

Risk-Free Interest Rate

The risk-free interest rates are based on U.S. Treasury yields in effect at the grant date for notes with comparable terms as the awards.

Expected Life

The expected term of options granted to employees is determined using the simplified method, which allows the Company to estimate the expected life as the midpoint between the vesting period and the contractual term, as the Company's historical share option exercise experience does not provide a reasonable basis upon which to estimate the expected term.

Dividend Yield

The expected dividend yield assumption is based on the Company's current expectations about its anticipated dividend policy.

Valuation of RSUs and Restricted Stock

Prior to the Business Combination, given the absence of a public trading market, the Company's board of directors considered numerous objective and subjective factors to determine the fair value of common stock at each meeting at which awards were approved. These factors include, but were not limited to, (i) contemporaneous valuations of common stock performed by an independent valuation specialist; (ii) developments in the Company's business and stage of development; the Company's operational and financial performance and condition; (iii) issuances of preferred stock and the rights and preferences of preferred stock relative to common stock; (iv) current condition of capital markets and the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company; and (v) the lack of marketability of the Company's common stock. For financial reporting purposes, the Company considers the amount of time between the valuation date and the grant date to determine whether to use the latest common stock valuation or a straight-line interpolation between the two valuation dates. The determination includes an evaluation of whether the subsequent valuation indicates that any significant change in valuation had occurred between the previous valuation and the grant date.

13. WARRANTS

Public and Sponsor Warrants

Prior to the Business Combination, SCH issued 6,133,333 Sponsor Warrants and 13,800,000 Public Warrants (collectively "Warrants"). Upon Closing, the Company assumed the Warrants. Each whole warrant entitles the holder to purchase one share of the Company's common stock at a price of $11.50 per share, subject to adjustments. The Warrants are exercisable at any time commencing the later of a) 30 days after the completion of the Business Combination and b) 12 months from the date of the closing of the SCH's initial public offering on April 30, 2020, and terminating five years after the Business Combination.

Once the Public Warrants become exercisable, the Company may redeem the outstanding warrants, in whole and not in part, upon a minimum of 30 days' prior written notice of redemption ("Redemption Period"). There are two scenarios in which the Company may redeem the Warrants. For purposes of the redemption scenarios, "Reference Value" shall mean the last reported sales price of the Company's common stock for any twenty trading days within the thirty trading-day period ending on the third trading day prior to the date on which notice of the redemption is given.

The Company may redeem the outstanding Warrants for cash at a price of $0.01 per warrant if the Reference Value equals or exceeds $18.00 per share. The warrant holders have the right to exercise their outstanding warrants prior to the scheduled redemption date during the Redemption Period at $11.50 per share. The Sponsor Warrants are exempt from redemption if the Reference Value is at or above $18.00 and the Sponsor Warrants continue to be held by the original warrant holder ("Sponsor") or a permitted transferee.

The Company may redeem the outstanding Warrants at a price of $0.10 per warrant if the Reference Value equals or exceeds $10.00 per share. If the Reference Value is less than $18.00, the Sponsor Warrants must also be concurrently called for redemption with the Public Warrants. The warrant holders have the right to exercise their outstanding warrants prior to the scheduled redemption date during the Redemption Period on a cashless basis. The cashless exercise entitles the warrant holders to receive a set number of shares based on the redemption date and the redemption fair value as defined in the warrant agreement.

In connection with the Business Combination, on January 12, 2021, the Company filed a Registration Statement on Form S-1. This Registration Statement relates to the issuance of an aggregate of up to 19,933,333 shares of common stock issuable upon the exercise of its publicly-traded warrants. On July 9, 2021, the Company completed the redemption of all of its outstanding Public and Sponsor Warrants to purchase shares of the Company's common stock, par value $0.0001 per share, that were issued under the Warrant Agreement, dated April 27, 2020. Of the 13,799,947 Public Warrants that were outstanding as of the time of the Business Combination, 874,739 were exercised for cash at an exercise price of $11.50 per share of Common Stock and 12,521,776 were exercised on a cashless basis in exchange for an aggregate of 4,452,659 shares of Common Stock. In addition, of the 6,133,333 Sponsor Warrants that were outstanding as of the date of the Business Combination, 1,073,333 were exercised for cash at an exercise price of $11.50 per share of Common Stock and 5,060,000 were exercised on a cashless basis in exchange for an aggregate of 1,799,336 shares of Common Stock. Total cash proceeds to the Company generated from exercises of the Warrants were $22 million. In connection with the redemption, the Public Warrants stopped trading on the Nasdaq on July 9, 2021.

The Company recorded a decrease to the Warrant fair value adjustment of $(12) million for the change in fair value of the Sponsor Warrants for the year ended December 31, 2021.

Marketing Warrants

On July 28, 2022, the Company entered into a warrant agreement with Zillow, Inc. (“Zillow”) in connection with a partnership arrangement that allows for Zillow to purchase up to 6 million shares of common stock that will vest in tranches (each, a “Tranche”) upon Zillow providing resale marketing services to the Company. Each Tranche will have an exercise price per share equal to the 30-day trailing volume weighted average price per share of Opendoor Common Stock (“VWAP”) prior to the vesting date of that Tranche, subject to a $15 floor and $30 cap per share. After a Tranche has vested, the Tranche can be exercised via a cash payment or a cashless exercise; provided that the Company has the option to cash settle any exercise. The warrant expires in July 2027, subject to extension for an additional Tranche and early termination under limited circumstances. Zillow began providing marketing services under the partnership arrangement in March 2023. As of December 31, 2023, no warrant shares had vested.

14. INCOME TAXES

Income before income taxes consisted of losses from domestic operations of $274 million, $1.4 billion, and $661 million for the years ended December 31, 2023, 2022, and 2021, respectively.

The following table summarizes the components of the Company’s provision for income taxes for the periods presented (in millions):

	Year Ended December 31,		
	2023	2022	2021
Current income tax expense:			
Federal	$ —	$ —	$ —
State	1	2	1
Total current income tax expense	1	2	1
Income Tax Provision	**$ 1**	**$ 2**	**$ 1**

For the years ended December 31, 2023, 2022, and 2021, the Company did not record any deferred federal and state income tax expense or benefit due to the full valuation allowance. Additionally, the Company’s foreign current and deferred expense or benefit was immaterial.

Effective Tax Rate

The following table presents a reconciliation of the U.S. federal statutory income tax rates to the Company's effective income tax rate for the periods presented:

	Year Ended December 31,		
	2023	2022	2021
U. S. Federal tax benefit at statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	5.8	2.7	3.4
Non-deductible expenses and other	(1.1)	(1.2)	(0.4)
Non-deductible warrant expenses	—	—	0.4
Share-based compensation	(6.6)	(1.7)	7.0
Deduction limitation on executive compensation	(0.5)	(0.3)	(14.1)
Change in valuation allowance, net	(20.6)	(21.4)	(19.5)
Research and development credits	1.5	0.5	2.0
Effective tax rate	**(0.5)%**	**(0.4)%**	**(0.2)%**

For the years ended December 31, 2023, 2022 and 2021, the Company's effective tax rate differs from the amount computed by applying the U.S. federal statutory and state income tax rates to net loss before income tax, primarily as the result of state income taxes, stock-based compensation / deduction limitation on executive compensation, and changes in the Company's valuation allowance.

Deferred Taxes

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income taxes purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2023 and 2022, are as follows (in millions):

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Accruals and reserves	$ 17	$ 128
Inventory	31	34
Tax credits	47	41
Lease Liabilities	6	11
Section 174 capitalization	81	50
Goodwill	8	8
Net operating loss	541	404
Total deferred tax assets	731	676
Less: Valuation allowance	(718)	(664)
Deferred tax assets, net of valuation allowance	13	12
Deferred tax liabilities:		
Depreciation and amortization	(7)	(2)
Right-of-use assets	(6)	(10)
Deferred tax liabilities	(13)	(12)
Net deferred tax assets and liabilities	$ —	$ —

A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized in a particular tax jurisdiction. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all of a deferred tax asset. Due to the losses the Company generated in the current and prior years, the Company believes it is not more likely than not that all of the deferred tax assets can be realized. Accordingly, the Company established and recorded a full valuation allowance on its net deferred tax assets of $718 million as of December 31, 2023 and a full valuation allowance on its net deferred tax assets of $664 million as of December 31, 2022. The valuation allowance increased by $54 million and $288 million for 2023 and 2022, respectively primarily as a result of current year losses offset with deductibility of accrual / reserves.

As of December 31, 2023, the Company had U.S. federal and state net operating loss ("NOL") carryforwards of $2.2 billion and $1.7 billion, respectively, which will each begin to expire in 2034 if not utilized. For NOLs arising after December 31, 2017, the Tax Cuts and Jobs Act of 2017 limits a taxpayer's ability to utilize NOL carryforwards to 80% of taxable income and can be carried forward indefinitely (carryback is generally prohibited). In the Company's case, as of December 31, 2023, $2.1 billion of US. federal NOLs and $517 million of state NOLs have an unlimited carryover period. NOLs generated in tax years beginning before January 1, 2018 will not be subject to the taxable income limitation and will continue to have a two-year carryback and twenty-year carryforward period. Additionally, as of December 31, 2023, the Company had U.S. federal research tax credit carryforwards of $45 million that begin to expire in 2034. The Company also had state research tax credit carryforwards of $29 million with an indefinite carryforward period.

Section 382 of the Internal Revenue Code (the "Code") limits the use of net operating losses and tax credit carryforwards in certain situations where changes occur in the stock ownership of a company. Utilization of the net operating loss carryforwards are subject to various limitations due to the ownership change limitations provided by Internal Revenue Code (IRC) Section 382 and similar state provisions. The Company performed an ownership analysis and identified three previous ownership changes in 2014, 2016 and 2020, as defined under Section 382 and 383 of the IRC, however none of the previous ownership changes resulted in a material limitation that will reduce the total amount of net operating loss carryforwards and credits that can be utilized.

Unrecognized Tax Benefits

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (in millions):

	Year Ended December 31,		
	2023	2022	2021
Unrecognized tax benefits as of the beginning of the year	$ 20	$ 15	$ 6
Increase related to current year tax provisions	2	5	9
Unrecognized tax benefits as of the end of the year	**$ 22**	**$ 20**	**$ 15**

Due to the full valuation allowance at December 31, 2023, current adjustments to the unrecognized tax benefit will have no impact on the Company's effective income tax rate. There would be an impact of $22 million to the effective tax rate if adjustments are made after the valuation allowance is released. The Company does not anticipate any significant change in its uncertain tax positions within 12 months of this reporting date.

The Company's policy is to recognize interest and penalties associated with uncertain tax benefits as part of the income tax provision and include accrued interest and penalties with the related income tax liability on the Company's consolidated balance sheets. To date, the Company has not recognized any interest and penalties in its consolidated statements of operations, nor has it accrued for or made payments for interest and penalties. The Company is subject to federal and state income taxes in the United States, and foreign income taxes in Canada and India. Due to the history of net operating losses, the Company is subject to U.S. federal, state and local examinations by tax authorities for all years since incorporation but as of December 31, 2023 are not currently under any audits.

The Company has not provided U.S. income or foreign withholding taxes on the undistributed earnings of its foreign subsidiaries as of December 31, 2023, because it intends to permanently reinvest such earnings outside of the U.S. If these foreign earnings were to be repatriated in the future, the related U.S. tax liability will be immaterial, due to the participation exemption put in place under the Tax Act.

15. NET LOSS PER SHARE

Basic net loss per share is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed based on the weighted average number of common shares outstanding plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. During the periods when there is a net loss, potentially dilutive common stock equivalents have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive. No dividends were declared or paid for the years ended December 31, 2023, 2022, or 2021.

The Company uses the two-class method to calculate net loss per share and apply the more dilutive of the two-class method, treasury stock method or if-converted method to calculate diluted net loss per share. Undistributed earnings for each period are allocated to participating securities, based on the contractual participation rights of the security to share in the current earnings as if all current period earnings had been distributed. As there is no contractual obligation for participating securities to share in losses, the Company's basic net loss per share is computed by dividing the net loss attributable to common shareholders by the weighted-average shares of common stock outstanding during periods with undistributed losses.

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common shareholders for the years ended December 31, 2023, 2022, and 2021 (in millions, except share amounts which are presented in thousands, and per share amounts):

	Year Ended December 31,		
	2023	2022	2021
Basic and diluted net loss per share:			
Numerator:			
Net loss	$ (275)	$ (1,353)	$ (662)
Denominator:			
Weighted average shares outstanding – basic and diluted	657,111	627,105	592,574
Basic and diluted net loss per share	$ (0.42)	$ (2.16)	$ (1.12)

There were no preferred dividends declared or accumulated for the period.

The following securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period (in thousands):

	Year Ended December 31,		
	2023	2022	2021
RSUs	60,896	54,547	53,446
Options	7,820	10,712	14,546
Unvested Shares from Early Exercise	—	—	4
Restricted Shares	—	—	692
Employee Stock Purchase Plan	1,992	1,867	—
Total anti-dilutive securities	70,708	67,126	68,688

16. BUSINESS ACQUISITIONS

On September 3, 2021, the Company acquired 100% of the outstanding equity of Services Labs, Inc., including its consolidated subsidiaries ("Pro.com"), in exchange for $22 million in cash consideration. The Company acquired Pro.com, a construction project platform, for its technology and talent. Acquired intangible assets consisted of developed technology valued at $4 million and were amortized over one year. Goodwill attributed to the Pro.com acquisition was $16 million.

On November 3, 2021, the Company acquired the assets of RedDoor HQ Inc. ("RedDoor") as part of a business combination in exchange for $15 million in cash consideration, of which $2 million was paid out one year following the date of closing. The Company acquired the processes, systems and talent of RedDoor, which previously operated an online mortgage brokerage platform. Acquired intangible assets consisted of developed technology valued at $3 million and were amortized over one year. Goodwill attributed to the RedDoor acquisition was $13 million.

On November 4, 2022, the Company acquired TaxProper Inc. as part of a business combination in exchange for $10 million in cash consideration, of which $3 million is to be paid out one year following the date of closing. The Company acquired the processes, systems and talent of TaxProper, which previously provided tax forecasting, payments, and appeals services. Acquired intangible assets consist of developed technology valued at $7 million and are being amortized over two years. Goodwill attributed to the TaxProper acquisition was $2 million.

17. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company has entered into various non-cancelable operating lease agreements for certain of its office space. See *"Note 8 — Leases"* for further discussion.

Legal Matters

From time to time, the Company may be subject to potential liability relating to the ownership and operations of the Company's properties. Accruals are recorded when the outcome is probable and can be reasonably estimated.

There are various claims and lawsuits arising in the normal course of business pending against the Company, some of which seek damages and other relief which, if granted, may require future cash expenditures. In addition, from time to time the Company receives inquiries and audit requests from various government agencies and fully cooperates with these requests. The Company does not believe that it is reasonably possible that the resolution of these matters would result in any liability that would materially affect the Company's consolidated results of operations or financial condition except as noted below.

On October 7, 2022 and November 22, 2022, purported securities class action lawsuits were filed in the United States District Court for the District of Arizona, captioned *Alich v. Opendoor Technologies Inc., et al.* (Case No. 2:22-cv-01717-JFM) ("Alich") and *Oakland County Voluntary Employee's Beneficiary Association, et al. v. Opendoor Technologies Inc., et al.* (Case No. 2:22-cv-01987-GMS) ("Oakland County"), respectively. The lawsuits were consolidated into a single action, captioned *In re Opendoor Technologies Inc. Securities Litigation* (Case No. 2:22-CV-01717-MTL). The consolidated amended complaint names as defendants the Company, Social Capital Hedosophia Holdings Corp. II (SCH"), certain of the Company's current and former officers and directors and the underwriters of a securities offering the Company made in February 2021. The complaint alleges that the Company and certain officers violated Section 10(b) of the Exchange Act and SEC Rule 10b-5, and that the Company, SCH, certain officers and directors and the underwriters violated Section 11 of the Securities Act, in each case by making materially false or misleading statements related to the effectiveness of the Company's pricing algorithm. The plaintiffs also allege that certain defendants violated Section 20(a) of the Exchange Act and Section 15 of the Securities Act, respectively, which provide for control person liability. The complaint asserts claims on behalf of all persons and entities that purchased, or otherwise acquired, Company common stock between December 21, 2020 and November 3, 2022 or pursuant to offering documents issued in connection with our business combination with SCH and the secondary public offering conducted by the Company in February 2021. The plaintiffs seek class certification, an award of unspecified compensatory damages, an award of interest and reasonable costs and expenses, including attorneys' fees and expert fees, and other and further relief as the court may deem just and proper. The defendants filed motions to dismiss on June 30, 2023, which are pending before the court. We believe that the allegations in the complaint are without merit and we intend to vigorously defend ourselves in the matter.

On March 1, 2023 and March 15, 2023, shareholder derivative lawsuits were filed in the United States District Court for the District of Arizona, captioned *Carlson v. Rice, et al.* (Case No. 2:23-cv-00367-GMS) and *Van Dorn v. Wu, et al.* (Case No. 2:23-cv-00455-DMF), respectively, which were subsequently consolidated into a single action, captioned *Carlson v. Rice* (Case No. 2:23-CV-00367-GMS). Plaintiffs voluntarily dismissed the matter on June 22, 2023, and thereafter re-filed complaints in the Court of Chancery of the State of Delaware, captioned *Carlson v. Rice, et al.* (Case No. 2023-0642) and *Van Dorn v. Rice, et al.* (Case No. 2023-0643). The cases have been consolidated into a single action, captioned *Opendoor Technologies Inc.*

Stockholder Derivative Litigation (Case No. 2023-0642). On June 29, 2023, a shareholder derivative lawsuit was filed in the United States District Court for the District of Delaware, captioned *Juul v. Wu, et al.* (Case No. 1:23-cv-00705-UNA). The complaints in each matter are based on the same facts and circumstances as *In re Opendoor Technologies Inc. Securities Litigation* and name certain officers and directors of the Company as defendants. The defendants are alleged to have violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 and breached fiduciary duties. The plaintiffs seek to maintain the derivative actions on behalf of the Company, an award of unspecified compensatory damages, an order directing the Company to reform its corporate governance and internal procedures, restitutionary relief, an award of interest and expenses, including attorneys' fees and expert fees, and other and further relief as the court may deem just and proper. These derivative actions have been stayed pending further developments in *In re Opendoor Technologies Inc. Securities Litigation*.

On October 13, 2023, a shareholder derivative lawsuit was filed in the United States District Court for the District of Delaware, captioned *Woods, et al. v. Bain, et al*. (Case No. 1:23-cv-01158-UNA). The complaint is based on facts and circumstances related to *In re Opendoor Technologies Inc. Securities Litigation*. The plaintiffs have brought claims against certain current and former directors and officers of the Company for breach of fiduciary duty, contribution under Sections 10(b) and 21D of the Exchange Act, SEC Rule 10b-5, violations of Section 14(a) of the Exchange Act, and SEC Rule 14a-9 promulgated thereunder. The plaintiffs seek to maintain the derivative action on behalf of the Company, an award of unspecified compensatory damages, an order directing one of the defendants to disgorge monies allegedly obtained from certain Company stock sale, equitable relief, an award of interest and expenses, including attorneys' fees and expert fees, and other and further relief as the court may deem just and proper. This derivative action has been stayed pending further developments in *In re Opendoor Technologies Inc.* Securities Litigation.

On October 18, 2023, a shareholder derivative lawsuit was filed in the United States District Court for the District of Arizona, captioned *Gera v. Palihapitiya, et al*. (Case No. 2:23-cv-02164-SMB). The complaint is based on facts and circumstances related to *In re Opendoor Technologies Inc. Securities Litigation*, and names as defendants certain current and former officers and directors of the Company and SCH Sponsor II LLC. The complaint alleges that the defendants violated Section 14(a) of the Exchange Act, and SEC Rule 14a-9 promulgated thereunder. The plaintiff seeks to maintain the derivative action on behalf of the Company, an award of unspecified compensatory damages, an order directing the Company to reform certain corporate governance and internal procedures, restitution, an award of cost and expenses, including attorneys' fees and expert fees, and other and further relief as the court may deem just and proper.

18. RESTRUCTURING

During the years ended December 31, 2023 and 2022, the Company initiated workforce reductions to realign its capacity with volume expectations, streamline the organization and focus its investments to support its growth plans, re-scale the business, and improve costs.

In the fourth quarter of 2023, the Company initiated two workforce reductions, impacting 120 employees, representing approximately 6% of the Company's workforce at that time. The Company will provide severance and other termination benefits ("Post-Employment Benefits") to impacted employees for an expected total expense of approximately $4 million, of which $1 million was paid out through December 31, 2023.

On April 18, 2023, the Company announced a workforce reduction of approximately 560 employees, representing approximately 22% of the Company's workforce at that time and primarily impacting volume-based roles. The Company provided Post-Employment Benefits to impacted employees for a total expense of approximately $10 million. Payments related to this workforce reduction were substantially completed as of December 31, 2023.

In November 2022, the Company initiated a workforce reduction of 550 employees, which included: (i) reducing the Company's headcount by 18% and (ii) winding down of our mortgage lending and brokerage services. The Company provided Post-Employment Benefits to impacted employees and incurred costs to wind down mortgage services for a total expense of $17 million. Payments related to this workforce reduction were substantially completed as of December 31, 2022.

These costs have been presented within the Restructuring costs line in the Company's consolidated statement of operations. As of December 31, 2023, the remaining $3 million is included within Accounts payable and other accrued expenses in the Consolidated balance sheets.

The following table presents the activity of the restructuring liability (in millions):

Balance-December 31, 2021	—
Additions charged to expense	17
Cash payments	(13)
Balance-December 31, 2022	4
Additions charged to expense	14
Cash payments	(15)
Balance-December 31, 2023	$ 3

19. SUBSEQUENT EVENTS

The Company has evaluated the impact of events that have occurred subsequent to December 31, 2023, through the date the consolidated financial statements were filed with the SEC. Based on this evaluation, other than as recorded or disclosed within these consolidated financial statements and related notes, the Company has determined that there are no material subsequent events that would require recognition or disclosure.

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OPENDOOR TECHNOLOGIES INC.

Schedule I
(PARENT COMPANY ONLY)

CONDENSED FINANCIAL INFORMATION
CONDENSED BALANCE SHEETS
(In millions, except share data)

	December 31,	
	2023	**2022**
ASSETS		
Intangibles - net	$ 1	$ 1
Investment in subsidiaries	1,342	2,046
TOTAL ASSETS	$ 1,343	$ 2,047
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and other accrued liabilities	$ —	$ 1
Interest payable	—	1
Convertible senior notes	376	959
Total liabilities	376	961
Shareholders' equity:		
Common stock, $0.0001 par value; 3,000,000,000 shares authorized; 677,636,163 and 637,387,025 shares issued, respectively; 677,636,163 and 637,387,025 shares outstanding, respectively	—	—
Additional paid-in capital	4,301	4,148
Accumulated deficit	(3,333)	(3,058)
Accumulated other comprehensive income (loss)	(1)	(4)
Total shareholders' equity	967	1,086
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,343	$ 2,047

See accompanying note to condensed financial statements.

OPENDOOR TECHNOLOGIES INC.

Schedule I
(PARENT COMPANY ONLY)

CONDENSED STATEMENTS OF OPERATIONS
(In millions)

	Year Ended December 31,		
	2023	**2022**	**2021**
Operating expenses:			
General and administrative	$ 8	$ 7	$ 7
Total operating expenses	8	7	7
Loss from operations	(8)	(7)	(7)
Warrant fair value adjustment	—	—	12
Gain on extinguishment of debt	225	—	—
Interest expense	(5)	(8)	(2)
Income (loss) before income taxes	212	(15)	3
Income tax expense	—	—	—
Earnings of subsidiaries	(487)	(1,338)	(665)
Net loss	$ (275)	$ (1,353)	$ (662)

See accompanying note to condensed financial statements.

OPENDOOR TECHNOLOGIES INC.

Schedule I
(PARENT COMPANY ONLY)

CONDENSED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (275)	$ (1,353)	$ (662)
Adjustments to reconcile net loss to cash, cash equivalents used in operating activities:			
Earnings of subsidiaries	487	1,338	665
Depreciation and amortization, net of accretion	3	7	2
Warrant fair value adjustment	—	—	(12)
Gain on early extinguishment of debt	(225)	—	—
Interest payable	(1)	—	1
Other	2	(2)	—
Net cash used in operating activities	(9)	(10)	(6)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets	—	—	(1)
Investment in subsidiary	(4)	(6)	(1,860)
Distribution from subsidiary	370	10	139
Net cash provided by (used in) investing activities	366	4	(1,722)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of convertible senior notes	—	—	953
Repurchase of convertible senior notes	(362)	—	—
Purchase of capped calls related to convertible senior notes	—	—	(119)
Proceeds from exercise of stock options	3	4	15
Proceeds from issuance of common stock for ESPP	2	2	—
Proceeds from warrant exercises	—	—	22
Proceeds from February 2021 Offering	—	—	886
Issuance of common stock	—	—	(29)
Net cash (used in) provided by financing activities	(357)	6	1,728
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	—	—
CASH AND CASH EQUIVALENTS - Beginning of year	—	—	—
CASH AND CASH EQUIVALENTS - End of year	$ —	$ —	$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION – Cash paid during the period for interest	$ 3	$ 2	$ —
DISCLOSURES OF NONCASH FINANCING ACTIVITIES:			
Recognition of warrant liability	$ —	$ —	$ —
Issuance of common stock in extinguishment of warrant liabilities	$ —	$ —	$ (35)

See accompanying note to condensed financial statements.

OPENDOOR TECHNOLOGIES INC.

Schedule I
(PARENT COMPANY ONLY)

Notes to Condensed Financial Statements

1. INTRODUCTION AND BASIS OF PRESENTATION

The accompanying condensed financial statements, including the note thereto, should be read in conjunction with the consolidated financial statements and notes thereto of Opendoor Technologies Inc. found in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. For purposes of these condensed financial statements, the Company's wholly-owned subsidiaries are accounted for using the equity method of accounting.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Inherent Limitations on Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, 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 Annual Report on Form 10-K. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures are effective at the reasonable assurance level as of December 31, 2023.

Management's Annual Report on Internal Control Over Financial Reporting

Management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over our financial reporting as required by the Sarbanes-Oxley Act of 2002 and as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Our management evaluated the design and operating effectiveness of our internal control over financial reporting based on the criteria established in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company’s internal control over financial reporting was effective as of December 31, 2023. Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Company’s internal control over financial reporting as of December 31, 2023, which is included below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Opendoor Technologies Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Opendoor Technologies Inc. and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 15, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

/s/ Deloitte & Touche LLP

San Francisco, California
February 15, 2024

Item 9B. Other Information.

Securities Trading Arrangements of Directors and Executive Officers

Rule 10b5-1 Trading Plans

The following table describes contracts, instructions or written plans for the sale or purchase of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” by our directors or executive officers during the three-month period ended December 31, 2023.

			Trading Arrangement			
	Action	Date	Rule 10b5-1 (1)	Non-Rule 10b5-1 (2)	Maximum Shares to be Sold	Expiration Date
Eric Wu (Former Director)(3)	Terminate	11/7/2023		X(4)	15,863,232	5/9/2024

(1) Intended to satisfy the affirmative defense of Rule 10b5-1(c)

(2) Not intended to satisfy the affirmative defense of Rule 10b5-1(c)

(3) Mr. Wu resigned as a member of the board of directors effective as of January 1, 2024.

(4) Because Mr. Wu’s trading arrangement was adopted prior to the effective date of the 2022 amendments to Rule 10b5-1 and Item 408(a) of Regulation S-K, the non-Rule 10b5-1 box is checked for the purpose of disclosure required under Item 408(a) of Regulation SK; provided, however, that such characterization should not be construed as an indication that Mr. Wu’s trading arrangement did not comply in all respects with the applicable requirements of the Rule 10b5-1 safe harbor in effect at the time of adoption of such trading arrangement.

Rule 10b5-1 Sell to Cover Instruction Letter

On December 15, 2023, Ms. Carrie Wheeler, Chief Executive Officer and Director, entered into a 10b5-1 Instruction Letter (the “Instructions”) with respect to all RSUs granted or to be granted to her under the Company’s equity plans or any successor plans, in order to instruct the broker(s) chosen by the Company to sell shares of common stock in order to satisfy any tax withholding obligations that arise in connection with the vesting and settlement of such RSU awards. The Instructions are intended to satisfy the affirmative defense of Rule 10b5-1(c). The aggregate number of shares to be sold under the Instructions is not determinable and there is no set expiration date for the Instructions.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following information with respect to our board of directors and executive officers is presented as of February 15, 2024:

Name	Age	Position at Opendoor Technologies Inc.	Principal Employment
Carrie Wheeler	52	Chief Executive Officer & Director	Same
Christina Schwartz	45	Interim Chief Financial Officer & Chief Accounting Officer	Same
Sydney Schaub	43	Chief Legal Officer	Same
Megan Meyer Toolson	38	President, Sell Direct & Services	Same
Adam Bain	50	Director	Co-Managing Partner, 01 Advisors
Dana Hamilton	55	Director	Co-founder and President of Ameriton LLC
Cipora Herman	50	Director	Former Chief Financial Officer of LA28
Pueo Keffer	42	Director	Managing Director, Access Technology Ventures
Jason Kilar	52	Director	Former Chief Executive Officer of Warner Media, LLC
John Rice	57	Lead Independent Director	Chief Executive Officer of Management Leadership for Tomorrow
Glenn Solomon	55	Director	Managing Partner, GGV Capital

Other information required by this item will be included in our definitive proxy statement for our 2023 annual meeting of stockholders to be filed by us with the SEC within 120 days after the end of our fiscal year ended December 31, 2023 (the “Proxy Statement”) and is incorporated herein by reference.

Code of Business Conduct and Ethics

We have a written Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of our Code of Business Conduct and Ethics is posted on our investor relations website, *investor.opendoor.com*. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics, as well as Nasdaq’s requirement to disclose waivers with respect to directors and executive officers, by posting such information on our website at the address and location specified above. The information on any of our websites is deemed not to be incorporated in this Annual Report on Form 10-K or to be part of this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item will be included in the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this item about our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34), will be included in the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

(a) Documents files as part of this Annual Report on Form 10-K:

1. Financial Statements

Refer to Index to Consolidated Financial Statements in "Part II – Item 8. Financial Statements and Supplementary Data" herein.

2. Financial Statement Schedules

Pursuant to the requirements of Rule 5-04(c) of Regulation S-X, the following schedule is filed as part of this Annual Report on Form 10-K and should be read in conjunction with the financial statements contained in "Part II – Item 8. Financial Statements and Supplementary Data" herein.

Schedule I – Condensed Financial Information of Opendoor Technologies Inc. (Parent Company)

All other financial statement schedules for the Company have been included in the consolidated financial statements or the related footnotes, or are either inapplicable or not required.

3. Exhibits †

The following is a list of exhibits filed as part of this Annual Report on Form 10-K.

Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of September 15, 2020, by and among Social Capital Hedosophia Corp. II, Hestia Merger Sub Inc. and Opendoor Labs Inc.	8-K	001-39253	2.1	09/17/2020	
3.1	Certificate of Incorporation of Opendoor Technologies Inc.	8-K	001-39253	3.1	12/18/2020	
3.2	Amended and Restated Bylaws of Opendoor Technologies Inc.	8-K	001-39253	3.1	01/24/2023	
4.1	Specimen Common Stock Certificate of Opendoor Technologies Inc.	S-4/A	333-249302	4.5	11/06/2020	
4.2	Warrant Agreement, dated April 27, 2020, between Social Capital Hedosophia Holdings Corp. II. and Continental Stock Transfer & Trust Company, as warrant agent	8-K	001-39253	4.1	04/30/2020	
4.3	Amendment to Warrant Agreement, dated March 22, 2021, between Opendoor Technologies Inc. and American Stock Transfer & Trust Company, LLC, as warrant agent	10-Q	001-39253	4.3	05/12/2021	
4.4	Warrant to Purchase Shares of Common Stock of Opendoor Technologies Inc., dated July 28, 2022, to Zillow, Inc.	8-K	001-39253	99.2	08/05/2022	
4.5	Indenture, dated as of August 20, 2021, between Opendoor Technologies Inc. and U.S. Bank National Association, as trustee	8-K	001-39253	4.1	08/24/2021	
4.6	Description of Securities	10-K	001-39253	4.3	03/04/2021	
10.1	Sponsor Support Agreement, dated September 15, 2020, by and among SCH Sponsor II LLC, the Company, each officer and director of the Registrant and Opendoor Labs Inc.	8-K/A	001-39253	10.2	09/17/2020	
10.2	Opendoor Holders Support Agreement, dated September 15, 2020, by and among the Company, Opendoor Labs Inc. and certain stockholders of Opendoor Labs Inc.	8-K/A	001-39253	10.3	09/17/2020	

Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.3	Form of Subscription Agreement, by and between the Registrant and the undersigned subscriber party thereto	8-K/A	001-39253	10.1	09/17/2020	
10.4	Amended and Restated Registration Rights Agreement, dated December 18, 2020, by and among the Company, SCH Sponsor II LLC, certain former stockholders of Opendoor Labs Inc., Cipora Herman, David Spillane and ChaChaCha SPAC B, LLC, Hedosophia Group Limited and 010118 Management, L.P.	8-K	001-39253	10.14	12/18/2020	
10.5	Convertible Notes Exchange Agreement, dated as of September 14, 2020, by and among Opendoor Labs Inc. and the holders party thereto	S-4	333-249302	10.5	10/05/2020	
10.6 #	Form of Indemnification Agreement	8-K	001-39253	10.1	12/18/2020	
10.7 #	Opendoor Labs Inc. 2014 Stock Plan	S-4	333-249302	10.18	10/05/2020	
10.8 #	Form of Notice of Restricted Stock Unit Grant and RSU Terms and Conditions Under 2014 Stock Plan	S-4	333-249302	10.19	10/05/2020	
10.9 #	Form of Notice of Stock Option Grant and Stock Option Agreement under 2014 Stock Plan	S-4/A	333-249302	10.20	11/25/2020	
10.10 #	Opendoor Technologies Inc. 2020 Incentive Award Plan	8-K	001-39253	10.3	12/18/2020	
10.11 #	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement under 2020 Incentive Award Plan	8-K	001-39253	99.1	04/02/2021	
10.12 #	Form of Option Agreement under the 2020 Incentive Award Plan	10-Q	001-39253	10.1	11/10/2021	
10.13 #	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (Canada) under 2020 Incentive Award Plan	10-Q	001-39253	10.1	08/11/2021	
10.14 #	Opendoor Technologies Inc. 2020 Employee Stock Purchase Plan	8-K	001-39253	10.4	12/18/2020	
10.15 #	Opendoor Technologies Inc. Amended and Restated 2020 Employee Stock Purchase Plan (effective as of February 8, 2023)	10-K	001-39253	10.15	02/23/2023	
10.16 #	Offer Letter, dated as of October 20, 2020, by and between Opendoor Labs Inc. and Daniel Morillo	10-K	001-39253	10.16	02/24/2022	
10.17 #	Offer Letter Agreement, dated as of September 3, 2020, by and between Opendoor Labs Inc. and Carrie Wheeler	S-4/A	333-249302	10.32	11/27/2020	
10.18 #	Amendment of Letter Agreement, dated as of December 1, 2022, by and between Opendoor Technologies Inc. and Carrie Wheeler	10-K	001-39253	10.22	02/23/2023	
10.19 #	Opendoor Technologies Inc. Non-Employee Director Compensation Policy	10-Q	001-39253	10.1	11/02/2023	
10.20 #	Opendoor Technologies Inc. Executive Severance Plan	10-K	001-39253	10.24	02/23/2023	
10.21 #	Change in Control Letter Agreement, dated as of January 31, 2022, by and between Opendoor Technologies Inc. and Carrie Wheeler	10-Q	001-39253	10.3	05/05/2022	
10.22 #	Change in Control Letter Agreement, dated as of January 31, 2022, by and between Opendoor Technologies Inc. and Daniel Morillo	10-Q	001-39253	10.5	05/05/2022	
10.23 #	Opendoor Technologies Inc. 2022 Inducement Award Plan	S-8	333-266877	99.1	08/15/2022	
10.24 #	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement Under 2022 Inducement Award Plan	S-8	333-266877	99.2	08/15/2022	

Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.25 #	Form of Stock Option Grant Notice and Stock Option Agreement Under 2022 Inducement Award Plan	S-8	333-266877	99.3	08/15/2022	
10.26	Form of Confirmation of Call Option Transaction	8-K	001-39253	10.1	08/24/2021	
10.27 #	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (India) under 2020 Incentive Award Plan	10-K	001-39253	10.32	02/23/2023	
10.28 #	Offer Letter Agreement dated as of July 6, 2016, by and between Opendoor Labs Inc. and Christina Schwartz	10-Q	001-39253	10.1	05/04/2023	
10.29 #	Offer Letter Agreement dated as of July 10, 2022, by and between Opendoor Labs Inc. and Sydney Schaub	10-Q	001-39253	10.2	05/04/2023	
10.30 #	Offer Letter Agreement dated as of March 10, 2015, by and between Opendoor Labs Inc. and Megan Meyer	10-Q	001-39253	10.1	08/03/2023	
10.31 #	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (India) Under 2022 Inducement Award Plan					*
10.32 #	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (Canada) Under 2022 Inducement Award Plan					*
21.1	List of subsidiaries of Opendoor Technologies Inc.					*
23.1	Consent of Deloitte & Touche LLP					*
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
97.1	Policy for Recovery of Erroneously Awarded Compensation					*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					*
104	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.
** Furnished herewith.
\# Indicates management contract or compensatory plan.
† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OPENDOOR TECHNOLOGIES INC.

Date: February 15, 2024

By: /s/ Carrie Wheeler

Name: Carrie Wheeler
Title: *Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Carrie Wheeler Carrie Wheeler	Chief Executive Officer and Director (Principal Executive Officer)	February 15, 2024
/s/ Christina Schwartz Christina Schwartz	Interim Chief Financial Officer (Principal Financial and Accounting Officer)	February 15, 2024
/s/ Adam Bain Adam Bain	Director	February 15, 2024
/s/ Dana Hamilton Dana Hamilton	Director	February 15, 2024
/s/ Cipora Herman Cipora Herman	Director	February 15, 2024
/s/ Pueo Keffer Pueo Keffer	Director	February 15, 2024
/s/ Jason Kilar Jason Kilar	Director	February 15, 2024
/s/ John Rice John Rice	Director	February 15, 2024
/s/ Glenn Solomon Glenn Solomon	Director	February 15, 2024

OPENDOOR TECHNOLOGIES INC.
2022 INDUCEMENT AWARD PLAN

RESTRICTED STOCK UNIT GRANT NOTICE (INDIA)

Opendoor Technologies Inc., a Delaware corporation (the "***Company***"), has granted to the participant listed below ("***Participant***") the Restricted Stock Units (the "***RSUs***") described in this Restricted Stock Unit Grant Notice (this "***Grant Notice***"), subject to the terms and conditions of the Opendoor Technologies Inc. 2022 Inducement Award Plan (as amended from time to time, the "***Plan***") and the Restricted Stock Unit Agreement attached hereto as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:	
Grant Date:	
Number of RSUs:	
Vesting Commencement Date:	
Vesting Schedule:	Two-year vesting with 50% of the total number of RSUs vesting on the one-year anniversary of the Vesting Commencement Date and 1/8th of the total number of RSUs vesting on a quarterly basis thereafter.

By accepting (whether in writing, electronically or otherwise) the RSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

OPENDOOR TECHNOLOGIES INC.	**PARTICIPANT**
By: ______________________	______________________
Name: ______________________	[Participant Name]
Title: ______________________	

EXHIBIT A

FORM OF RESTRICTED STOCK UNIT AGREEMENT (INDIA)

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Award of RSUs. The Company has granted the RSUs to Participant effective as of the Grant Date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one Share as set forth in this Agreement. Participant will have no right to the distribution of any Shares until the time (if ever) the RSUs have vested.

1.2 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

1.3 Unsecured Promise. The RSUs will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

2.1 Vesting; Forfeiture. The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company.

2.2 Settlement.

(a) The RSUs will be paid in Shares as soon as administratively practicable after the vesting of the applicable RSU, but in no event later than the March 15 of the year following the year in which the RSU's vesting date occurs.

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)); provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding.

(a) Participant must pay the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by Applicable Law to be withheld in connection with such Participant's Awards by the date of the event creating the tax liability. In this regard, Participant authorizes the Company, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to the RSUs by any of the methods set forth in Section 9.5 of the Plan.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of Shares. The Company and its Subsidiaries do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the RSUs, and the Shares subject to the RSUs, are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.2. Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the Designated Beneficiary) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the RSUs, as and when settled pursuant to the terms of this Agreement.

4.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Country Addendum. Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Agreement for any country whose laws are applicable to Participant and this grant of RSUs (as determined by the Administrator in its sole discretion) (the "***Country Addendum***"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Agreement.

4.12 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

4.13 Restrictions. In the event the Shares are no longer registered with the Securities and Exchange Commission (as determined by the Administrator), any Shares acquired in respect of the RSUs shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability, repurchase rights, the right of the Company to require that Shares be transferred in the event of certain transactions, rights of first refusal, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and may, as determined by the Administrator, be contained in an exercise notice, securityholders' agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator. The Administrator may condition the issuance of such

Shares on Participant's consent to such terms and conditions and Participant's entering into such agreement or agreements.

* * * * *

OPENDOOR TECHNOLOGIES INC.
2022 INDUCEMENT AWARD PLAN

FORM OF RESTRICTED STOCK UNIT AGREEMENT

COUNTRY ADDENDUM

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the RSUs granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the grant of RSUs, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Agreement to which this Country Addendum is attached.

Notifications

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of ***December 2022***. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant vests in the RSUs and acquires Shares, or when Participant subsequently sells Shares acquired under the Plan. Participant also should review any tax summary for his or her country which the Company may provide as a supplement to the Plan prospectus.

In addition, the notifications are general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after receiving the grant of RSUs granted under the Plan, the information contained herein may not be applicable to such Participant.

Participant acknowledges that Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in Participant's country may apply to his or her individual situation.

I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

Terms and Conditions

1. Foreign Exchange Considerations. Participant acknowledges, understands, and agrees that neither the Company nor any Subsidiary or service recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the RSUs, or of any amounts due to Participant under the Plan or as a result of vesting in his or her RSUs and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to his or her RSUs and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Foreign Asset/Account Reporting Requirements. Participant acknowledges that there may be certain foreign asset/account, exchange control and/or tax reporting requirements which may affect Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from dividends paid on Shares acquired under the Plan and any proceeds arising from the sale of Shares) derived from his or her participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside Participant's country. Applicable Laws may require that Participant report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. Participant also may be required to repatriate sale proceeds or other funds received as a result of Participant's participation in the Plan to Participant's country through a designated bank or broker and/or within a certain time after receipt. Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal legal advisor on this matter.

3. Tax Withholding Considerations. Participant acknowledges and agrees that, regardless of any action taken by the Company or any Subsidiary, affiliate, or employer with respect to any or all income tax, social security, social insurances, national insurance contributions, social insurance contributions, payroll tax, fringe benefit, or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant including, without limitation, in connection with the grant of RSUs, the acquisition or sale of Shares acquired under the Plan and/or the receipt of any dividend equivalents and dividends on such Shares ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company, or any Subsidiary or affiliate. Furthermore, Participant acknowledges that the Company and/or any Subsidiary, affiliate or employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs or other benefits under the Plan and (b) do not commit to and are under no obligation to structure the terms of the RSUs, other benefits or any aspect of Participant's participation in the Plan to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant becomes subject to tax in more than one jurisdiction, or changes his or her jurisdiction of primary residence or service between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or any Subsidiary, affiliate or employer (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to RSU vesting or any other relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or any Subsidiary, affiliate, employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding Shares otherwise issuable to Participant upon vesting of the RSUs, (b) withholding from Participant's wages or other compensation paid to Participant, (c) withholding from proceeds of the sale of the Shares acquired under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization), (d) using any other method permitted by the Plan or the Agreement. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable withholding rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. Finally, Participant agrees to pay to the Company or any Subsidiary, affiliate or employer any amount of Tax-Related Items that the Company or any Subsidiary or affiliate may be required to withhold as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

4. Additional Participant Acknowledgements. By participating in the Plan, Participant acknowledges, understands, and agrees that:

(a) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(b) all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Company;

(c) Participant is voluntarily participating in the Plan;

(d) the RSUs and the Shares subject to the RSUs are not part of normal or expected compensation or salary;

(e) the RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;

(f) the RSUs and the Shares subject to the RSUs, and the income and value of same, are not part of normal or expected compensation for purposes of including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;

(h) for purposes of the RSUs, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in the Agreement (including by reference in the Grant Notice to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the RSUs grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the RSUs to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any Subsidiary, or the service recipient, waives his or her ability, if any, to bring any such claim, and releases the Company or Subsidiary and the service recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by the Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed-out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) in the event Participant is not an employee of the Company, Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company, and furthermore, nothing in the Plan, the Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company.

5. ***<u>Data Privacy</u>. Participant acknowledges, understands, and agrees that the Company may collect, where permissible under Applicable Law certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs granted under the Plan or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Company may transfer Participant's Data to the United States, which may have different, including less stringent, data protection laws than the laws in Participant's country. Participant understands that the Company will transfer Participant's Data to its designated broker, [include broker] or any affiliate thereof, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different, including less stringent, data privacy laws that Participant's jurisdiction does not consider to be equivalent to the protections in Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting [Participant's local human resources representative]. Participant authorizes the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the***

consents herein, in any case without cost, by contacting in writing to [Participant's local human resources representative]. Further, Participant understands that he or she is providing the consent herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke Participant's consent, Participant's employment status or career with the Company will not be adversely affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant awards under the Plan or other equity awards, or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact [Participant's local human resources representative].

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described herein and any other Plan materials by and among, as applicable, the Company or any Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Participant's consent will be sought and obtained for any processing or transfer of Participant's data for any purpose other than as described in the enrollment form and any other plan materials.

6. Consulting External Advisors. Participant acknowledges, understands, and agrees that neither the Company or any Subsidiary of the Company is providing any tax, legal or financial advice, nor is the Company or any Subsidiary making any recommendations or assessments regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares, or any subsequent disposal or retention of such Shares. Participant understands that he or she is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

7. Translated Documents. If Participant has received the Agreement or any other document related to the Plan translated into a language other than English, Participant understands that such translated documents were provided for convenience only, and that if the meaning of the translated version is different than the English version, the English version will control.

8. Insider Trading/Market Abuse. Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions including the United States and Participant's country or his or her broker's country, if different, which may affect Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (*e.g.*, RSUs) during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before he or she possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and service providers and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions and Participant should speak with his or her personal legal advisor on this matter.

II. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS WHO PROVIDE SERVICES IN THE COUNTRIES INCLUDED BELOW

INDIA

Terms and Conditions

Repatriation Requirements. As a condition of the grant of RSUs, Participant agrees to repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividend equivalents or dividends to India within 180 days of receipt (assuming Participant holds less than 10% of the Company's share capital) and convert such amounts to local currency. Participant also must obtain a foreign inward remittance certificate ("***FIRC***") from the bank where he or she deposits the foreign currency and maintains the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Company requests proof of repatriation.

Notifications

Foreign Assets Reporting Information. Participant must declare foreign bank accounts and any foreign financial assets (including Shares subject to the RSUs held outside India) in his or her annual tax return. It is Participant's responsibility to comply with this reporting obligation and he or she should consult with his or her personal tax advisor to determine such personal reporting obligations.

Consent under the Information Technology Act, 2000**.** The Participant hereby consents to the processing of their Data by the Company from the perspective of the Information Technology Act, 2000, and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**RSPP Rules**"). The Participant acknowledges that the Data will be used in connection with the implementation, administration, and management of the Participant's participation in the Plan. The Participant hereby acknowledges and confirms that the processes and the systems implemented by the Company and its Subsidiary for the purpose of safeguarding the Data shall be deemed to be the 'reasonable security practice and procedure' required to be implemented by the Company in terms of the RSPP Rules.

Withholding taxes. The Participant hereby consents to the Company or its Subsidiary deducting appropriate taxes from their payroll with respect to any gains (i.e., perquisites) accruing to the Participant. Appropriate taxes will be deducted from the Participant's payroll and deposited with the Income Tax Department, Government of India in accordance with the Income Tax Act, 1961 and the Income Tax Rules, 1962.

OPENDOOR TECHNOLOGIES INC.
2022 INDUCEMENT AWARD PLAN

RESTRICTED STOCK UNIT GRANT NOTICE (CANADA)

Opendoor Technologies Inc., a Delaware corporation (the "***Company"***), has granted to the participant listed below ("***Participant***") the Restricted Stock Units (the "***RSUs***") described in this Restricted Stock Unit Grant Notice (this "***Grant Notice***"), subject to the terms and conditions of the Opendoor Technologies Inc. 2022 Inducement Award Plan (as amended from time to time, the "***Plan***") and the Restricted Stock Unit Agreement attached hereto as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:	
Grant Date:	
Number of RSUs:	
Vesting Commencement Date:	
Vesting Schedule:	[To be specified in individual award agreements.]

By accepting (whether in writing, electronically or otherwise) the RSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has read and understands the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

NOTE: RSUs will be cancelled and forfeited on your Termination Date as set out in the Agreement; you will not be entitled to compensation or damages pursuant to contract, common law or civil law in respect of any such cancellation and forfeiture. See Section 2.1 of the Agreement for details.

OPENDOOR TECHNOLOGIES INC. **PARTICIPANT**

By: ____________________
Name: ____________________
Title: ____________________

____
[Participant Name]

<u>EXHIBIT A</u>

FORM OF RESTRICTED STOCK UNIT AGREEMENT (CANADA)

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 <u>Award of RSUs</u>. The Company has granted the RSUs to Participant effective as of the Grant Date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one Share as set forth in this Agreement. Participant will have no right to be issued any Shares until the time (if ever) the RSUs have vested.

1.2 <u>Incorporation of Terms of Plan</u>. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any conflict between the Plan and this Agreement, the terms of the Plan will control to the extent of such conflict.

1.3 <u>Unsecured Promise</u>. The RSUs will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

2.1 <u>Vesting; Forfeiture</u>.

(a) Subject to the terms and conditions of this Agreement, the RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated.

(b) In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited on the Termination Date (as defined herein), except as otherwise determined by the Administrator or expressly provided in a binding written agreement between Participant and the Company, and Participant will not be entitled to any damages or other amounts in respect of such cancellation and forfeiture of RSUs in connection with Participant's Termination of Service.

(c) Notwithstanding the terms of the Plan, Participant's Termination of Service is deemed to end on the Termination Date for the purposes of the Plan and this Agreement. The "***Termination Date***" means:

(i) in the case of an Employee whose employment or term of office with the Company or a Subsidiary terminates (regardless of whether the termination is lawful or unlawful, with or without cause, and whether it is Participant or the Company or the Subsidiary that initiates the termination), the later of: (A) if and only to the extent required to comply with the minimum standards of the ESL (as defined herein), the last day of the minimum statutory notice period applicable to Participant pursuant to the ESL, if any; and (B) the date that is designated by the Company or Subsidiary, as the last day of Participant's employment with the Company or Subsidiary provided that in the case of termination of employment by resignation by Participant, such date shall not be earlier than the date notice of resignation was given; and, in the case of either (A) or (B), without regard to any applicable period of reasonable notice or contractual notice to which Participant may claim to be entitled under common law, civil law or pursuant to contract in respect of a period which follows the last day that Participant actually and actively provides services to the Company or Subsidiary as specified in the notice of termination provided to Participant. For the avoidance of any doubt, the parties intend to displace any presumption that Participant is entitled to reasonable notice of termination under common law or civil law in connection with the Plan or this Agreement; or

(ii) in the event that Participant's death occurs prior to the date determined pursuant to (i), (ii) or (iii), above, the date of Participant's death.

(d) Participant's eligibility to be granted RSUs ceases on the Termination Date. Except if and as required to comply with applicable minimum requirements contained in ESL, Participant is not eligible for continued vesting of any RSUs during any period in which Participant receives, or claims to be entitled to receive, any compensatory payments or damages in lieu of notice of termination pursuant to contract, common law or civil law, and Participant will not be entitled to any damages or other compensation in respect of any RSU that does not vest or is not awarded due to the Termination of Service of Participant as of the Termination Date for any reason. This Agreement displaces any and all common law and civil law rights Participant may have or claim to have in respect of any RSUs, including any right to damages. The foregoing shall apply, regardless of: (i) the reason for Participant's Termination of Service; (ii) whether such Termination of Service is lawful or unlawful, with or without cause; (iii) whether it is Participant or the Company or a Subsidiary that initiates the termination; and (iv) any fundamental changes, over time, to the terms and conditions applicable to Participant's employment.

2.2 Settlement.

(a) The RSUs will be paid in newly-issued Shares as soon as administratively practicable after the vesting of the applicable RSU, but in no event later than the March 15 of the year following the year in which the RSU's vesting date occurs. Notwithstanding Section 9.9 of the Plan, no portion of the RSUs will be settled in cash without Participant's consent.

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)); provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

ARTICLE III. TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding.

(a) Participant must pay the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by Applicable Law to be withheld in connection with such

Participant's Awards in cash, by wire transfer of immediately available funds, by check made payable to the order of the Company by the date of the event creating the tax liability. Alternatively, and subject to any requirements or limitations under Applicable Law, the Company may and the Participant hereby authorizes and consents to the Company, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to the RSUs by any of the following methods only:

(i) by surrendering to the Company for cancellation RSUs with respect to that number of Shares with a Fair Market Value equal to the applicable tax withholding obligations; or

(ii) if there is a public market for Shares at the time the tax obligations are satisfied, unless the Company otherwise determines, delivery by the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to sell shares issued in respect of the RSUs in an amount necessary to satisfy the applicable tax withholding obligations and deliver promptly to the Company funds sufficient to satisfy the tax withholding; provided that such amount is paid to the Company at such time as may be required by the Administrator; or

(iii) any combination of the foregoing payment forms approved by the Administrator.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of Shares. The Company and its Subsidiaries do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax liability.

ARTICLE IV.
DIVIDEND EQUIVALENTS

Dividend Equivalents, if any, will be credited in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs held by Participant on the record date for the payment of such dividend, by (b) the Fair Market Value at the close of the first business day immediately following the dividend record date, rounded down to the nearest whole number. Dividend Equivalents credited to Participant's account shall be subject to the same vesting and other terms as the RSUs to which they relate.

ARTICLE V.
OTHER PROVISIONS

5.1 Adjustments. Participant acknowledges that the RSUs, and the Shares subject to the RSUs, are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

5.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the Designated Beneficiary) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or a regularly maintained branch post office, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.5 Compliance with Employment Standards. It is understood and agreed that all provisions of the Plan and this Agreement are subject to all applicable minimum requirements of applicable employment standards legislation ("***ESL***") and it is the intention of the Company and its Subsidiaries to comply with the minimum applicable requirements contained in ESL. Accordingly, the Plan and this Agreement shall: (a) not be interpreted as in any way waiving or contracting out of ESL, and (b) be interpreted to achieve compliance with ESL. In the event that ESL provides for a superior right or entitlement upon termination of employment or otherwise ("***Statutory Entitlements***") than provided for under the Plan or this Agreement, Participant shall be provided with Participant's minimum Statutory Entitlements in substitution for Participant's rights under the Plan and/or this Agreement. There shall be no presumption of strict interpretation against the Company or any Subsidiary.

5.6 Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention («Agreement»), ainsi que cette Annexe, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.8 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.9 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.10 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.11 Limitation on Participant's Rights. The participation of any Participant in the Plan is entirely voluntary and participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the RSUs, as and when settled pursuant to the terms of this Agreement.

5.12 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.13 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

5.14 Restrictions. In the event the Shares are no longer registered with the Securities and Exchange Commission (as determined by the Administrator), any Shares acquired in respect of the RSUs shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability, repurchase rights, the right of the Company to require that Shares be transferred in the event of certain transactions, rights of first refusal, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and may, as determined by the Administrator, be contained in an exercise notice, securityholders' agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator. The Administrator may condition the issuance of such Shares on Participant's consent to such terms and conditions and Participant's entering into such agreement or agreements.

* * * * *

Exhibit 21.1

Subsidiaries

Digital Opendoor Insurance Services LLC	DE
OD Arizona D LLC	DE
OD Equity Owner D LLC	DE
OD Homes Brokerage Inc	DE
OD Intermediate Holdco C LLC	DE
OD Intermediate SUBI Holdco I LLC	DE
OD Intermediate SUBI Holdco II LLC	DE
OD Intermediate SUBI Holdco IV LLC	DE
OD Intermediate SUBI Holdco V LLC	DE
OD Intermediate SUBI Holdco VII LLC	DE
OD Intermediate SUBI Holdco X LLC	DE
OD Intermediate SUBI Holdco XI LLC	DE
OD International Holding Ltd (Cayman Islands)	Cayman Islands
OD Jetclosing LLC	DE
OD Mezzanine Borrower R2 LLC	DE
OD Nevada D LLC	DE
OD Services International Ltd (Cayman Islands)	Cayman Islands
OD Services LLC	DE
OD SUBI Holdco I LLC	DE
OD SUBI Holdco II LLC	DE
OD SUBI Holdco III LLC	DE
OD SUBI Holdco IV LLC	DE
OD SUBI Holdco V LLC	DE
OD SUBI Holdco VI LLC	DE
OD SUBI Holdco VII LLC	DE
OD SUBI Holdco VIII LLC	DE
OD SUBI Holdco IX LLC	DE
OD SUBI Holdco X LLC	DE
OD SUBI Holdco XI LLC	DE
OD Texas D LLC	DE
OD Trust Holdco LLC	DE
Open Listings Holding Company LLC	DE
Opendoor Brokerage Inc.	DE
Opendoor Brokerage LLC	DE
Opendoor Home Loans LLC	DE
Opendoor Homes Phoenix 2 LLC	DE
Opendoor Labs Inc.	DE
Opendoor Operations Canada Inc. (Canada)	DE
Opendoor Property Acquisition LLC	DE
Opendoor Property C LLC	DE
Opendoor Property D LLC	DE
Opendoor Property Holdco C LLC	DE
Opendoor Property Holdco J LLC	DE
Opendoor Property Holdco N LLC	DE
Opendoor Property J LLC	DE

Opendoor Property N LLC	DE
Opendoor Property Trust I	DE
Opendoor Title Services Holding LLC	DE
Opendoor Ventures LLC	DE
Open Exchange Brokerage Inc.	DE
Open Exchange Brokerage LLC	DE
Open Exchange Labs Inc.	DE
OS National Alabama LLC	AL
OS National LLC	GA
OSN Escrow Inc.	CA
OSN Texas LLC	TX
OSN Title Company	CA
Pro Marketplace LLC	DE
Pro.com Home Services Colorado Inc.	DE
Pro Com Home Services LLC	DE
Pro.com Home Services Arizona LLC	DE
Pro.com Home Services California Inc.	DE
Redefined Tax Solutions LLC	TX
Services Labs Inc.	DE
Services Labs Software Private Limited (India)	India
taxProper Inc	DE
Tremont Realty LLC	TX

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-253993, 333-266877 and 333-271657 on Form S-8 of our reports dated February 15, 2024, relating to the consolidated financial statements of Opendoor Technologies Inc. and the effectiveness of Opendoor Technologies Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Opendoor Technologies Inc. for the year ended December 31, 2023. We also consent to the reference to us under the heading "Experts" in such Registration Statements.

/s/ Deloitte & Touche LLP

San Francisco, California
February 15, 2024

Exhibit 31.1

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

I, Carrie Wheeler, certify that:

1. I have reviewed this Annual Report on Form 10-K of Opendoor Technologies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: February 15, 2024

By: /s/ Carrie Wheeler
Carrie Wheeler
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Christina Schwartz, certify that:

1. I have reviewed this Annual Report on Form 10-K of Opendoor Technologies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: February 15, 2024

By: /s/ Christina Schwartz
Christina Schwartz
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Annual Report on Form 10-K of Opendoor Technologies Inc. (the “Company”) for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Carrie Wheeler, Chief Executive Officer of the Company, and Christina Schwartz, Interim Chief Financial Officer of the Company, each certifies, 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 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: February 15, 2024

By: /s/ Carrie Wheeler
Carrie Wheeler
Chief Executive Officer
(Principal Executive Officer)

Date: February 15, 2024

By: /s/ Christina Schwartz
Christina Schwartz
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

OPENDOOR TECHNOLOGIES INC.
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Opendoor Technologies Inc. (the "***Company***") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "***Policy***"), effective as of October 2, 2023 (the "***Effective Date***"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to current and former Officers of the Company.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously

Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "***Board***") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "***Other Recovery Arrangements***"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Committee***" means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

"***GAAP***" means United States generally accepted accounting principles.

"***IFRS***" means international financial reporting standards as adopted by the International Accounting Standards Board.

"***Impracticable***" means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company (i) has made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"***Incentive-Based Compensation***" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the issuer has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"***Officer***" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"***Restatement***" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***Three-Year Period***" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

ACKNOWLEDGMENT AND CONSENT TO
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by Opendoor Technologies Inc. (the "Company").

For good and valuable consideration, the receipt of which is acknowledged, the undersigned agrees to the terms of the Policy and agrees that compensation received by the undersigned may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy, notwithstanding any other agreement to the contrary. The undersigned further acknowledges and agrees that the undersigned is not entitled to indemnification in connection with any enforcement of the Policy and expressly waives any rights to such indemnification under the Company's organizational documents or otherwise.

____________________	____
Date	Signature
	____
	Name
	____
	Title