Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

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: 001-43065

Ethos Technologies Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	81-3181024
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

90 New Montgomery Street, Suite 1500
San Francisco, California 94105
(Address of principal executive offices including zip code)
Registrant's telephone number, including area code: (415) 915-0665

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value	LIFE	Nasdaq Global Select Market

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

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

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

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

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

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

As of October 28, 2026, Ethos Technologies Inc. had 41,983,603 shares of Class A common stock outstanding, and 23,031,596 shares of Class B common stock outstanding.

Table of Contents

		Page
PART I.	FINANCIAL INFORMATION	5
Item 1.	Financial Statements (Unaudited)	5
	Condensed Consolidated Balance Sheets	5
	Condensed Consolidated Statements of Operations	6
	Condensed Consolidated Statements of Comprehensive Income (Loss)	7
	Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)	8
	Condensed Consolidated Statements of Cash Flows	10
	Notes to Unaudited Condensed Consolidated Financial Statements	11
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	37
Item 4.	Controls and Procedures	37
PART II.	OTHER INFORMATION	38
Item 1.	Legal Proceedings	38
Item 1A.	Risk Factors	38
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	74
Item 3.	Defaults Upon Senior Securities	74
Item 4.	Mine Safety Disclosures	74
Item 5.	Other Information	75
Item 6.	Exhibits	76
Signatures		77

GLOSSARY OF TERMS

We provide this glossary to help those reading this Quarterly Report on Form 10-Q ("Quarterly Report") understand the industry and other technical terms that are used in this Quarterly Report. For many of these terms, there is no generally accepted definition; in this glossary, we present our definition of such terms as used in this Quarterly Report.

- *Activated Policy:* An insurance policy that was sold through our platform. Activated policies include insurance policies issued and sold to consumers who come to our platform directly as well as those sourced through third-party channels. The number of activated policies does not include any Wills & Estate Planning products.
- *Active Carriers:* Carriers that issued at least one policy through our platform within the last 12 months and were continuing to offer products through our platform as of the reporting period of this form.
- *Active Selling Agents:* Agents who have activated a policy through our platform within the last 12 months.
- *Agencies:* Independent insurance agencies that are not owned or operated by us but use our platform to sell insurance products. These agencies employ, or contract with, agents who engage with consumers and submit applications through our platform.
- *Agent Debt:* We typically advance to agents a portion of the commissions we expect to earn on a policy at the time the policy is activated. When a policy lapses before the advanced compensation has been earned, the unearned portion of that advance becomes an amount owed to us, which we refer to as agent debt.
- *Agent Payments:* Amounts paid by us to agents or agencies in connection with both policy sales and sale referrals made by such agents, or in the case of payments made to agencies, their affiliated agents, on our platform. We also refer to these amounts as agent compensation.
- *Agents*: Individuals licensed to sell insurance policies in the relevant jurisdiction, whether captive, independent, or affiliated with agencies, including those who sell insurance and related products through our platform.
- *Carrier:* A licensed insurance company.
- *Commission Rates:* The percentage of the policy premium in each policy year paid to us as commission. Commission rates are contractually defined with carriers and reviewed on an annual basis.
- *Commissions:* The compensation paid by a carrier to us for an activated policy. Commissions are based on the annual premium of an activated policy and are typically paid throughout the life of the policy. The majority of a policy's lifetime commissions are paid in the first year following activation.
- *Consumers:* Individuals who apply for and purchase insurance and related products on our platform, either directly, or through our third-party channel.
- *Estimated Carrier Advances:* The term estimated carrier advances represent cash commission amounts received in excess of revenue recognized related to certain insurance carriers pursuant to our contracts with these carriers.
- *Persistency:* The term "persistency" refers to how long activated policies remain active throughout their terms. Observed persistency for policies of a particular product type changes over time as activated policies are terminated prior to the end of their terms.
- *Persistency Estimate:* The term persistency estimate refers to a percentage estimating the likelihood that a currently activated policy will remain active throughout the policy's term. We derive the persistency estimate for a policy using our observed persistency data applicable to that policy as well as relevant industry persistency data. We apply the persistency estimate for an activated policy when recognizing revenue from that policy, and we regularly review, and update as needed, persistency estimates as observed persistency applicable to that policy changes over time.
- *Third-Party Channel*: Our external distribution network, which is composed of independent insurance agencies, their affiliated licensed agents, independent agents, third-party fintech companies, and other third parties that refer consumers to, or enable the sale of, insurance products through our platform.
- *Underwriting Costs:* The costs incurred throughout the underwriting process for both activated and non-activated policies, including costs associated with obtaining third-party evidences (such as prescription history, credit-based insurance scores and motor vehicle records), and, separately, costs related to post-issue audits.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future financial condition or results of operations, business strategy and plans, and objectives of management for future operations are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "toward," "will," "would," or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding the premiums set by carriers and commission rates negotiated with carriers;
- the growth rate of the market in which we compete;
- our business plan and our ability to effectively manage our growth and associated investments;
- anticipated trends, growth rates, and challenges in our business, our industry, and in the markets in which we operate;
- our ability to continue to grow across our current markets and expand into new markets;
- our ability to sustain or improve our profitability;
- future investments in our business, our anticipated capital expenditures, and our estimates regarding our capital requirements;
- effectiveness of our brand awareness and marketing efforts;
- our beliefs and objectives for future operations and growth initiatives and ability to predict future results;
- our ability to increase the number of activated policies on our platform;
- our ability to maintain our relationships with agency counterparties and to develop relationships with new agencies and increase agent engagement on our platform;
- our ability to maintain and expand our relationships with carriers, and to diversify the carriers with whom we work;
- our ability and expectations to continue to innovate and enhance our platform and product offerings, and to keep pace with technological developments;
- our reliance on key personnel and our ability to identify, recruit, and retain skilled personnel;
- our ability to obtain, maintain, protect, and enforce our intellectual property rights and any costs associated therewith;
- our ability to successfully defend disputes, legal proceedings and governmental inquiries brought against us;
- our ability to operate our business during fluctuations or an overall decline in economic activity, or any adverse trends in the life insurance industry;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business;
- potential volatility in our stock price and a possible decline in the value of our Class A common stock;
- the other factors discussed under "Risk Factors"; and
- other factors beyond our control.

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

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

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

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

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We intend to announce material information to the public through filings with the Securities and Exchange Commission ("SEC"), the investor relations page on our website, press releases, public conference calls, public webcasts, our blog posts on our website, and our X (formerly Twitter) (@getEthosLife) and LinkedIn (www.linkedin.com/company/ethoslife) accounts. The information disclosed through the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

The information we post through these channels is not a part of this Quarterly Report. Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

ETHOS TECHNOLOGIES INC.
Condensed Consolidated Balance Sheets
(In Thousands, Except Per Share Data)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 149,800	$ 91,091
Short-term investments	71,656	34,876
Accounts receivable, net	83,464	36,498
Commissions receivable-current, net	33,936	28,786
Prepaid and other current assets	68,752	54,553
Total current assets	407,608	245,804
Long-term assets:		
Commissions receivable, net	315,389	224,219
Property and equipment, net	12,097	8,189
Operating lease right-of-use assets	1,354	2,183
Goodwill	2,238	2,238
Acquired intangible assets, net of amortization	587	662
Long-term investments	68,613	31,468
Other long-term assets	633	574
Total long-term assets	400,911	269,533
Total assets	$ 808,519	$ 515,337
Liabilities, redeemable preferred stock and stockholders' equity		
Current liabilities:		
Accounts payable	$ 77,558	$ 55,070
Accrued expenses	109,384	39,224
Liabilities related to sale of commissions receivable, current	8,314	11,750
Operating lease liabilities, current	875	1,125
Other current liabilities	80,692	6,021
Total current liabilities	276,823	113,190
Long-term liabilities:		
Liabilities related to sale of commissions receivable, non-current	7,061	12,509
Operating lease liabilities, non-current	619	1,228
Deferred tax liability	11,867	8,529
Total long-term liabilities	19,547	22,266
Total liabilities	296,370	135,456
Commitments and contingencies (Note 7)		
Redeemable convertible preferred stock, par value $0.0001, 20,000 and 37,400 shares authorized, nil and 37,228 shares issued, and outstanding as of September 30, 2026 and December 31, 2025	—	403,997
Stockholders' equity (deficit):		
Common stock, $0.0001 par value, nil and 1,040,000 shares, Class A common stock, $0.0001 par value, 1,000,000 and nil shares, and Class B common stock, $0.0001 par value, 40,000 and nil shares authorized at September 30, 2026 and December 31, 2025, respectively; nil and 16,647 shares common stock, 41,714 and nil shares of common stock Class A, and 23,270 and nil shares of Class B common stock issued and outstanding at September 30, 2026 and December 31, 2025, respectively	6	2
Additional paid-in capital	759,000	78,950
Accumulated other comprehensive loss	(2,155)	(554)
Accumulated deficit	(244,702)	(102,514)
Total stockholders' equity (deficit)	512,149	(24,116)
Total liabilities, redeemable convertible preferred stock and stockholders' equity	$ 808,519	$ 515,337

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

ETHOS TECHNOLOGIES INC.
Condensed Consolidated Statements of Operations
(In Thousands, Except Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue:				
Commission	$ 235,215	$ 93,794	$ 617,876	$ 277,531
Total revenue	235,215	93,794	617,876	277,531
Costs and expenses:				
Sales and marketing	169,423	57,074	441,616	165,205
General and administrative	39,176	8,871	243,730	30,414
Technology (exclusive of amortization)	16,480	7,769	57,414	24,711
Cost of revenue	4,451	1,677	11,707	4,674
Depreciation and amortization	1,838	1,332	4,757	4,075
Total costs and expenses	231,368	76,723	759,224	229,079
Income (loss) from operations	3,847	17,071	(141,348)	48,452
Other income (expense):				
Interest expense	(358)	(786)	(1,636)	(2,405)
Interest income	1,908	1,410	5,050	4,472
Other income, net	65	42	170	100
Total other income, net	1,615	666	3,584	2,167
Net income (loss) before income tax expense	5,462	17,737	(137,764)	50,619
Income tax expense	790	1,863	4,424	4,029
Net income (loss)	4,672	15,874	(142,188)	46,590
Deemed dividend on the conversion of Series D and D-1 redeemable convertible preferred stock	—	—	(5,642)	—
Net income (loss) attributable to common stockholders	$ 4,672	$ 15,874	$ (147,830)	$ 46,590
Per share data:				
Basic net income (loss) per share	$ 0.07	$ 0.96	$ (2.52)	$ 2.83
Diluted net income (loss) per share	$ 0.07	$ 0.27	$ (2.52)	$ 0.80
Weighted-average shares used in computing basic net income (loss) per share	64,396	16,556	58,669	16,453
Weighted-average shares used in computing diluted net income (loss) per share	69,207	58,222	58,669	58,593

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

ETHOS TECHNOLOGIES INC.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income (loss)	$ 4,672	$ 15,874	$ (142,188)	$ 46,590
Other comprehensive income (loss):				
Change in unrealized gain (loss) on marketable securities	(664)	47	(1,285)	242
Unrealized foreign currency translation loss	(65)	(128)	(316)	(262)
Total other comprehensive loss	(729)	(81)	(1,601)	(20)
Comprehensive income (loss)	$ 3,943	$ 15,793	$ (143,789)	$ 46,570

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

ETHOS TECHNOLOGIES INC.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity
(In Thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2025	37,228	$ 403,997	16,647	$ 2	$ 78,950	$ (554)	$ (102,514)	$ (24,116)
Issuance of common stock in connection with employee equity incentive plans, net of tax withholding	—	—	3,545	—	(48,419)	—	—	(48,419)
Issuance of common stock upon exercise of warrants	—	—	81	—	—	—	—	—
Deemed dividend on the conversion of Series D and D-1 redeemable convertible preferred stock	—	—	—	—	(5,642)	—	—	(5,642)
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	(37,228)	(403,997)	37,593	4	409,635	—	—	409,639
Issuance of common stock in connection with initial public offering, net of underwriting discounts and commissions and other offering costs	—	—	5,128	—	82,582	—	—	82,582
Stock-based compensation expense	—	—	—	—	194,219	—	—	194,219
Other comprehensive loss	—	—	—	—	—	(549)	—	(549)
Net loss	—	—	—	—	—	—	(166,391)	(166,391)
Balance, March 31, 2026	—	$ —	62,994	$ 6	$ 711,325	$ (1,103)	$ (268,905)	$ 441,323
Issuance of common stock in connection with employee equity incentive plans, net of tax withholding	—	—	765	—	35	—	—	35
Stock-based compensation expense	—	—	—	—	15,600	—	—	15,600
Other comprehensive loss	—	—	—	—	—	(323)	—	(323)
Net income	—	—	—	—	—	—	19,531	19,531
Balance, June 30, 2026	—	$ —	63,759	$ 6	$ 726,960	$ (1,426)	$ (249,374)	$ 476,166
Issuance of common stock in connection with employee equity incentive plans, net of tax withholding	—	—	1,225	—	2,651	—	—	2,651
Stock-based compensation expense	—	—	—	—	29,389	—	—	29,389
Other comprehensive loss	—	—	—	—		(729)	—	(729)
Net income	—	—	—	—	—	—	4,672	4,672
Balance, September 30, 2026	—	$ —	64,984	$ 6	$ 759,000	$ (2,155)	$ (244,702)	$ 512,149

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

ETHOS TECHNOLOGIES INC.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(In Thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance, December 31, 2024	37,228	$ 403,997	16,032	$ 2	$ 66,991	$ (478)	$ (173,665)	$ (107,150)
Issuance of common stock	—	—	500	—	719	—	—	719
Stock-based compensation expense	—	—	—	—	10,073	—	—	10,073
Other comprehensive income	—	—	—	—	—	6	—	6
Net income	—	—	—	—	—	—	12,247	12,247
Balance, March 31, 2025	37,228	$ 403,997	16,532	$ 2	$ 77,783	$ (472)	$ (161,418)	$ (84,105)
Issuance of common stock	—	—	23	—	71	—	—	71
Stock-based compensation expense	—	—	—	—	502	—	—	502
Other comprehensive income	—	—	—	—	—	55	—	55
Net income	—	—	—	—	—	—	18,469	18,469
Balance, June 30, 2025	37,228	$ 403,997	16,555	$ 2	$ 78,356	$ (417)	$ (142,949)	$ (65,008)
Issuance of common stock	—	—	1	—	4	—	—	4
Stock-based compensation expense	—	—	—	—	293	—	—	293
Other comprehensive loss	—	—	—	—	—	(81)	—	(81)
Net income	—	—	—	—	—	—	15,874	15,874
Balance, September 30, 2025	37,228	$ 403,997	16,556	$ 2	$ 78,653	$ (498)	$ (127,075)	$ (48,918)

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

ETHOS TECHNOLOGIES INC.
Condensed Consolidated Statements of Cash Flows
(In Thousands)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities		
Net income (loss)	$ (142,188)	$ 46,590
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred taxes	3,338	3,483
Depreciation and amortization	4,757	4,075
Non-cash interest expense	1,636	2,405
Amortization of discounts and premium, investments	(962)	(994)
Stock-based compensation expense	237,296	10,564
Operating lease right-of-use asset amortization	828	635
Unrealized foreign currency translation	(205)	(244)
Changes in operating assets and liabilities:		
Prepaid and other assets	(21,183)	(15,889)
Accounts payable	22,641	35,266
Accounts receivable	(46,966)	(5,636)
Commissions receivable	(5,150)	(11,014)
Long-term commissions receivable	(91,170)	(35,507)
Accrued expenses	71,119	10,517
Other current liabilities	73,813	(12,220)
Other long-term liabilities	—	(750)
Net cash provided by operating activities	107,604	31,281
Cash flows from investing activities		
Purchase of property and equipment	(1,350)	(1,101)
Purchase of investments	(145,532)	(52,509)
Proceeds from maturity of investments	70,615	79,870
Investment in software development costs	(5,328)	(3,145)
Net cash provided by (used in) investing activities	(81,595)	23,115
Cash flows from financing activities		
Proceeds from issuance of Class A common stock in initial public offering, net of underwriting discounts and commissions	91,580	—
Proceeds from liabilities related to sale of commissions receivable	—	5,000
Taxes paid related to net share settlement of restricted stock units	(49,085)	—
Repayment of liabilities related to sale of commissions receivable	(10,196)	(7,802)
Proceeds from equity incentive plans and warrant exercise	3,352	794
Payment of deferred offering costs	(2,843)	(3,175)
Net cash provided by (used in) financing activities	32,808	(5,183)
Net increase in cash and cash equivalents	58,817	49,213
Effect of exchange rates on cash	(108)	(19)
Cash and cash equivalents, beginning of period	91,091	35,075
Cash and cash equivalents, end of period	$ 149,800	$ 84,269
Supplemental disclosure of non-cash items:		
Conversion of convertible preferred stock into common stock upon initial public offering	$ 403,997	$ -
Reclassification of deferred offering costs to additional paid-in capital upon initial public offering	$ 8,998	$ -
Deemed dividend on the conversion of Series D and D-1 redeemable convertible preferred stock	$ 5,642	$ -
Capitalized property and equipment costs in accounts payable at period end	$ 26	$ 26
Cash paid for income taxes	$ -	$ 1,625
Operating lease liabilities arising from obtaining operating lease right-of-use assets	$ -	$ 596
Stock-based compensation capitalized as software development costs	$ 1,912	$ 304
Deferred offering costs in accounts payable and accrued expenses	$ -	$ 2,926

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

ETHOS TECHNOLOGIES INC.
Notes to Condensed Consolidated Financial Statements

1. Organization

Ethos Technologies Inc., a Delaware corporation, and its wholly-owned subsidiaries (collectively referred to as the Company) is a technology-driven, direct-to-consumer platform that makes life insurance accessible and easy to apply for. Through its advanced digital underwriting, data analytics, and proprietary technology, the Company provides a streamlined process for consumers to explore, compare, and purchase life insurance policies entirely online. The Company contracts with top-rated insurance carriers to offer life insurance to families throughout the United States through the use of multi-channel marketing and advertising campaigns and independent third-party agents. The Company is a licensed agent in 49 states and serves as a third-party administrator ("TPA"). The streamlined application process is achieved through the Company's full stack technology and predictive modeling platform which simplifies and automates the underwriting process allowing families to obtain same-day coverage. The Company primarily earns revenue in the form of commission payments from the contracted insurance carriers. Commission payments are received both when the initial policy is sold (first year) and when the underlying policyholder renews their policy in subsequent years.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in "Note 2 – Summary of Significant Accounting Policies" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 ("Annual Report"), which was filed with the Securities and Exchange Commission ("SEC") on March 17, 2026. There have been no significant changes to these policies during the three and nine months ended September 30, 2026.

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), consistent in all material respects with those applied in the Company's Annual Report. The accompanying condensed consolidated financial statements include the wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements are unaudited but include all adjustments of a normal recurring nature necessary for a fair presentation of the Company's quarterly results. The Company's condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes in the Company's Annual Report.

Initial Public Offering

On January 30, 2026, the Company completed its initial public offering (the "IPO") of a total of 10.5 million shares of its Class A common stock, including 5.1 million shares of Class A common stock offered by the Company and 5.4 million shares of Class A common stock sold by existing investors ("Selling Stockholders"), at a price to the public of $19.00 per share. The gross proceeds to the Company from the IPO were $97.4 million and the net proceeds amounted to $82.6 million, after deducting $5.8 million underwriting discounts and $9.0 million commissions and offering expenses paid or payable by the Company. The Company did not receive any proceeds from the sale of shares of Class A common stock by the Selling Stockholders. Immediately prior to the closing of the IPO, each outstanding share of the Company's Series A-1, Series A-2, Series A, Series B, Series C, Series D and Series D-1 redeemable convertible preferred stock converted into 18.5 million and 19.1 million shares of the Company's Class A common stock and Class B common stock, respectively (see Note 9 for additional information). Included in this amount were 0.2 million incremental shares of Class A common stock issued in accordance with the contractual conversion rights of the Company's Series D and D-1 redeemable convertible preferred stock, and we recorded a $5.6 million deemed dividend to Series D and Series D-1 redeemable convertible preferred stockholders upon the IPO.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the financial statements, as well as the reported amounts of revenue and expenses during the periods presented. These estimates, judgments and assumptions take into account historical and forward-looking factors that the Company believes are reasonable. Significant items subject to such estimates, judgments, and assumptions include revenue recognition, commissions receivable, liabilities related to sale of commissions receivable, website and software development costs, stock-based compensation, and income taxes. To the extent there are material differences between these estimates, judgments, or assumptions and actual results, the Company's condensed consolidated financial statements will be affected.

Segment Reporting

The Company has one reportable segment, which has been identified based on how the chief operating decision maker ("CODM"), manages the business, makes operating decisions and evaluates operating performance. The Company's CODM is the Chief Executive Officer. The CODM reviews the Company's revenue, expenses and net income as reported under GAAP, which is the primary measure of segment profit or loss. While the Company's CODM also reviews the revenue streams attributable to individual products, operations are managed, resources are allocated, and financial performance is evaluated on a consolidated basis.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. The Company believes the potential for collection issues with any of its customers is minimal as of September 30, 2026 and December 31, 2025 based on the lack of collection issues in the past and high financial standards the Company requires of its customers. The Company does not require collateral to secure trade receivable balances. As of September 30, 2026, three insurance carrier customers accounted for 64%, 16% and 10% of total accounts and commissions receivable. As of December 31, 2025, two insurance carrier customers accounted for 71% and 14% of total accounts and commissions receivable. Insurance carrier customers representing 10% or more of total revenue are presented in the following table:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Carrier A	54%	41%	44%	39%
Carrier B	31%	34%	37%	34%
Carrier C	*	13%	*	14%

*Less than 10% of total revenue.

Deferred Offering Costs

Deferred offering costs, consisting of legal, accounting, and other fees and costs relating to the Company's IPO are capitalized within prepaid and other assets on the condensed consolidated balance sheets. The deferred offering costs were offset against the proceeds received by the Company upon the closing of the IPO. At the closing of the IPO, a total of $9.0 million of deferred offering costs were reclassified to additional paid-in capital within stockholders' equity (deficit).

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The updates in this ASU may be applied on a prospective or retrospective application basis and are effective for annual periods beginning after December 15, 2026 and interim reporting beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which clarifies and expands the existing guidance on capitalizing implementation costs for cloud computing arrangements that are service contracts. The new guidance is effective for public business entities for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statement disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270),* which provides clarity on current interim disclosure requirements. The guidance is effective for the Company's fiscal years and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of the adoption of the new standard on its consolidated financial statements.

3. Revenue

The following table presents our revenue disaggregated by channel (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Direct channel revenue	$ 118,815	$ 56,102	$ 381,314	$ 168,285
Third-party channel revenue	116,400	37,692	236,562	109,246
Total revenue	$ 235,215	$ 93,794	$ 617,876	$ 277,531

Accounts Receivable, Net

Accounts Receivable balances are summarized as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning balance	$ 57,211	$ 33,468	$ 36,498	$ 30,303
Additions from commissions receivable	209,046	75,916	515,950	225,043
Other additions [(1)]	6,619	2,589	13,350	9,342
Collections	(189,412)	(81,317)	(482,369)	(233,730)
Change in allowance for doubtful accounts	—	283	35	(19)
Ending balance	$ 83,464	$ 30,939	$ 83,464	$ 30,939

(1) Other additions are primarily comprised of amounts arising from revenue that does not flow through commission receivable along with other partnership-related amounts.

Contract Balances

After a policy is sold, the Company has no material additional or recurring obligations to the policyholder or the insurance carrier. As such, there are no contract liabilities recorded in the condensed consolidated balance sheets.

4. Marketable Securities

The following tables summarize the amortized cost, gross unrealized gains and losses, and estimated fair value of debt securities as of September 30, 2026 and December 31, 2025 (in thousands):

September 30, 2026	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Loss	Estimated Fair Value
U.S. government bonds	$ 43,502	$ —	$ (62)	$ —	$ 43,440
Corporate debt securities	68,797	—	(599)	—	68,198
Agency bonds	29,070	—	(439)	—	28,631
Total investments	$ 141,369	$ —	$ (1,100)	$ —	$ 140,269

December 31, 2025	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Loss	Estimated Fair Value
U.S. government bonds	$ 9,230	$ 4	$ —	$ —	$ 9,234
Corporate debt securities	44,994	180	(1)	—	45,173
Agency bonds	11,935	4	(2)	—	11,937
Total investments	$ 66,159	$ 188	$ (3)	$ —	$ 66,344

The Company examined its securities at each balance sheet date to determine if there was a need to recognize an allowance for credit loss pertaining to these securities. Upon review of all holdings, it was concluded that the unrealized losses on the fixed maturity securities were chiefly attributable to the interest rate environment, rather than the credit quality of the issuers. The Company has no plans to liquidate these investments, and it is unlikely for a necessary sale to occur before the recovery of their amortized cost basis. Therefore, no allowance for credit loss was recognized as of September 30, 2026 and December 31, 2025.

The gross unrealized losses and estimated fair values on investments aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position were as follows (in thousands):

	12 months or greater		Less than 12 months	
September 30, 2026	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
U.S. government bonds	$ —	$ —	$ (62)	$ 43,440
Corporate debt securities	(188)	21,181	(411)	47,017
Agency bonds	(32)	4,842	(407)	23,789
Total investments	$ (220)	$ 26,023	$ (880)	$ 114,246

	12 months or greater		Less than 12 months	
December 31, 2025	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value
Corporate debt securities	$ —	$ —	$ (1)	$ 4,597
Agency bonds	—	—	(2)	7,060
Total investments	$ —	$ —	$ (3)	$ 11,657

Net realized and unrealized gains and losses on investments are a function of the difference between the amount received by us on the sale of a security and the security's cost-basis, mark-to-market adjustments, credit losses recognized in earnings, and unrealized gains and losses on equity securities. Unrealized gains and losses on fixed maturity securities are recognized as a component of other comprehensive income and do not impact the Company's net income.

The estimated fair value of debt securities as of September 30, 2026 and December 31, 2025, by contractual maturity, were as follows (in thousands):

September 30, 2026	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 71,924	$ 71,656
Due after one year through five years	69,445	68,613
Total investments	$ 141,369	$ 140,269

December 31, 2025	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 34,849	$ 34,876
Due after one year through five years	31,310	31,468
Total investments	$ 66,159	$ 66,344

5. Fair Value Measurement

Certain assets and liabilities are required to be recorded at fair value on a recurring basis.

The accounting guidance for fair value measurements prioritizes valuation methodologies based on the reliability of the inputs in the following three-tier value hierarchy:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Assets and liabilities valued based on observable market data for similar instruments, such as quoted prices for similar assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity; instruments valued based on the best available data, some of which is internally developed, and considers risk premiums that a market participant would require.

The Company applied the following methods and assumptions in estimating its fair value measurements. The Company's investments in U.S. Government bonds are classified as Level 1 within the fair value hierarchy given that they are valued based on quoted market prices for identical assets in active markets. Agency bonds and corporate bonds are classified as Level 2 within the fair value hierarchy because they are valued using inputs other than quoted prices in active markets that are observable directly or indirectly.

Financial instruments measured at fair value are as follows (in thousands):

September 30, 2026	Level 1	Level 2	Level 3	Total
U.S. government bonds	$ 43,440	$ —	$ —	$ 43,440
Corporate debt securities	—	68,198	—	68,198
Agency bonds	—	28,631	—	28,631
Total assets measured at fair value	$ 43,440	$ 96,829	$ —	$ 140,269

December 31, 2025	Level 1	Level 2	Level 3	Total
U.S. government bonds	$ 9,234	$ —	$ —	$ 9,234
Corporate debt securities	—	45,173	—	45,173
Agency bonds	—	11,937	—	11,937
Total assets measured at fair value	$ 9,234	$ 57,110	$ —	$ 66,344

6. Balance Sheet Components

The Company's prepaid and other current assets recorded in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	September 30, 2026	December 31, 2025
Agent advances	$ 51,120	$ 40,294
Deferred offering costs	—	7,241
Other assets	17,632	7,018
Total prepaid and other current assets	$ 68,752	$ 54,553

The components of the Company's property and equipment, net as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	September 30, 2026	December 31, 2025
Developed software	$ 29,478	$ 22,535
Computer equipment	5,039	3,798
System consulting	141	141
Furniture and fixtures	97	53
Leasehold improvements	30	7
Property and equipment	34,785	26,534
Accumulated depreciation and amortization	(22,688)	(18,345)
Total property and equipment, net	$ 12,097	$ 8,189

The Company recorded depreciation and amortization expense related to property and equipment, net, excluding developed software, of $0.3 million and $0.3 million for the three months ended September 30, 2026 and 2025, respectively, and $1.0 million and $0.7 million for the nine months ended September 30, 2026 and 2025, respectively.

The Company capitalized developed software costs of $2.2 million and $1.4 million for the three months ended September 30, 2026 and 2025, respectively, and $7.2 million and $3.5 million for the nine months ended September 30, 2026 and 2025, respectively. Amortization expense related to developed software costs, included in depreciation and amortization in the condensed consolidated statements of operations, was $1.4 million and $1.1 million for the three months ended September 30, 2026 and 2025, respectively, and $3.7 million and $3.5 million for the nine months ended September 30, 2026 and 2025, respectively.

The Company's accrued expenses recorded in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	September 30, 2026	December 31, 2025
Accrued sales and marketing expenses	$ 94,355	$ 27,761
Accrued payroll and compensation	6,623	2,890
Accrued underwriting expenses	4,141	2,615
Accrued professional services expenses	1,867	1,004
Deferred offering costs payable	—	934
Other accrued expenses	2,398	4,020
Total accrued expenses	$ 109,384	$ 39,224

The Company's other current liabilities recorded in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	September 30, 2026	December 31, 2025
Estimated carrier advances [1]	$ 77,334	$ 4,879
Taxes payable	3,049	1,092
Other current liabilities	309	50
Total other current liabilities	$ 80,692	$ 6,021

(1) The estimated carrier advances represent cash commission amounts received in excess of revenue recognized related to certain insurance carriers pursuant to our contracts with these carriers.

7. Commitments and Contingencies

Operating Lease

The Company has non-cancellable contractual obligations and commitments primarily related to operating lease agreements for its office facilities in San Francisco, California, as well as in India, which expire at various dates through November 2028. For its primary operating leases, the Company has the option to extend the lease terms.

As of September 30, 2026, future lease payments under the Company's operating lease agreements were as follows (in thousands):

Remainder of 2026	$ 297
2027	771
2028	503
Total future lease payments	1,571
Less interest	(77)
Present value of lease liabilities	$ 1,494

Letter of Credit

On June 30, 2025, the Company entered into an unsecured letter of credit of $30.0 million with Citizens Bank in favor of two of its carriers. The letter of credit could not be drawn upon in the normal course of business and could only be drawn upon automatically to fund the letter of credit obligation if such carrier called on the letter of credit. If there was a draw on the letter of credit, the Company was obligated to reimburse the bank in cash, in immediately available funds, within one business day following notice of such draw from the lender. The letter of credit expired in June 2026.

8. Liabilities Related to Sale of Commissions Receivable

The table below shows the activity of the liabilities related to sale of commissions receivable (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning balance	$ 18,229	$ 30,453	$ 24,259	$ 33,545
Non-cash interest expense	364	451	1,312	2,070
Repayment of liabilities related to sale of commissions receivable	(3,218)	(3,091)	(10,196)	(7,802)
Ending balance	$ 15,375	$ 27,813	$ 15,375	$ 27,813
Less: Liabilities related to sale of commissions receivable, current	8,314	12,329	8,314	12,329
Liabilities related to sale of commissions receivable, non-current	$ 7,061	$ 15,484	$ 7,061	$ 15,484

The aggregate future estimated payments less proceeds received will be recognized as interest expense over the life of the agreement. The Company's estimated effective annual interest rate was 7.07% and 8.31% as of September 30, 2026 and December 31, 2025, respectively.

9. Stockholders' Equity (Deficit)

As of December 31, 2025, the Company was authorized to issue two classes of stock: common stock and redeemable convertible preferred stock. The total number of shares that the Company was authorized to issue on December 31, 2025, was 1,040.0 million shares of common stock with a par value of $0.0001 and 37.4 million shares of preferred stock with a par value of $0.0001.

Upon the closing of the IPO on January 30, 2026, the Company had two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, conversion, and transfer rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to 20 votes and is convertible at any time into one share of Class A common stock.

Share Repurchase Program

During the three months ended September 30, 2026, the Board of Directors of Ethos authorized a share repurchase program of up to $100.0 million of the Company's outstanding Class A common stock. Repurchases may be effected, from time to time, either on the open market (including pre-set trading plans), in privately negotiated transactions, and other transactions in accordance with applicable securities laws. The timing and the amount of any repurchased Class A common stock will be determined by the Company's management based on its evaluation of market conditions and other factors. The repurchase program does not obligate the Company to acquire any particular amount of Class A common stock, and the repurchase program may be suspended or discontinued at any time at the Company's discretion. No shares have been repurchased under the repurchase program as of the date of this Quarterly Report.

Redeemable Convertible Preferred Stock

A summary of the redeemable convertible preferred stock shares authorized, issued, and outstanding as of December 31, 2025 is as follows (in thousands):

	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Value
Balance at December 31, 2025	37,400	37,228	$ 403,997	$ 404,801

Immediately prior to the closing of the IPO on January 30, 2026, all 37.2 million shares of the Company's Series A-1, Series A-2, Series A, Series B, Series C, Series D, and Series D-1 redeemable convertible preferred stock converted into an aggregate of 18.5 million shares and 19.1 million shares of the Company's Class A and Class B common stock after adjusting the conversion ratios of the redeemable convertible preferred stock, respectively, and such shares of redeemable convertible preferred stock were cancelled, retired, and eliminated from the shares of stock that the Company is authorized to issue and shall not be reissued by the Company. Included in this amount were 0.2 million incremental shares of Class A common stock issued in accordance with the contractual conversion rights of the Company's Series D and D-1 redeemable convertible preferred stock. The Company recorded a $5.6 million deemed dividend to Series D and D-1 redeemable convertible preferred stockholders upon the IPO.

Immediately prior to the closing of the IPO, the Company was authorized to issue 20.0 million shares of preferred stock. No shares of redeemable convertible preferred stock were outstanding following the IPO and as of September 30, 2026.

Common Stock

As of December 31, 2025, 16.6 million shares of common stock were issued and outstanding, and each holder of common stock has one vote per share of common stock held on all matters that are submitted for stockholder vote. The majority of the outstanding common stock has been issued as founder's stock. Holders of the Company's common stock are

entitled to dividends if and when declared by the Board of Directors. The Company did not hold any shares as treasury shares as of December 31, 2025.

On January 30, 2026, the Company completed its IPO of a total of 10.5 million shares of its Class A common stock, including 5.1 million shares of Class A common stock offered by the Company and 5.4 million shares of Class A common stock sold by the Selling Stockholders, at a price to the public of $19.00 per share. The gross proceeds to the Company from the IPO were $97.4 million and the net proceeds amounted to $82.6 million, after deducting $5.8 million underwriting discounts and $9.0 million commissions and offering expenses paid or payable by the Company. The Company did not receive any proceeds from the sale of shares of Class A common stock by the Selling Stockholders. Immediately prior to the closing of the IPO, each outstanding share of the Company's Series A-1, Series A-2, Series A, Series B, Series C, Series D, and Series D-1 redeemable convertible preferred stock converted into 18.5 million and 19.1 million shares of the Company's Class A common stock and Class B common stock, respectively.

In connection with the closing of its IPO, the Company's certificate of incorporation was amended and restated to authorize 1,000.0 million shares of Class A common stock, par value $0.0001 per share, 40.0 million shares of Class B common stock, par value $0.0001 per share, and 20.0 million shares of preferred stock, par value $0.0001 per share.

In connection with the IPO, the Company's Board of Directors adopted, and its stockholders approved, the 2026 Equity Incentive Plan (the "2026 Plan"), which became effective upon the effectiveness of the Company's Registration Statement on Form S-1. In connection with the effectiveness of the 2026 Plan, the Company's 2016 Equity Incentive Plan (the "2016 Plan") terminated, and no further awards will be granted under the 2016 Plan. However, all outstanding awards will continue to be governed by their existing terms. Under the 2026 Plan, 19.0 million shares of the Company's common stock were initially reserved for issuance pursuant to a variety of stock-based compensation awards, consisting of 13.0 million new shares and up to 6.0 million shares underlying outstanding awards granted under our 2016 Plan. Additionally, the Company's Board of Directors adopted, and its stockholders approved, the 2026 Employee Stock Purchase Plan (the "2026 ESPP"), which became effective upon the effectiveness of the Company's Registration Statement on Form S-1, with an initial reserve of 1.3 million shares of the Company's Class A common stock.

The Company has reserved shares of common stock for future issuance for the following purposes at September 30, 2026 (in thousands):

	September 30, 2026
Warrants to purchase common stock	308
Common stock options outstanding and unvested RSUs	12,617
Shares available for grant under 2026 Plan	6,378
Shares available for grant under 2026 ESPP	1,220
Total shares of common stock reserved	20,523

10. Stock-Based Compensation

Under the 2026 Plan, 19.0 million shares of the Company's common stock were initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, restricted stock awards, restricted stock unit ("RSU") awards, and other stock-based awards. The 2026 Plan provides that the initial aggregate number of shares that may be issued pursuant to awards will not exceed 13.0 million plus up to 6.0 million returning shares, as they become available from time to time. In addition, subject to any adjustments as necessary to implement any defined Capitalization Adjustments, the aggregate number of shares of the Company's common stock reserved will automatically increase on January 1 of each year for a period of ten years commencing 2027 and ending on (and including) 2036, in an amount equal to 5% of the total number of shares of capital stock outstanding on the preceding December 31. The aggregate maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options is 39.0 million shares. Previously, under the 2016 Plan, the Board of Directors was permitted to grant incentive stock awards to employees, and non-statutory stock options to employees, directors and consultants. The 2016 Plan provided for the grant of stock options, restricted stock, and other stock-related and performance awards that could be settled in cash, stock, or other property. In connection with the effectiveness of the 2026 Plan, the Company's 2016 Plan terminated, and no further awards will be granted under the 2016 Plan. However, all outstanding awards will continue to be governed by their existing terms.

The 2026 ESPP provides that the maximum number of shares of the Company's common stock that may be issued under the 2026 ESPP will not exceed 1.3 million shares of the Company's Class A common stock, plus the number of shares that are automatically added on January 1 of each calendar year for a period of up to ten years, commencing on January 1, 2027 and ending on (and including) January 1, 2036, in an amount equal to the lesser of (a) 1% of the total number of shares of capital stock outstanding on the last day of the preceding calendar year, or (b) 2.6 million shares.

Stock Options

The following table summarizes the stock option activities under the Company's stock plans for the nine months ended September 30, 2026 (in thousands, except for per share data):

	Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value	Weighted- Average Exercise Term (Years)
Outstanding at December 31, 2025	1,136	$ 3.18	$ 20,715	4.38
Forfeited	—	NM	NM	NM
Exercised	(706)	2.92	15,163	—
Outstanding at September 30, 2026	430	$ 3.59	$ 12,903	3.75
Vested and expected to vest at September 30, 2026	430	$ 3.59	$ 12,903	3.75
Exercisable at September 30, 2026	430	$ 3.59	$ 12,903	3.75

* NM - not meaningful

On January 29, 2026, 0.2 million fully vested stock options were exercised resulting in issuance of 0.2 million shares of common stock which immediately converted into 0.2 million shares of Class A common stock upon the closing of the IPO. All outstanding options were fully vested as of December 31, 2025.

Restricted Stock Units

RSUs granted under the 2026 Plan are generally subject only to a service-based vesting condition. The time-based RSUs generally vest over periods ranging from two to four years, subject to continued service. As of September 30, 2026, total unrecognized stock-based compensation expense related to unvested RSUs was $69.0 million, excluding additional stock-based compensation expense related to any future grants of stock-based awards. The remaining unrecognized compensation cost for RSUs is expected to be recognized over a weighted-average period of 2.6 years.

Performance-based Restricted Stock Units ("PRSUs")

Pre-IPO PRSUs

PRSUs granted under the 2016 Plan prior to the completion of the IPO ("pre-IPO PRSUs") were generally subject to both a service-based vesting condition and a performance-based vesting condition. In February 2025, the performance triggers were lifted for 0.3 million pre-IPO PRSUs, the awards vested and $8.0 million was recognized as compensation expense. On January 29, 2026, 5.7 million pre-IPO PRSUs meeting both service and performance triggers vested and were released, resulting in the recognition of $181.7 million in compensation cost and net issuance of 3.1 million shares of common stock after considering the withholding tax impact, which subsequently converted into 2.0 million and 1.1 million shares of Class A and Class B common stock, respectively, upon the closing of the IPO.

As of September 30, 2026, total unrecognized stock-based compensation expense related to unvested pre-IPO PRSUs granted under the 2016 Plan was $43.2 million. The remaining unrecognized compensation cost for pre-IPO PRSUs is expected to be recognized over a weighted-average period of 1.7 years.

2026 PRSUs

In July 2026, the Company granted a total of 4.8 million PRSUs ("2026 PRSUs") to its Chief Executive Officer and its President under the 2026 Plan. The 2026 PRSUs vest based on Adjusted EBITDA Compound Annual Growth Rate ("CAGR") targets achieved over the performance periods ending December 31, 2027 and 2028, respectively (ranging from 0% to 200% of target), subject to continued service, with the number of shares exceeding 100% of the target also subject to a market condition.

Each annual tranche of the 2026 PRSUs is evaluated independently based on the performance period for the respective fiscal year. Stock-based compensation expense associated with the 2026 PRSUs is recognized using a graded attribution method, based on the Company's periodic assessment of the probability that the performance condition will be achieved. At the end of each performance period, actual results will be measured against the predetermined targets to determine the shares of 2026 PRSUs earned as compensation.

The Company measured the fair value of the 2026 PRSUs on the grant date using a Monte Carlo simulation valuation model. The following table summarizes the assumptions used to determine the fair value of the 2026 PRSUs:

	Nine Months Ended September 30, 2026
Expected volatility	63.7%
Expected risk-free interest rate	4.2%
Expected term (in years)	3.5
Expected dividend yield	—

During the three and nine months ended September 30, 2026, the Company recognized $6.7 million stock-based compensation expense related to 2026 PRSUs. As of September 30, 2026, total unrecognized stock-based compensation expense related to unvested 2026 PRSUs was $78.0 million. The remaining unrecognized compensation cost for 2026 PRSUs is expected to be recognized over a weighted-average period of 3.1 years.

The following table summarizes the RSUs and PRSUs activity under the Company's stock plans for the nine months ended September 30, 2026 (in thousands, except for per share data):

	Shares	Weighted- Average Grant Date Fair Value
Outstanding at December 31, 2025	10,451	$ 26.10
Granted - 2026 PRSUs	4,800	17.66
Granted - RSUs	4,732	18.06
Forfeited	(481)	22.06
Vested	(7,315)	23.31
Unvested outstanding at September 30, 2026	12,187	$ 21.65

Stock-based Compensation— The Company recognizes stock-based compensation expense for awards with only service conditions on a straight-line basis over the requisite service period of the related award. For stock-based awards with both service and performance conditions, the Company records compensation expense when it is deemed probable that the performance condition will be met and records compensation expenses for each vesting tranche for awards subject to graded vesting method.

The amount of stock-based compensation related to stock-based awards in the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2026 and 2025 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Sales and marketing	$ (170)	$ 23	$ 10,982	$ 2,043
General and administrative	25,532	137	203,905	5,905
Technology (exclusive of amortization)	3,737	112	22,409	2,616
Stock-based compensation, net of amounts capitalized	$ 29,099	$ 272	$ 237,296	$ 10,564
Capitalized stock-based compensation	290	21	1,912	304
Total stock-based compensation	$ 29,389	$ 293	$ 239,208	$ 10,868

Common Stock Warrants

April 2024 Warrant

In April 2024, the Company issued warrants to a third party to purchase an aggregate of up to 0.4 million shares of common stock at an exercise price of $10.15 per share ("April 2024 Warrant"). The April 2024 Warrant expires in April 2027, and none vested during the three and nine months ended September 30, 2026. The remainder of the shares underlying the April 2024 Warrant may vest and become exercisable over the contractual term, contingent upon the achievement of certain performance conditions. For the three months ended September 30, 2026 and 2025, the Company recognized nil for both periods, related to the issuance of the April 2024 Warrant. For the nine months ended September 30, 2026 and 2025, the Company recognized nil and less than $0.1 million, respectively. The April 2024 Warrant remained outstanding following the closing of the IPO and will convert to Class A common stock upon exercise of this warrant.

January 2025 Warrant

In January 2025, the Company issued fully vested warrants to a third party to purchase an aggregate of up to 0.03 million shares of common stock at an exercise price of $0.07 per share ("January 2025 Warrant"). The Company recognized nil and $1.3 million during the three and nine months ended September 30, 2025, respectively, related to the issuance of the January 2025 Warrant. In October 2025, all of the 0.03 million warrants were exercised and became outstanding Class A common stock.

April 2025 Warrant

In April 2025, the Company issued warrants to a third party to purchase an aggregate of up to 0.08 million shares of common stock at an exercise price of $40.32 per share ("April 2025 Warrant"). The April 2025 Warrant expires in April 2027, and no warrants vested during the three and nine months ended September 30, 2026. The remainder of the shares underlying the April 2025 Warrant may vest and become exercisable over the contractual term, contingent upon the achievement of certain performance conditions. The Company recognized nil for the three and nine months ended September 30, 2026. The Company recognized less than $0.1 million for the three and nine months ended September 30, 2025, respectively. A total of 0.05 million April 2025 warrants remained outstanding following the closing of the IPO and will convert to Class A common stock upon exercise of this warrant.

The grant date fair value of the April 2024 Warrant, January 2025 Warrant, and April 2025 Warrant were determined using the Black-Scholes option pricing model using the following assumptions:

	April 2024 Warrant	January 2025 Warrant	April 2025 Warrant
Expected volatility	68.0%	63.6%	64.2%
Expected risk-free interest rate	4.8%	4.3%	3.7%
Expected term (in years)	2.69	2.50	1.73
Expected dividend yield	N/A	N/A	N/A
Fair value	$ 12.65	$ 40.25	$ 14.14

11. Income Taxes

The Company's effective tax rates were 14.5% and 10.5% for the three months ended September 30, 2026 and 2025, respectively, and (3.2)% and 8.0% for the nine months ended September 30, 2026 and 2025, respectively. The effective tax rates differ from the U.S. statutory tax rate primarily due to income taxes in foreign jurisdictions, partially offset by valuation allowance in the U.S. jurisdictions where the Company does not benefit from losses and tax credits.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law. The legislation did not have a material impact on the Company's condensed consolidated financial statements.

12. Net Income (Loss) Per Share Attributable to Common Stockholders

Basic earnings per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period without consideration for common stock equivalents. Diluted net income per share attributable to common stockholders is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period and potentially dilutive common stock equivalents. For periods of net loss, basic and diluted earnings per share are the same because the effect of potential common stock is anti-dilutive.

The rights, including the liquidation and dividend rights, of the holders of our Class A and Class B common stock are identical, except with respect to voting. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis and the resulting net loss per share attributed to common stockholders will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

A reconciliation of the denominator used in the calculation of basic and diluted net income (loss) per share is as follows (in thousands, except for per share data):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026			2025	2026			2025
	Class A	Class B	Consolidated	Common	Class A	Class B	Consolidated	Common
Basic net income (loss) per share:								
Numerator:								
Net income (loss)	$ 2,623	$ 2,049	$ 4,672	$ 15,874	$ (72,644)	$ (69,544)	$ (142,188)	$ 46,590
Deemed dividend on the conversion of Series D and D-1 redeemable convertible preferred stock	—	—	—	—	(2,882)	(2,760)	(5,642)	—
Net income (loss) attributable to common stockholders	$ 2,623	$ 2,049	$ 4,672	$ 15,874	$ (75,526)	$ (72,304)	$ (147,830)	$ 46,590
Denominator:								
Weighted-average common shares outstanding [1]	36,147	28,249	64,396	16,556	29,974	28,695	58,669	16,453
Basic net income (loss) per share	$ 0.07	$ 0.07	$ 0.07	$ 0.96	$ (2.52)	$ (2.52)	$ (2.52)	$ 2.83
Diluted net income (loss) per share:								
Numerator:								
Net income (loss) attributable to common stockholders	$ 2,735	$ 1,937	$ 4,672	$ 15,874	$ (75,526)	$ (72,304)	$ (147,830)	$ 46,590
Denominator:								
Weighted-average common shares outstanding [1]	36,147	28,249	64,396	16,556	29,974	28,695	58,669	16,453
Effect of dilutive securities:								
Stock options	554	—	554	1,066	—	—	—	1,144
Redeemable convertible preferred Stock	—	—	—	37,296	—	—	—	37,296
Warrants	14	—	14	130	—	—	—	142
Restricted stock units	3,804	439	4,243	3,174	—	—	—	3,558
Weighted-average diluted shares	40,519	28,688	69,207	58,222	29,974	28,695	58,669	58,593
Diluted net income (loss) per share	$ 0.07	$ 0.07	$ 0.07	$ 0.27	$ (2.52)	$ (2.52)	$ (2.52)	$ 0.80

(1) In connection with our IPO, our Series A-1, Series A-2, Series A, Series B, Series C, Series D and Series D-1 redeemable convertible preferred stock converted into 18.5 million and 19.1 million shares of the Company's Class A common stock and Class B common stock. For the nine months ended September 30, 2026, these shares were weighted in the denominator of net income (loss) per share for Class A and Class B common stock for the portion of the time outstanding subsequent to our IPO.

The potential shares of common stock that were excluded from the computation of diluted net income (loss) per share attributable to common stockholders for the periods presented because including them would have been antidilutive are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Unvested RSUs and PRSUs [1]	56	4,886	7,387	4,886
Stock Options	—	—	430	—
Warrants	4	4	308	—
Total	60	4,890	8,125	4,886

(1) The number of unvested RSUs and PRSUs excludes 4.8 million unvested 2026 PRSUs for which performance conditions have not been established as of September 30, 2026, as they are not considered outstanding for accounting purposes. For further information refer to Note 10, Stock-Based Compensation.

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

The following discussion and analysis of the financial condition and results of operations of Ethos Technologies Inc. ("Ethos," "the Company," "we," "our" and "us") should be read in conjunction with our unaudited condensed financial statements and related notes included elsewhere within this Quarterly Report. The discussion and analysis should also be read together with the audited consolidated financial statements and the related notes in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 17, 2026 ("Annual Report"). Some of the information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" of this Quarterly Report for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Ethos is a technology company transforming the life insurance industry. We have built a vertically integrated technology platform that makes life insurance accessible, affordable, and transparent for everyone. Since inception, we have activated over 850,000 policies. Through our three-sided technology platform, we serve a growing ecosystem of consumers, agents, and carriers, each of which benefits from the scale, ease-of-use, and efficiency of our platform. This creates strong network effects that drive our continued growth. We serve the following constituents through our digital platform:

- Consumers: We remove the friction from buying life insurance with a 100% digital application and underwriting process that includes transparent pricing, a few health questions driven by our proprietary underwriting engine instead of lengthy and invasive medical exams, and decisions in minutes for almost all consumers.
- Agents: Our platform is designed to enable agents to sell more policies and get paid quickly across a broad portfolio of products. We provide agents with an Agent OS that streamlines quoting, application submission, and policy management. Agents generate their own leads and refer customers to our platform, either through agent-assisted applications or dedicated microsites or links, and all Ethos policies sold through agents are ultimately activated on our platform. This reduces case management work and streamlines payments infrastructure, all of which substantially increase an agent's time available to prospect and sell.
- Carriers: We help life insurance carriers expand their consumer and agent reach in a manner designed to optimize risk selection and profitability, as carriers assume the insurance risk of the underlying policies. We do not assume balance sheet risk for the policies on our platform.

Our technology platform is fully digital and vertically integrated. We simplify the insurance value chain from distribution to underwriting, activation, payments, and administration. Combining key elements of the insurance sales and administrative process into a singular platform enables us to build insurance products quickly, dynamically adjust underwriting and pricing, and rapidly iterate to deliver a delightful consumer and agent experience.

Key Factors Affecting our Performance

Cost-Effectively Activating New Policies. Our continued growth is dependent on cost-effectively activating new policies. We reach consumers by investing in direct marketing and agent payments. Our direct marketing is diversified and includes affiliate marketing, search engine marketing, social media advertising, TV advertising, and others. We dynamically adjust our direct marketing on a daily basis to optimize our acquisition strategy. Spending to activate a new policy is governed by our payback period, which we define as the number of months it takes for the cash commissions received to offset advertising spend and agent payments, as well as underwriting, sales team and payment processing costs. As of September 30, 2026, our average payback period was within two months.

Agent Recruitment and Retention. We onboard new agents to our platform primarily through our network of agencies. As such, it is critical that we maintain strong relationships with existing agencies, establish new relationships, and enhance the productivity of agents to support agent retention. We intend to continue investing in our platform to make it increasingly attractive to agencies and their agents, primarily by adding features and functionalities that help agencies recruit more agents, enhance agent efficiency, boost overall productivity, and improve the consumer experience. In addition, as we continue to scale our third-party channel, we have taken, and expect to continue to take, actions to improve the persistency of policies sold by these agents, including by terminating agents who do not meet our heightened sales and underwriting standards.

Life Insurance Pricing. Life insurance pricing impacts purchasing and agent selling behavior. Pricing is primarily influenced by factors such as health, lifestyle, coverage amount, and policy type. Carriers may adjust pricing in response to shifts in mortality assumptions, interest rates, capital markets, reinsurance costs, inflation, and regulatory changes. We mitigate pricing risk through a diversified product portfolio and a broad mix of carriers, enabling us to offer competitive rates across a wide range of consumer profiles.

Evolving Channel and Product Mix. We leverage our two distribution channels to optimize for increased demand on our platform, our direct channel and our third-party channel. Consumer demand through each channel is impacted by multiple factors, including product mix, which we evaluate holistically when implementing this channel strategy. In addition, though we prioritize overall expansion of our product portfolio, our product mix impacts our growth and results of operations. Our revenue and Average Revenue Per Unit ("ARPU") are impacted by premium amounts, commission rates, and persistency estimates, all of which differ by product. Certain of our products, such as Whole Life Insurance, tend to have lower coverage amounts and commission rates, resulting in lower ARPU.

Further, because we offer most of our products through both channels, including Term Life Insurance, Whole Life Insurance, and Indexed Universal Life Insurance, our strategy and shifts in consumer insurance purchasing patterns and trends also drive fluctuations in product mix by channel, which impacts our results of operations. Certain of our products, such as Whole Life Insurance, have historically been sold primarily through our third-party channel due to various factors, including preferences and demographics of the target consumers for such products as well as sales strategies and priorities of independent agencies that use our platform to sell insurance products. In addition, our sales and marketing expense and Contribution Margin are impacted by our channel mix, as described further under the section titled "—Key Business Metrics and Non-GAAP Financial Measures–Contribution Profit."

As a result, we expect revenue, activated policies, and profitability to continue to be impacted by our evolving channel and product mix.

Strategic Carrier Relationships. Maintaining our active carrier relationships and establishing new carrier relationships are critical for our continued growth. However, we still have significant opportunities to increase our share, as we accounted for a minority of the top three carriers' life insurance premiums in 2025. Beyond our current relationships, we intend to selectively work with new carriers, primarily to facilitate new product introductions and further diversify our positions within our existing carrier base.

Persistency. Our results of operations, including our revenue growth trends, are impacted by changes in our persistency estimates. Several factors have resulted in, and may in the future result in, fluctuations in our persistency estimates, including growth in activated policies, new carrier relationships, introductions of new products on our platform, changes in our product mix, and changes in observed persistency in the life insurance industry.

Seasonality. Seasonality can impact our activated policy patterns, influencing acquisition volume, costs, and conversion rates. The three months ended March 31 have historically been our strongest quarter of activated policies, as consumer demand for life insurance is elevated by factors such as annual financial planning cycles that typically occur post-New Year. During this period, digital marketing costs tend to be lower relative to other periods, allowing us to efficiently invest more in direct marketing. However, as our business has grown rapidly and period-over-period growth has become an increasingly significant driver of our results, it is uncertain whether and to what extent seasonality will continue to impact our first quarter results compared to other quarters. As a result, our historical seasonal patterns may be less indicative of future results, and results for any single quarter may not be indicative of results for the full year or future periods.

Macroeconomic and Regulatory Trends. Macroeconomic factors, including a high interest rate environment, equity market returns, and a tight labor market impact the financial services and life insurance industries. Moreover, changes in the tax code (demand for insurance for tax planning purposes) or in capital reserving requirements (such as the approval of the principles-based reserving regime in 2017) impact the demand for the life insurance products we offer and the profitability of the carriers with whom we work. These macroeconomic and regulatory factors have the potential to affect demand for our underwriting and distribution services.

Key Business Metrics and Non-GAAP Financial Measures

Key Business Metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the following key business metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. The following table presents our key business metrics for the three and nine months ended September 30, 2026 and 2025 (in thousands, except activated policies, ARPU and percentages):

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2026		2025		Change %	2026		2025		Change %
	Amount	% Revenue	Amount	% Revenue		Amount	% Revenue	Amount	% Revenue	
Direct channel revenue	$ 118,815	*51%*	$ 56,102	*60%*	112%	$ 381,314	*62%*	$ 168,285	*61%*	127%
Third-party channel revenue	116,400	*49%*	37,692	*40%*	209%	236,562	*38%*	109,246	*39%*	117%
Total revenue	$ 235,215	*100%*	$ 93,794	*100%*	151%	$ 617,876	*100%*	$ 277,531	*100%*	123%
Total Activated Policies	142,111		49,220		189%	338,331		143,625		136%
Average Revenue Per Unit	$ 1,655		$ 1,906		(13)%	$ 1,826		$ 1,932		(5)%

Activated Policies. We define activated policies as the number of policies sold through our platform over a given period of measurement. Activated policies have increased over time as we have expanded our direct and third-party channels and added product offerings with existing and new carriers.

The total number of activated policies increased by 189% and 136% for the three and nine months ended September 30, 2026 compared to the same periods in 2025.

Average Revenue Per Unit. We define ARPU as our total GAAP revenue for a given period, divided by the total number of activated policies during the period.

ARPU varies by channel, and relatedly by product, due to differences in premium amounts, negotiated commission rates, and persistency estimates. Premiums are influenced by factors such as coverage amount, policy duration, and risk level, all of which differ by product. Our third-party channel historically has a higher mix of our Whole Life Insurance products, which typically have lower ARPU due to lower coverage amounts and commission rates. While ARPU fluctuates by channel and by product, we use total ARPU to evaluate our performance across channels and our overall growth.

ARPU was $1,655 and $1,826 during the three and nine months ended September 30, 2026, compared to $1,906 and $1,932 during the same periods in 2025, respectively. ARPU for the total business decreased by 13% and 5%, respectively, for the three and nine months ended September 30, 2026, primarily due to a channel mix that skewed more heavily to our third-party channel, which historically has a higher mix of Whole Life Insurance products, which typically have a lower ARPU due to lower coverage amounts and commission rates.

Non-GAAP Financial Measures

We believe that non-GAAP financial measures, when taken collectively, may be helpful to investors because they provide consistency and comparability with past financial performance. However, non-GAAP financial measures are presented for supplemental informational purposes only, have limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except percentages)			
Gross profit	$ 230,764	$ 92,117	$ 606,169	$ 272,857
Gross margin	*98%*	*98%*	*98%*	*98%*
Contribution profit [(1)]	$ 66,424	$ 36,694	$ 187,337	$ 114,812
Contribution margin [(1)]	*28%*	*39%*	*30%*	*41%*
Net income (loss)	$ 4,672	$ 15,874	$ (142,188)	$ 46,590
Net income margin	*2%*	*17%*	*(23)%*	*17%*
Adjusted EBITDA [(1)]	$ 34,920	$ 18,717	$ 103,742	$ 63,191
Adjusted EBITDA margin [(1)]	*15%*	*20%*	*17%*	*23%*

(1) Contribution Profit, Contribution Margin, Adjusted EBITDA and Adjusted EBITDA Margin are not calculated in accordance with GAAP. See below for more information regarding our use of Contribution Profit, Contribution Margin, Adjusted EBITDA and Adjusted EBITDA Margin and a reconciliation of Contribution Profit to Gross Profit, Contribution Margin to Gross Margin, Adjusted EBITDA to Net Income, and Adjusted EBITDA Margin to Net Income Margin, the most directly comparable financial measures calculated in accordance with GAAP.

Contribution Profit. We define Contribution Profit as our gross profit less sales and marketing expenses, which include agent payments and underwriting costs for non-activated policies, plus stock-based compensation and related taxes related to our employees and overhead costs allocated to sales and marketing expenses. Gross profit is defined as revenue less cost of revenue. Cost of revenue primarily consists of underwriting costs associated with activated policies. Overhead costs allocated to sales and marketing expenses include professional fees, technology expenses, and other related expenses. Contribution Margin is calculated by dividing Contribution Profit for a period by revenue for the same period.

Contribution Profit is primarily impacted by revenue as well as marketing costs, which consists of advertising spend on our website and agent payments for policies sold through our third-party channel. Both ARPU and marketing costs are impacted by changes in product and distribution channel mix.

The following table provides a reconciliation of gross profit to Contribution Profit:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Gross profit	$ 230,764	$ 92,117	$ 606,169	$ 272,857
Less: sales and marketing	(169,423)	(57,074)	(441,616)	(165,205)
Add: stock-based compensation and related taxes allocated to sales and marketing	(170)	23	11,413	2,043
Add: professional fees allocated to sales and marketing	1,806	258	3,156	1,174
Add: technology expenses allocated to sales and marketing	2,137	750	4,823	2,197
Add: other expenses allocated to sales and marketing	1,310	620	3,392	1,746
Contribution profit	$ 66,424	$ 36,694	$ 187,337	$ 114,812

For the three and nine months ended September 30, 2026, Contribution Profit increased by $29.7 million and $72.5 million, respectively, compared to the same periods in 2025. The increase in Contribution Profit was primarily driven by

continued revenue growth across both our direct and third-party channels, partially offset by the increase in sales and marketing expenses.

Contribution Margin was 28% and 39% for the three months ended September 30, 2026 and 2025, respectively, and 30% and 41% for the nine months ended September 30, 2026 and 2025, respectively. For the three months ended September 30, 2026 and 2025, the decrease was primarily driven by the change to third-party agent compensation and persistency estimates implemented since the period ended March 31, 2026, along with a shift in channel mix toward our third-party channel. For the nine months ended September 30, 2026 and 2025, the decrease was driven by the change to third-party agent compensation and persistency estimates implemented in the period ended March 31, 2026, and by a one-time charge of $16.5 million in agent compensation in sales and marketing expenses, recorded in the three months ended March 31, 2026. We use Contribution Profit and Contribution Margin to evaluate our operating performance. We believe that Contribution Profit and Contribution Margin provide useful information to investors about our business and financial performance because they offer insight into how efficiently we activate new policies and generate revenue by accounting for the direct expenses associated with those activated policies. Contribution Profit and Contribution Margin should not be considered as alternatives to gross profit and gross margin, or any other measure of financial performance calculated and presented in accordance with GAAP.

Adjusted EBITDA. We define Adjusted EBITDA as net income (loss) excluding interest expense, interest income, income tax expense (benefit), depreciation and amortization, and stock-based compensation and related taxes as set forth in the table below. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA for a period by revenue for the same period. We use Adjusted EBITDA and Adjusted EBITDA Margin to assess performance, to inform the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to assist our Board of Directors in monitoring our business and financial performance. We believe that Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to investors about our business and financial performance, enhance their overall understanding of our past performance and future prospects, including by providing consistency and comparability with our past financial performance, and allow for greater transparency with respect to measures used by our management in investors' financial and operational decision making. In addition, we believe Adjusted EBITDA is widely used by investors, securities analysts, and other parties in evaluating companies in their industry as a measure of operational performance.

The following table provides a reconciliation of Adjusted EBITDA to net income for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Net income (loss)	$ 4,672	$ 15,874	$ (142,188)	$ 46,590
Interest expense	358	786	1,636	2,405
Interest income	(1,908)	(1,410)	(5,050)	(4,472)
Income tax expense	790	1,863	4,424	4,029
Depreciation and amortization	1,838	1,332	4,757	4,075
EBITDA	$ 5,750	$ 18,445	$ (136,421)	$ 52,627
Stock-based compensation and related taxes	29,170	272	240,163	10,564
Adjusted EBITDA	$ 34,920	$ 18,717	$ 103,742	$ 63,191
Adjusted EBITDA margin	*15%*	*20%*	*17%*	*23%*

For the three and nine months ended September 30, 2026, Adjusted EBITDA increased by $16.2 million and $40.6 million, respectively, compared to the same periods in 2025. The increase in Adjusted EBITDA was primarily due to the increase in revenue partially offset by the increase in operating expenses excluding stock-based compensation and related taxes.

For the three and nine months ended September 30, 2026, Adjusted EBITDA Margins decreased by 5% and 6%, respectively, compared to the same periods in 2025. For the three months ended September 30, 2026, the decrease was primarily driven by changes in third-party agent compensation and persistency estimates, and a shift in channel mix toward our third-party channel. For the nine months ended September 30, 2026, the decrease was primarily driven by changes in our third-party agent compensation and persistency estimates, and by a one-time charge of $16.5 million in agent compensation in sales and marketing expenses, recorded in the three months ended March 31, 2026.

We expect Adjusted EBITDA and Adjusted EBITDA Margin to fluctuate in the near term as we continue to invest in our business and improve over the long term as we achieve greater scale in our business and efficiencies in our operating expenses.

Components of Results of Operations

Revenue

We primarily generate revenue through commissions paid by carriers from policies activated and sold through our platform as well as from our provision of TPA services for such policies. Our commission revenue is recognized upfront upon delivering new policyholders to carriers, and we have no material additional obligations post-sale. Our revenue for an activated policy includes both the first-year commission and renewal commissions, both of which require significant judgment in applying a persistency estimate. In future periods following policy activation, we recognize in-period adjustments in revenue as the applicable persistency estimates are updated.

Costs and Expenses

Costs and expenses consist of sales and marketing, general and administrative expenses, technology costs, cost of revenue, and depreciation and amortization.

Sales and Marketing

Sales and marketing expenses primarily consist of our advertising expenses, agent payments, underwriting costs for non-activated policies, and overhead costs allocated on a headcount basis. Sales and marketing expenses also consist of salaries, stock-based compensation expenses, employee benefits, bonuses, and commissions for sales and marketing employees and contractors.

General and Administrative

General and administrative expenses consist of salaries, stock-based compensation expense, employee benefits, and bonuses for executive, finance, accounting, legal, human resources, actuarial, and administrative support. General and administrative expenses also include legal, accounting, other third-party professional services, other miscellaneous expenses, and overhead costs allocated on a headcount basis.

Technology (Exclusive of Amortization)

Technology (exclusive of amortization) expenses primarily consist of salaries, stock-based compensation expense, employee benefits, and bonuses for salaried employees and contractors engaged in the design, development, maintenance, and testing of our platform including our websites, mobile applications and other products. Technology expenses also include overhead costs allocated on a headcount basis but do not include amortization of capitalized website and software development costs.

Cost of Revenue

Cost of revenue represents the direct costs associated with fulfilling our obligations to our carriers for the activation of insurance policies and primarily consists of underwriting costs incurred by activated policies in the application process.

Depreciation and Amortization

Depreciation and amortization expenses relate to property and equipment, website and software development costs, as well as acquisition-related and other acquired intangible assets. We record depreciation and amortization using the straight-line method over the estimated useful life of the assets.

Interest Expense

Interest expense consists primarily of interest costs associated with the sale of commissions receivable. For a portion of our policies, we have at times entered into arrangements in which we sell the rights to a portion of future commissions in exchange for upfront cash payments to unaffiliated entities. During the three and nine months ended September 30, 2026, no such arrangements were used. We impute interest on the unamortized portion of the liability for the sale of commissions

receivable using the effective interest method, which is based on forecasted payments expected to be made over the term of the agreements.

Interest Income

Interest income consists of income earned on our short-term investments included in cash and cash equivalents and marketable securities.

Other Income, net

Other Income, net consists of income from subleasing office space along with income from credit card rewards.

Income Tax Expense

Provision for income taxes consists of federal and state income taxes in the United States and income taxes in certain foreign jurisdictions, deferred income taxes reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and the realization of net operating loss carryforwards.

We account for uncertain tax positions in accordance with Accounting Standards Codification ("ASC") 740-10, Accounting for Uncertainty in Income Taxes. We recognize the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely on its technical merits as of the reporting date and only in an amount more likely than not to be sustained upon review by the tax authorities. Interest and penalties related to uncertain tax positions are classified in the condensed consolidated financial statements as income tax expense.

Results of Operations

The following tables set forth our results of operations for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenue:				
Commission	$ 235,215	$ 93,794	$ 617,876	$ 277,531
Total revenue	235,215	93,794	617,876	277,531
Costs and expenses:				
Sales and marketing	169,423	57,074	441,616	165,205
General and administrative	39,176	8,871	243,730	30,414
Technology (exclusive of amortization)	16,480	7,769	57,414	24,711
Cost of revenue	4,451	1,677	11,707	4,674
Depreciation and amortization	1,838	1,332	4,757	4,075
Total costs and expenses	231,368	76,723	759,224	229,079
Income (loss) from operations	3,847	17,071	(141,348)	48,452
Other income (expense):				
Interest expense	(358)	(786)	(1,636)	(2,405)
Interest income	1,908	1,410	5,050	4,472
Other income, net	65	42	170	100
Total other income, net	1,615	666	3,584	2,167
Net income (loss) before income tax expense	5,462	17,737	(137,764)	50,619
Income tax expense	790	1,863	4,424	4,029
Net income (loss)	$ 4,672	$ 15,874	$ (142,188)	$ 46,590

Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Direct channel revenue	$ 118,815	$ 56,102	$ 62,713	112%	$ 381,314	$ 168,285	$ 213,029	127%
Third-party channel revenue	116,400	37,692	78,708	209%	236,562	109,246	127,316	117%
Total revenue	$ 235,215	$ 93,794	$ 141,421	151%	$ 617,876	$ 277,531	$ 340,345	123%

For the three and nine months ended September 30, 2026, total revenue increased by $141.4 million and $340.3 million, or 151% and 123%, respectively, compared to the same periods in 2025. The increase in total revenue in both periods was primarily driven by increases in activated policies of 189% and 136%, respectively, across both channels.

For the three and nine months ended September 30, 2026, direct channel revenue grew by $62.7 million and $213.0 million, or 112% and 127%, respectively, compared to the same periods in 2025. For the three and nine months ended September 30, 2026, third-party channel revenue grew by $78.7 million and $127.3 million, or 209% and 117%, respectively, compared to the same periods in 2025. Revenue from our direct channel increased in both periods, primarily related to the growth in activated policies driven by our advertising investment and continued optimization across our consumer acquisition channels. The increase in revenue from our third-party channel in both periods was primarily driven by contributions from both new and existing agencies, alongside enhancements to our agent portal that improved conversion rates and agent productivity.

Costs and Expenses:

Sales and Marketing

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Sales and marketing	$ 169,423	$ 57,074	$ 112,349	197%	$ 441,616	$ 165,205	$ 276,411	167%
Percentage of revenues	72%	61%			71%	60%		

For the three months ended September 30, 2026, sales and marketing expenses increased by $112.3 million, or 197%, compared to the same period in 2025. The increase was primarily attributable to a $104.8 million increase in total advertising, agent payment, and other policy acquisition expenses, reflecting our strategic expansion across both direct and third-party distribution channels to grow and support higher application volumes. The increase in sales and marketing expense was further driven by a $3.8 million increase in personnel costs, largely due to headcount growth.

For the nine months ended September 30, 2026, sales and marketing expenses increased by $276.4 million, or 167%, compared to the same period in 2025. The increase was primarily attributable to a $249.1 million increase in total advertising, agent payment, and other policy acquisition expenses, which included a one-time increase of $16.5 million in agent compensation expenses as a result of our updated third-party agent compensation and persistency estimates to better reflect both maturing cohort experience and the impact of recent operational improvements. This increase in sales and marketing expense was further driven by a $9.4 million increase in stock-based compensation charge and related taxes associated with RSUs that vested upon the effectiveness of our IPO.

General and Administrative

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
General and administrative	$ 39,176	$ 8,871	$ 30,305	342%	$ 243,730	$ 30,414	$ 213,316	701%
Percentage of revenues	17%	9%			39%	11%		

For the three months ended September 30, 2026, general and administrative expenses increased by $30.3 million, or 342%, compared to the same period in 2025. The increase was primarily attributable to an increase of $25.4 million in stock-based compensation charge and related taxes including $6.7 million attributable to the 2026 PRSUs.

For the nine months ended September 30, 2026, general and administrative expenses increased by $213.3 million, or 701%, compared to the same period in 2025. The increase was primarily attributable to an increase of $199.6 million in stock-based compensation charge and related taxes including $6.7 million attributable to the 2026 PRSUs. The increase was further driven by a $5.9 million increase in personnel costs, largely due to headcount growth.

Technology (Exclusive of Amortization)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Technology (exclusive of amortization)	$ 16,480	$ 7,769	$ 8,711	112%	$ 57,414	$ 24,711	$ 32,703	132%
Percentage of revenues	7%	8%			9%	9%		

For the three months ended September 30, 2026, technology expenses increased by $8.7 million, or 112%, compared to the same period in 2025. The increase was primarily attributable to an increase of $3.6 million in stock-based compensation charge and related taxes, an increase of $2.1 million in personnel-related compensation expenses due to headcount growth, an increase of $1.4 million in software and web services to support both the maintenance and expansion of our product suite and technology infrastructure, and an increase of $0.8 million in hosting fees.

For the nine months ended September 30, 2026, technology expenses increased by $32.7 million, or 132%, compared to the same period in 2025. The increase was primarily attributable to an increase of $20.6 million in stock-based compensation charge and related taxes associated with RSUs that were vested upon the effectiveness of our IPO, an increase of $5.4 million in personnel-related compensation expenses due to headcount growth, an increase of $3.1 million in software and web services to support both the maintenance and expansion of our product suite and technology infrastructure, and an increase of $1.9 million in hosting fees.

Cost of Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Cost of revenue	$ 4,451	$ 1,677	$ 2,774	165%	$ 11,707	$ 4,674	$ 7,033	150%
Percentage of revenues	2%	2%			2%	2%		

For the three and nine months ended September 30, 2026, cost of revenue increased by $2.8 million and $7.0 million, or 165% and 150%, respectively, compared to the same periods in 2025. The increase in both periods was primarily attributable to an increase in underwriting costs, driven by growth in application and activated policy volume.

Depreciation and Amortization

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Depreciation and amortization	$ 1,838	$ 1,332	$ 506	38%	$ 4,757	$ 4,075	$ 682	17%
Percentage of revenues	1%	1%			1%	1%		

For the three and nine months ended September 30, 2026, depreciation and amortization expenses increased by $0.5 million and $0.7 million, or 38% and 17%, respectively, compared to the same periods in 2025. The increase in both periods was primarily attributable to an increase in capitalized software and development costs.

Other Income (Expense):

Interest Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Interest expense	$ (358)	$ (786)	$ 428	(54)%	$ (1,636)	$ (2,405)	$ 769	(32)%

For the three and nine months ended September 30, 2026, interest expense decreased by $0.4 million and $0.8 million, or 54% and 32%, respectively, compared to the same periods in 2025. The decrease was primarily due to the lower liability balance resulting from the sale of commissions for the three and nine months ended September 30, 2026 compared to the same periods in 2025.

Interest Income

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Interest income	$ 1,908	$ 1,410	$ 498	35%	$ 5,050	$ 4,472	$ 578	13%

For the three and nine months ended September 30, 2026, interest income increased by $0.5 million and $0.6 million, or 35% and 13%, respectively, compared to the same periods in 2025. The increase in both periods was primarily attributable to higher average investment and cash equivalents balances during the three and nine months ended September 30, 2026, compared to the same periods in 2025.

Income Tax Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
	(in thousands)				(in thousands)			
Income tax expense	$ 790	$ 1,863	$ (1,073)	(58)%	$ 4,424	$ 4,029	$ 395	10%
Percentage of revenues	0%	2%			1%	1%		

For the three months ended September 30, 2026, income tax expense decreased by $1.1 million, or 58%, compared to the same period in 2025. The decrease was primarily driven by the change in our estimated annual effective tax rate, which is calculated based on our estimated annual pre-tax results and updated each quarter. While we were at a pre-tax profit position for the three months ended September 30, 2026, a full year pre-tax loss is projected for the year ended December 31, 2026.

For the nine months ended September 30, 2026, income tax expense increased by $0.4 million, or 10%, compared to the same period in 2025. The increase was primarily driven by changes to the valuation allowance attributable to the increases to deferred tax liabilities associated with revenue recognition and income taxes in foreign jurisdictions.

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through net proceeds from our equity financings (including from our IPO and from pre-IPO sales of our convertible preferred stock) and commissions received from the sale of our products. Upon the closing of our IPO in January 2026, we received approximately $82.6 million in net proceeds, after deducting underwriting discounts and commissions and offering expenses paid or payable by us. As of September 30, 2026, our principal sources of liquidity were cash, cash equivalents, and investments of $290.1 million and working capital of $130.8 million. Cash and cash equivalents are comprised of cash held in demand deposit accounts and short-term, highly liquid investments with original maturities of three months or less. Marketable securities are comprised primarily of

government bonds, agency bonds, and investment grade U.S. and non-U.S.-issued corporate debt securities. Our principal use of cash has been to fund our operations and invest in technology to support our growth.

In August 2026, our Board of Directors authorized a share repurchase program of up to $100.0 million of our outstanding Class A common stock (the "2026 Share Repurchase Program"). Repurchases may be made from time to time either on the open market (including pursuant to pre-set trading plans), in privately negotiated transactions, and in other transactions in accordance with applicable securities laws. The timing and the amount of repurchased Class A common stock will be determined by our management based on its evaluation of market conditions and other factors. The 2026 Share Repurchase Program has no expiration date and may be suspended or discontinued at any time at our discretion, and does not obligate us to repurchase any specific number or dollar value of shares. As of the date of this Quarterly Report, no shares have been repurchased under the program.

We have generated significant losses from operations and negative cash flows from operating activities in the past as reflected in our accumulated deficit of $244.7 million as of September 30, 2026. Our future cash flows from operating activities may fluctuate as a result of investments we continue to make across our organization. However, we believe that our existing cash and cash equivalents will be sufficient to meet our working capital requirements for at least the next twelve months. However, our liquidity assumptions may prove to be incorrect, and we could utilize our available financial resources sooner than we currently expect. Our future capital requirements and the adequacy of available funds will depend on many factors, including our growth rate, accuracy of persistency estimates, expansion of sales and marketing activities, expansion of carrier and agency relationships, investments in technology enhancements, continued market adoption of our platform and services, timing and amount of sales of commissions receivable and any repurchases under the 2026 Share Repurchase Program. In addition, we may enter into agreements to acquire or invest in complementary businesses, products, teams, and technologies, including intellectual property rights, which could increase our cash requirements. As a result of these and other factors, we may be required to seek additional financing sooner than we currently anticipate. However, we may not be able to secure additional financing to meet our operating requirements or growth strategies on acceptable terms, or at all.

In particular, recent volatility in the global financial markets, including due to heightened inflation, rising interest rates, tariffs, and other macroeconomic conditions, geopolitical events, and ongoing conflicts, and disruptions in access to bank deposits or lending commitments due to bank failures could reduce our ability to access capital and negatively affect our liquidity in the future. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we will be subject to increased fixed payment obligations and could also be subject to restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. If we are unable to obtain needed additional funds, we will have to reduce our operating costs, which would impair our growth prospects and could otherwise negatively impact our business.

Cash Flows

The following table sets forth certain cash flow information for the nine months ended September 30, 2026 and 2025:

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 107,604	$ 31,281
Net cash provided by / (used in) investing activities	$ (81,595)	$ 23,115
Net cash provided by / (used in) financing activities	$ 32,808	$ (5,183)

Cash Flows Provided By Operating Activities

For the nine months ended September 30, 2026, net cash provided by operating activities was $107.6 million. While we reported a net loss of $142.2 million for the period, primarily attributable to $237.3 million in non-cash stock-based compensation, $3.3 million related to deferred taxes, $4.8 million related to depreciation and amortization, and $1.6 million related to non-cash interest expense, our core operations generated positive cash flow. In addition, during this period, significant changes in our operating assets and liabilities resulted from the following:

- Increase in accounts receivable of $47.0 million due primarily to 136% growth in activated policies during the nine months ended September 30, 2026.
- Increase in commissions receivable of $96.3 million due to an increase in the commissions owed to us by the insurance carriers.
- Increase in prepaid and other assets of $21.2 million due primarily to higher estimated agent commission advances attributable to the growth of our third-party channel.
- Increase in accounts payable of $22.6 million due primarily to increase in expected commissions to be paid to carriers as a result of clawbacks.
- Increase in accrued expenses of $71.1 million due primarily to an increase in accrued agent payments driven by growth in third-party revenue.
- Increase in other current liabilities of $73.8 million due primarily to an increase in the estimated carrier advances.

For the nine months ended September 30, 2025, net cash provided by operating activities was $31.3 million. We reported a net income of $46.6 million for the period, including non-cash expenses of $10.6 million related to stock-based compensation, $4.1 million related to depreciation and amortization, $3.5 million related to deferred taxes, and $2.4 million related to non-cash interest expense. In addition, during this period, significant changes in our operating assets and liabilities resulted from the following:

- Increase in accounts receivable of $5.6 million due primarily to 61% growth in activated policies during the nine months ended September 30, 2025.
- Increase in commissions receivable of $46.5 million due to an increase in the commissions owed to us by the insurance carriers.
- Increase in prepaid and other assets of $15.9 million due primarily to higher estimated agent commission advances attributable to the growth of our third-party channel.
- Increase in accounts payable of $35.3 million due primarily to increase in expected commissions to be paid to carriers as a result of clawbacks.
- Increase in accrued expenses of $10.5 million due primarily to an increase in accrued agent payments driven by growth in third-party revenue.

Cash Flows Provided By / (Used In) Investing Activities

For the nine months ended September 30, 2026, net cash used in investing activities was $81.6 million. This was primarily driven by $145.5 million in investment purchases and $5.3 million investment in software development costs, which were partially offset by $70.6 million in proceeds from maturities and sales of investments.

For the nine months ended September 30, 2025, net cash provided by investing activities was $23.1 million. This was primarily due to proceeds from maturity and sale of investments of $79.9 million, partially offset by purchases of investments of $52.5 million.

Cash Flows Provided By / (Used In) Financing Activities

For the nine months ended September 30, 2026, cash provided by financing activities was $32.8 million. This was primarily driven by $91.6 million in proceeds from initial public offering and $3.4 million proceeds from exercise of stock options, partially offset by $49.1 million of payment of tax withholdings on settlement of RSUs, $10.2 million repayments of the liabilities related to the sale of commissions receivable and $2.8 million payments of deferred offering costs.

For the nine months ended September 30, 2025, cash used in financing activities was $5.2 million, which primarily consisted of repayments of the liabilities related to the sale of commissions receivable of $7.8 million and payment of deferred offering costs of $3.2 million, partially offset by the proceeds from the sale of commissions receivable of $5.0 million and proceeds from stock option exercise of $0.8 million.

Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting estimates from those disclosed under the heading "Critical Accounting Policies and Estimates" within Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 17, 2026.

Recent Accounting Pronouncements

For a discussion of the recent accounting pronouncements, refer to "Recently Issued Accounting Pronouncements Not Yet Adopted" in Note 2. "Summary of Significant Accounting Policies" in Part I, Item 1 of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the Company's disclosures about market risk, please see "Part II—Item 7A—Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report filed with the SEC. There have been no material changes to the Company's disclosures about market risk in Part II—Item 7A of the Company's Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report.

Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

A control system, no matter how well designed and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings arising from activities in the normal course of business. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, financial condition, results of operations, and cash flows. Defending any legal proceeding is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the following risks, together with all of the other information contained in this Quarterly Report, including our consolidated financial statements and the related notes included elsewhere in this Quarterly Report, before making a decision to invest in our common stock. Any of the following risks could have an adverse effect on our business, financial condition, operating results, or prospects and could cause the trading price of our common stock to decline, which could cause you to lose part or all of your investment. Our business, financial condition, operating results, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

Risk Factor Summary

Investing in our Class A common stock involves numerous risks, including the risks described in the section titled “Risk Factors” and elsewhere in this Quarterly Report. You should carefully consider these risks before making an investment. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations, and growth prospects.

- We have a history of losses, and while we have recently achieved profitability in certain recent periods, we may not sustain it in the future.
- We have a limited history operating our business at its current scale, scope, and complexity, which makes it difficult to plan for future operations and growth initiatives and predict future results. In particular, factors impacting, and our ability to accurately forecast, our persistency estimates have negatively impacted and may in the future negatively impact our ability to accurately predict future revenue and cash flows and may in future periods result in unexpected differences between actual results compared to our forecasts.
- Our business could be harmed if we fail to manage our growth effectively.
- Revenue we earn on the sale of insurance products is based on premiums set by carriers, and any meaningful change in these premiums, or decrease in commission rates that we negotiate with our carriers based on such premiums, or actions by carriers seeking repayment of commissions, could adversely impact our revenue.
- Our business may be harmed if we lose relationships with carriers, fail to maintain good relationships with carriers, become even more dependent upon a limited number of carriers or fail to develop new carrier relationships.
- We rely on a limited number of agency counterparties, and if we are unsuccessful in maintaining relationships with these and new agencies and their ultimate owners, our results of operations will be harmed.
- Our success depends on individual agent adoption and engagement, and if agents do not engage with or adopt our platform, our results of operations will be harmed.
- Our business depends in part on third-party data, technology, and infrastructure providers, and failure to maintain these relationships or changes in their services could adversely affect our operations, revenue, and growth.
- Cyber-attacks, data breaches, security incidents, systems failures, and resulting interruptions in the availability of our websites, mobile applications, platform, or services, or those of our third parties with whom we work, could adversely affect our business, financial condition, and results of operations.

- Our brand awareness and marketing efforts to help grow our business may not be effective.
- Damage to our reputation could have a material adverse effect on our business.
- Failure to obtain, maintain, protect, defend or enforce our intellectual property rights, the infringement, misappropriation, or other violation of our intellectual property by third parties, or allegations that we have infringed, misappropriated or otherwise violated the intellectual property rights of others, could harm our reputation, ability to compete effectively, financial condition and business.
- Our business is subject to risks related to disputes, legal proceedings, and governmental inquiries.
- We and the third parties with whom we work are subject to stringent and evolving U.S. laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure (or that of the third parties with whom we work) to comply with such obligations could lead, and in certain cases has led, to regulatory investigations or actions, litigation (including class action claims), arbitration, and mass arbitration demands, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of consumers or sales, and other adverse business consequences.
- Competition in our industry is intense, and our inability to compete effectively may adversely affect our business, financial condition, and results of operations.
- Our stock price may be volatile, and the value of our Class A common stock may decline.
- An active public trading market may not develop or be sustained.

If we are unable to adequately address these and other risks we face, our business may be harmed.

Risks Related to Our Business

We have a history of losses, and while we have recently achieved profitability in certain recent periods, we may not sustain it in the future.

We have historically incurred net losses since our inception in 2016 and only recently achieved profitability in the year ended December 31, 2023. There is no guarantee that we will maintain profitability as we continue to invest in our business. We expect to make significant investments to further develop and expand our business. In particular, we expect to continue to expend substantial financial and other resources on marketing and advertising as part of our strategy to increase the number of new policies activated on our platform and expand our relationships with independent agencies, carrier relationships, and product offerings. We also expect to expend financial and other resources on research and development to further enhance our technology platform and underwriting capabilities. The timing and magnitude of revenue growth from activating new policies may not align with the period in which we incur operating expenses. This timing difference may result in expenses exceeding revenue in certain periods, impacting margins, profitability, and cash flow. As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. If we fail to increase revenue on the timeline that we expect or in an amount sufficient to offset these costs, we may not be able to sustain profitability. Moreover, if our revenue declines, we may be unable to reduce costs in a timely manner as many of our costs are fixed, at least in the short term. In addition, if we reduce variable costs to respond to losses, such as costs associated with marketing activities, this may negatively impact the number of policies activated, as well as agent sales through our platform.

In addition, following the closing of our initial public offering on January 30, 2026, the stock-based compensation expense related to our restricted stock units, or RSUs, has resulted in significant increases in our expenses for the three and nine months ended September 30, 2026, which could impair our ability to maintain profitability.

While we have demonstrated the ability to reach profitability in certain recent periods, we may not maintain it in the future, and we may continue to incur significant losses. For example, for the nine months ended September 30, 2026, we incurred a net loss of $142.2 million.

We have a limited history operating our business at its current scale, scope, and complexity, which makes it difficult to plan for future operations and growth initiatives and predict future results.

We have limited experience operating our business at its current scale, scope, and complexity, particularly given the recent growth in our carrier and agency relationships. Our limited history and experience operating our current business may negatively impact our ability to accurately predict our future results and plan strategic investments and initiatives to further expand our business and offerings, including to support agencies and carriers with whom we work, certain of which may require changes to our liquidity strategy and cash flow management, as well as to maintain or improve efficiency in our operations and costs. For example, changes in observed persistency from unexpected termination trends have in the past resulted in and could in the future result in similar changes to persistency estimates, leading to in-period adjustments to our revenue or expenses, including agent compensation expenses, as such changes are applied to previously activated policies and impact on revenue recognized for newly activated policies. Several factors have resulted in, and may in the future result in, such fluctuations in our persistency estimates, including when we begin working with new carriers or introduce new products, the growth and maturity of any of our distribution channels and changes or improvements in our operational processes, as we have limited historical data on policy terminations and resulting persistency in such cases to help inform our persistency estimates. Further, as we continue to scale our platform and increase the total number of activated policies at any given time, we may experience larger and more frequent in-period adjustments to revenue in respect of previously activated policies as well as greater variation in persistency estimates for newly activated policies, as a larger number of activated policies contribute to and impact observed persistency as well as persistency estimates. We also have limited experience with the post-issue audit and termination practices with new carriers. Policies and practices relating to carrier implementation of the results of our post-issue audits, and ensuing policy terminations by carriers, can differ across carriers or for the same carrier across periods for various factors that are outside of our control and over which we have limited to no visibility. If these carrier actions following our post-issue audits are delayed for any reason, or if carriers do not implement our recommendations as we expect, we have at times experienced and in the future may experience an outsized amount of policy terminations concentrated in certain periods when such carriers address their backlog of policy audits, impacting persistency and persistency estimates for the relevant periods and resulting in fluctuations in revenue growth. These dynamics have negatively impacted and may in the future negatively impact our ability to accurately predict future revenue and cash flows and may in future periods result in unexpected differences between actual results compared to our forecasts.

We also have limited experience with our third-party channel, which is becoming an increasingly significant portion of our total revenue and growth strategy. In particular, as we expand our relationships with independent agencies, we have faced and may continue to face increased pressure to offer higher agent compensation or incentives, which could harm our margins and profitability even if agent engagement on our platform is sustained or grows. Because of our relatively limited experience with our third-party channel, we have less historical data to help inform our persistency estimates and less operational experience with incorporating persistency data into our estimates. As we continue to scale our third-party channel, we have taken, and expect to continue to take, actions to improve the operational processes relating to persistency of policies sold by these agents, which has historically impacted and may in the future further impact our revenue and agent compensation expense.

You should consider and evaluate our prospects in light of the risks and uncertainties frequently encountered by growing companies in rapidly evolving markets, in particular, markets that are or could be materially impacted by macroeconomic uncertainty such as the life insurance industry. If our assumptions regarding the risks and uncertainties that we consider in planning and operating our business are incorrect or change, or if we do not address these risks and uncertainties successfully, including due to the lack of historical data from and experience in operating our business at its current scale and scope of offerings, our results of operations could differ materially from our expectations, and our business, financial condition, and results of operations could be adversely affected.

Our business could be harmed if we fail to manage our growth effectively.

While we have experienced rapid growth in recent periods, we may be unable to manage our growth successfully, and our recent growth rates may not be indicative of our future growth. The scalability and extensibility of our platform and our overall growth depends on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for bandwidth, particularly as we expand our product offerings and agency relationships. The growth in consumers, agents, and carriers using our platform and the insurance product sales processed through our platform have increased the amount of data and requests that we process. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation. Moreover, as our business grows, we will need to devote additional resources to improving our operational infrastructure and continuing to enhance its scalability in order to maintain the performance of our platform.

If we are unable to scale our support and operational processes effectively, the quality of the experience for consumers, agents, and agencies could suffer. This may negatively impact agent engagement and retention as well as our relationships with carriers and agencies, conversion rates, and consumer satisfaction.

As we expand our business, we may also face integration challenges as well as potential unknown liabilities and reputational concerns in connection with third-party agencies or carriers we work with, including challenges, liabilities, and concerns that may impact and cause fluctuations in our financial results. For example, when working with new carriers or new products with existing carriers, our limited historical experience and data may result in more frequent changes to persistency and resulting persistency estimates, which can result in more frequent adjustments to revenue or expenses in future periods. We intend to further expand our overall business but our revenue may not continue to grow. As part of that expansion, we expect to grow our team across various functions, which will increase our costs and the complexity of our operations and place additional demands on our management, systems, and infrastructure. If we are unable to manage operational and integration challenges, or suffer unknown liabilities and reputational damage, our business may be adversely affected.

As we grow, we will be required to continue to improve our financial controls and procedures, and we may not be able to do so effectively. For example, risk of compliance failures may increase if our internal controls and systems do not keep pace with evolving regulatory requirements or increased transaction volumes. In addition, as the volume of personal and sensitive data we process increases, so does the importance of maintaining robust data privacy and security protections. We have been the subject of, and may in the future be exposed to, regulatory investigations and actions, which may result in reputational harm and a loss of trust among our consumers and counterparties.

Revenue we earn on the sale of insurance products is based on premiums set by carriers, and any meaningful change in these premiums, or any decrease in commission rates that we negotiate with our carriers based on such premiums, or actions by carriers seeking repayment of commissions, could adversely impact our revenue.

We derive revenue from commissions on the sale of insurance products that are paid by the carriers from whom our consumers purchase insurance. We negotiate commission rates with our carriers, which are a percentage of premiums that the carriers charge our consumers. Premiums vary by insurance product provided by carriers, and we do not set the insurance premiums on which our commissions are based. Our consumers' eligibility for insurance products, as determined through our underwriting processes, impacts the selection of products available to consumers, and as a result, the product mix sold on our platform and for which we receive commissions. Average premiums and underwriting criteria may still change significantly in response to shifts in interest rates, mortality trends, other market or regulatory developments and macroeconomic conditions, as well as carrier pricing strategies. In addition, capacity could be reduced by carriers failing or withdrawing from writing certain coverages that we offer our consumers. Commission rates and premiums can change based on prevailing legislative, economic, and competitive factors that affect carriers. These factors, which are not within our control, include the capacity of carriers to place new business, underwriting and non-underwriting profits of carriers, consumer demand for insurance products, the availability of comparable products from other carriers at a lower cost, and the availability of alternative insurance products to consumers. Because we cannot predict or control these factors, our revenue, margins, and profitability may be volatile. These changes could reduce the volume of policies sold through our platform or our third-party channel and impact our ability to generate revenue. In addition, as our product mix shifts toward more complex insurance products, such as annuities, these products are generally subject to greater regulatory and compliance requirements than our core life insurance products, which may increase our costs and affect the economics of distributing them.

As carriers continue to refine their distribution strategies, they may seek to further minimize their expenses by reducing the commission rates payable to insurance agents, brokers, or platforms like ours. The reduction of these commission rates, along with fluctuations in life insurance premiums, may significantly affect our revenue growth, margins, and profitability. Because we do not determine the timing or extent of premium pricing changes, it may be difficult to precisely forecast changes in our revenue. As a result, we may have to adjust our budgets for future operational and capital expenditures and other expenditures to account for unexpected changes in revenue, and any changes in premium rates or reduction in commission rates may adversely affect our business, financial condition, and results of operations.

Under certain of our carrier contracts, upon certain policy terminations, we are obligated to repay to our carriers or their affiliates all or a portion of the commissions received. Larger or more frequent than expected policy terminations result in changes to persistency and our persistency estimates, including as a result of lower persistency on policies sold through certain agencies that we have onboarded more recently, which may lead to larger adjustments to revenue in future periods, whereas fewer than expected policy terminations may lead to lesser in-period adjustments to revenue. Reductions in revenue in such circumstances could negatively impact our results of operations and financial condition and decrease predictability and comparability across periods. In particular, when implementation of our post-issue audit results are delayed by carriers, the resulting terminations, if any, and related adjustments to our revenue will also be delayed and may not have been

accounted for in our estimates of future performance. This dynamic negatively impacts the comparability of our results of operations across periods and may negatively impact investor perception of our financial performance. Additionally, upon the termination of policies sold through agents, we may not be able to fully or promptly recoup agent payments owed to us from the applicable agency or agent, and in certain cases such amounts may prove entirely uncollectible. This could negatively impact our cash flows and financial results and could adversely impact our ability to budget for future expenditures, particularly if we are also obligated to repay carriers' commissions received upon any such policy terminations.

Our business may be harmed if we lose relationships with carriers, fail to maintain good relationships with carriers, become even more dependent upon a limited number of carriers or fail to develop new carrier relationships.

We enter into contractual producer and third-party administration relationships with carriers that are sometimes unique to Ethos but are generally non-exclusive and terminable on notice by either party for any reason. In many cases, carriers also have the ability to amend the terms of our agreements on short notice. Carriers may be unwilling to allow us to sell their existing or new insurance products or may amend our agreements with them, for a variety of reasons, including for competitive or regulatory reasons or because of a reluctance to distribute their products through our platform. In particular, if we experience greater terminations of policies, including due to broader industry, economic, or mortality trends, our carriers may seek to restructure or renegotiate their contractual terms with us, including reductions in commission rates, or may determine to leave our platform altogether, which has occurred in the past and may occur again in the future. Any such restructurings, renegotiations, or departures may also harm our reputation, making it more difficult to secure future carrier relationships on favorable terms or at all. Carriers may also cease offering certain products that comprise a higher volume of our historical activated policies for various reasons, including due to such products' actual or expected future return on investment for such carriers, which would harm our business, growth, and results of operations. Carriers may decide to rely on their own internal distribution channels, choose to exclude us from their most profitable or popular products, or decide not to distribute insurance products in individual markets in certain geographies or altogether. The termination or amendment of our relationship with a carrier could reduce the variety of insurance products we offer, which could negatively impact our revenue growth and also our relationships with agencies and engagement of their agents on our platform. Our ability to grow our business could also be harmed if we fail to develop new carrier relationships.

In addition, we have a significant amount of receivables from carriers for policies placed through our platform. If those carriers were to experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us, which could have a significant adverse impact on our financial condition and results of operations. The potential for an insurer to cease writing insurance offered through our platform could negatively impact overall capacity in the industry, which in turn could reduce placement of certain lines of insurance and reduce revenue and profitability for us. Questions about a carrier's perceived stability or financial strength may contribute to such insurer's strategic decisions to focus on certain lines of insurance to the detriment of others. The failure of a carrier with which we place insurance could result in errors and omissions, or E&O, claims against us by our consumers, and the failure of our carriers could make the E&O insurance we rely upon cost prohibitive or unavailable, which could have a significant adverse impact on our financial condition and results of operations. In addition, if any carrier merges or if one of our large carriers fails or withdraws from offering certain lines of insurance, the insurance industry's overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of insurance and, as a result, reduce our commissions and fees and profitability. Such failures or insurance withdrawals on the part of our carriers could occur for any number of reasons, including large, unexpected payouts resulting from a pandemic, elevated mortality rates, or other public health events. Any of these events could adversely affect our financial condition and results of operations.

We rely on a limited number of carriers, and if we are unable to maintain these relationships or diversify the carriers with whom we work, our business and results of operations could be harmed.

While we continue to expand our carrier relationships, a significant portion of our policy volume is attributable to a limited number of carriers. For the three and nine months ended September 30, 2026 and 2025, our top three carrier relationships, which are Ameritas, Banner Life (formerly Legal & General America), and TruStage, represented at least 87% of our total revenue. As our business and the insurance industry evolve, it may become necessary for us to offer insurance products from a reduced number of carriers or to derive a greater portion of our revenue from a more concentrated number of carriers. Should our dependence on a smaller number of carriers increase, whether as a result of the termination of carrier relationships, carrier consolidation or otherwise, we may become more vulnerable to adverse changes in our relationships with our carriers, particularly in states where we offer insurance products from a relatively small number of carriers or where a small number of carriers dominate the market. The termination, amendment or consolidation of our relationship with carriers could harm our business, financial condition, and results of operations.

In addition, we have received cash commission advances from certain of our largest carriers in excess of the revenue recognized on the underlying policies, which we record as estimated carrier advances. If our relationship with one of these carriers were terminated, we would generally be required to repay the outstanding advances attributable to that carrier as the underlying policies lapse, without the benefit of new production from that carrier to offset those obligations. Our ability to recover the related agent debt in those circumstances may also be limited, including because the affected agents would no longer have access to that carrier's products. As a result, if such a carrier relationship is terminated, if such carrier's financial condition suffers a material negative impact, or if their production on our platform decreases or slows, we could be required to fund a significant repayment obligation over a compressed period which would adversely affect our liquidity, financial condition, and results of operations, perhaps materially.

We rely on a limited number of agency counterparties, and if we are unsuccessful in maintaining relationships with these and new agencies and their ultimate owners, our results of operations will be harmed.

In addition to our direct channel, we rely on our third-party channel, consisting primarily of contractual relationships with independent agents and agencies, to generate a significant and growing portion of our revenue. Our revenue from sales of policies on our platform through our third-party channel is driven by a limited number of agencies. In each of the years ended December 31, 2024 and 2025, approximately 25% and 31%, respectively, of our revenue was generated through three of our most significant agency relationships. We anticipate that we will continue to derive a significant portion of our revenue from sales of policies on our platform through agents from a limited number of agencies for the foreseeable future, and in some cases, the portion of our revenue attributable to certain agencies may increase in the future. We may not be able to maintain or increase revenue associated with such agencies for a variety of reasons, including if the agencies or affiliated agents no longer perceive our platform to be accretive to or cost-effective for activating new policies, or agents determine that alternative platforms, other methods of selling policies or products not offered by us are preferable. Our contractual arrangements with agencies have no minimum term or engagement commitments. As a result, the agencies with whom we work may disengage from or abandon use of our platform or services at any time at their discretion. We have in the past experienced, and may in the future experience, decreases or gaps in agent engagement with our platform, including as directed by agencies, for various reasons, whether related to or unrelated to Ethos or our platform or products.

These agencies facilitate our access to a broader consumer base, including those who prefer purchasing insurance through traditional advisory channels. If we are unable to attract, retain, or maintain productive relationships within this channel, or if agents choose to offer competing products instead of or in addition to ours, our revenue and growth could be adversely affected. Additionally, regulatory changes, shifts in consumer behavior, shifts in demand for particular product offerings, or increased competition from other similar platforms could further impact our ability to sustain these relationships and maintain our revenue growth.

Our reliance on a limited number of agencies also concentrates our exposure to agent debt. Because unpaid agent debt generally rolls up through the distribution hierarchy to the applicable agency, deterioration in the persistency or financial condition of an agency, or its inability or unwillingness to satisfy debt generated by its agents, could result in uncollectible balances for us, which would negatively impact our business, financial condition, and results of operations. This risk may be heightened for newer agencies that we have onboarded as we have scaled our third-party channel.

In recent years, private equity sponsors have acquired numerous independent insurance agencies, including certain of our current agency counterparties. This consolidation may continue or accelerate in the future, resulting in fewer independent agencies and more agencies under common ownership. In addition, while we maintain distinct contractual relationships with agencies, certain agencies are or may in the future be consolidated under common control. As a result, the ultimate control parties may seek to restructure or renegotiate the agencies' contractual terms with us, including to shift contractual relationships to control parties, to modify the terms of their liabilities or make other changes, which has happened recently and may happen in the future. Failure by us to maintain a positive relationship with the ultimate control parties for these agencies may result in termination of our commercial relationships with these parties and affiliated agencies or the restructuring of the commercial relationships in a manner unfavorable to us. Further, we may experience loss of engagement from agents at such agencies or disengagement by such agencies from our platform. This shift towards consolidation could impact our ability to initiate new or maintain existing agency relationships, as has happened in the past and may occur in the future, and could also heighten the risks relating to agency and affiliated agent engagement with our platform described above.

We incur marketing and incentive expenses when onboarding a new agency or engaging with agents at an agency with whom we already work. The effectiveness of such marketing and incentive efforts, and as a result, their return on investment, may not materialize or be known for several quarters due to the time it takes for new agents to be fully ramped up on our

platform. In addition, independent agencies that use our platform may seek to exert leverage to negotiate for higher compensation, which, if granted, could negatively affect our margins.

Maintaining and growing our relationships with independent agencies generally require us to continually improve our platform, which may involve significant technological and design challenges, and agencies have placed and are expected to continue to place considerable pressure on us to improve. Accordingly, we expect to devote a substantial amount of our resources to our relationships with independent agencies, which could detract from or delay other strategic initiatives. Moreover, it is possible that agencies with whom we work may develop their own infrastructure that may compete with our services or partner with a competitor's infrastructure. If we are unable to retain these key relationships or if agencies reduce their activity on our platform, our revenue would be adversely impacted and our business, operating results, financial condition, and future prospects would be materially and adversely affected.

Our success depends on individual agent adoption and engagement, and if agents do not engage with or adopt our platform, our results of operations will be harmed.

Our success depends on individual agent engagement. Agent-level adoption of our platform is not guaranteed and may vary significantly across agencies. If agents are slow to adopt our platform, choose to deprioritize it, or lack sufficient support or training, the anticipated benefits of a given agency or agent relationship may not materialize. Agent acceptance of our platform also depends on its perceived quality, effectiveness, and usability compared to alternative selling methods. Moreover, agent behavior can be affected by changes we may implement to compensation-advance or agent-eligibility practices in response to persistency or agent quality concerns, as well as factors beyond our control, such as changes in agency compensation structures, internal agency incentives, or technical issues that disrupt agent workflows or compensation accuracy, which factors may be influenced or directed by agencies as part of their own competitive strategies. These dynamics have in the past, and may in the future, reduce agents' platform engagement and impact the volume of policies sold.

Some of the agents that activate policies using our platform, or provide additional services on our platform, may have relationships with or influence over our consumers, and therefore we risk the loss of such consumers if agents choose not to engage with our platform or prioritize our products.

Our business depends in part on third-party data, technology, and infrastructure providers and failure to maintain these relationships or changes in their services could adversely affect our operations, revenue, and growth.

We anticipate that the growth of our business will continue to depend on third-party relationships, including key technology and service providers that support our platform, such as payment processors. We rely on third-party technology and infrastructure providers to support key aspects of our business, including cloud hosting, data processing, application performance, and core platform functionality. Many of these providers operate on a non-exclusive basis and may also support our competitors or offer competing services, which could impact our ability to differentiate or maintain performance. Identifying, negotiating, and documenting relationships with third parties requires significant time and resources as does integrating third-party content and technology into our platform and operations.

We also rely on certain third-party data sources to support policyholder underwriting and decision-making through our platform. These sources include credit-based insurance scores, driving records, prescription data, medical records, and other consumer information provided by unaffiliated vendors, and, in some cases, analysis and interpretation of such data. Third-party vendors of such information include, among others, Milliman, TransUnion and MIB Group. Access to this data is important to the speed, accuracy, and overall functionality of our platform. Before we obtain any such third-party data, consumers provide the necessary authorizations and consents directly through our platform, and we share underwriting data with carriers to the extent permitted by those authorizations. While we believe our platform is designed to obtain all relevant and necessary authorizations and consents before third-party data about consumers is obtained and shared, including with carriers, any challenges to or litigation or investigations regarding these processes could be costly, time-consuming, and distracting to management and may harm our business and results of operations. If we lose access to any of these data sources, including any analytics thereof, experience disruptions in availability, or encounter changes in pricing, usage terms, or regulatory constraints affecting access to or use of such data (or any analytics thereof), our ability to support underwriting could be impaired. In addition, if these vendors degrade service quality or if these data sources fail to meet evolving technical or compliance standards, or fail to meet standards of accuracy and acceptable ranges of mortality predictiveness of our present and future carriers, it could result in delays or friction in the application process for consumers and agents, and limit the ability of carriers to efficiently evaluate risk. Because our underwriting model does not involve traditional medical exams or laboratory testing, we rely on these alternative data sources to evaluate risk. While we believe these data sources are

sufficient to support accurate and efficient underwriting, they may not provide the same depth or type of medical information as traditional processes. As a result, our ability to support certain products, including those that require more comprehensive medical evaluation, may be limited, and some carriers may be unwilling to underwrite policies using our approach. While we have not experienced limitations on the number of carriers that our platform's decision-making can handle, we may encounter difficulties or challenges with our decision-making processes and capabilities, including due to factors impacting our third-party vendors that may be outside of our control, that impede our ability to satisfy our carriers' underwriting standards and conditions and harm our reputation, business, and results of operations. Further, any of these developments could reduce the effectiveness of our platform, diminish adoption or satisfaction among carriers, agents, and applicants, and adversely affect our business and operating results. In addition, third-party service providers may not perform as expected under our agreements, and we or our carriers may in the future have disagreements or disputes with such providers, while our competitors may be effective in providing incentives to carriers to favor their products or services on competitors' platforms or to prevent or reduce sales made through our platform. If we lose access to products from a particular carrier, or experience a significant disruption in the supply of products from a current carrier, especially a carrier offering a unique or popular insurance product, our business and operating results could be harmed.

In addition, changes in the availability, cost, permitted use, or quality of certain third-party underwriting data could disrupt our business operations and harm our business, growth, and results of operations. For example, if any laws or regulations were to prohibit the use of financial underwriting scores based on concerns of discriminatory impact, we could lose the ability to support rapid underwriting, which would negatively impact our consumer experience, conversion rates, revenue, and operating margins. Similarly, if providers of prescription and medical claims intelligence were to discontinue or limit their data offerings, and we were required to rely on raw data inputs, we would need to rapidly adapt our underwriting processes, which we are not currently equipped to do. Any of these developments could impair the functionality and competitiveness of our platform and negatively affect our business, financial condition, and results of operations.

Our business is subject to risks related to disputes, legal proceedings, and governmental inquiries.

We are subject to litigation, regulatory investigations, and claims arising in the normal course of our business operations. The risks associated with these matters often are difficult to assess or quantify and the existence and magnitude of potential claims often remain unknown for substantial periods of time. While we have insurance coverage for some of these potential claims, others may be subject to certain exclusions under our policy and/or not be otherwise covered by insurance, insurers may dispute coverage, or any ultimate liabilities may exceed our coverage limits.

We may be subject to actions and claims relating to the sale of insurance. Actions and claims may result in the rescission of such sales and consequently, carriers may seek to recoup commissions paid to us, which may lead to legal action against us. The outcome of such actions cannot be predicted, and such claims or actions could have a material adverse effect on our business, financial condition, and results of operations.

We are subject to numerous laws and regulations and may be subject to regulatory investigations from time to time. The insurance industry has been subject to a significant level of scrutiny by various regulatory bodies, including state attorneys general and insurance departments, concerning certain practices within the insurance industry. These practices include the marketing and sale of life insurance policies, denials of coverage, the suitability of insurance products and services, the use, handling, and disclosure of consumer information (including personal information), lead generation and data sharing and sales, and the handling of commissions and agent compensation. From time to time, we have received informational requests from governmental authorities and have been and may in the future be subject to investigations and enforcement actions, including lawsuits, injunctions, damages, and criminal and civil penalties related to disclosures of personal information, including certain types of sensitive health information.

These same laws sometimes also provide individuals with private rights of action. Therefore, in addition to regulatory investigations and actions, the insurance industry has been subject to consumer lawsuits, including class actions, brought under insurance and state and federal consumer protection laws.

There have been a number of revisions to existing, or proposals to modify or enact new laws and regulations regarding insurance agents, brokers, and distribution platforms. These actions have imposed or could impose additional obligations on us with respect to products sold on our platform.

We cannot predict the impact that any new laws, rules, or regulations may have on our business and financial results, and we may become subject to governmental inquiries, subpoenas, or lawsuits. Regulators may raise issues during investigations, examinations, or audits that could, if determined adversely, have a material impact on us. The interpretations of regulations by regulators may change and statutes may be enacted with retroactive impact. We could also be materially adversely affected by any new industry-wide regulations or practices that may result from these proceedings.

Our involvement in investigations and lawsuits have caused and may in the future cause us to incur additional legal and other costs, including fines and damages, some of which may be material in amount. Regardless of final costs, these matters could have a material adverse effect on us by exposing us to negative publicity, reputational damage, harm to consumer relationships, or diversion of personnel and management resources.

Our business strategy depends in part on expanding our third-party channel, which includes independent agencies and the agents who sell insurance products through our platform. Our third-party channel also increases our exposure to regulatory and compliance risks that we do not directly control. These agencies and agents operate independently and are responsible for their own sales practices, data privacy and security, personnel and compensation policies, and marketing activities. As the volume of activity through agencies and agents increases, so does the potential for noncompliance with applicable laws by such parties, including state insurance regulations, consumer protection laws, data privacy laws, and anti-fraud statutes, and for disputes with other parties, including agents, former agents, other agencies, and carriers, that could involve us or subject us to liability. For example, agents with which we have relationships have in the past, and may in the future, terminate policies issued by carriers we have relationships with and replace them with policies issued by carriers we do not contract with in an improper manner, which is a practice that we prohibit in our contractual arrangements with agencies. Our ability to monitor and influence their conduct is limited, and if any agency or agent fails to comply with applicable laws or engages in conduct that exposes them to liability, we could face reputational harm as well as other negative consequences, including regulatory scrutiny, government investigations, legal liability, or monetary penalties, and could incur significant costs, even if we were not directly involved in the conduct at issue. Any of these outcomes could adversely affect our business, financial condition, and results of operations.

Competition in our industry is intense, and our inability to compete effectively may adversely affect our business, financial condition, and results of operations.

The business of selling insurance products and services is highly competitive and fragmented, and we expect competition to intensify. We compete for consumers on the basis of reputation, customer service, product offerings, and our ability to innovate and tailor products and services to meet the specific needs of a consumer.

We actively compete with a number of companies, including agencies, brokerages, traditional carrier distribution channels, as well as companies with online and platform offerings similar to ours. Competition may reduce the fees that we can obtain for services provided, which would have an adverse effect on revenue and margins. Many of our competitors have greater financial and marketing resources than we do and may be able to offer products and services that we do not currently offer and may not offer in the future. As insurance carriers and financial services companies expand their digital distribution strategies, we may face increased competition from larger, well-capitalized entities offering a broader range of products directly to consumers. In addition, a number of carriers are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to brokers or other market intermediaries. Furthermore, we compete with various other companies that provide risk-related services or alternatives to traditional insurance services, including other competing start-up companies, which are focused on using technology and innovation, to simplify and improve the customer experience, increase efficiencies, alter business models, and effect other potentially disruptive changes in the industries in which we operate. We also expect new entrants to offer competitive services and carriers may also seek to build their own solutions, including using advanced tools such as AI, and particularly in markets where development costs are lower. If we cannot compete successfully against current and future competitors, our business, results of operations, and financial condition could be negatively impacted.

In addition, in recent years, private equity sponsors have invested tens of billions of dollars into the insurance sector, transforming existing players and creating new ones to compete with large brokers. These new competitors, alliances among competitors or mergers of competitors could emerge and gain significant market share, and some of our competitors may have or may develop a lower cost structure, adopt more aggressive pricing policies, or provide services that gain greater market acceptance than the services that we offer or develop. Competitors may be able to respond to the need for technological changes and innovate faster, or price their services more aggressively. They may also compete for skilled professionals, finance acquisitions, fund internal growth and compete for market share more effectively than we do. To respond to increased competition and pricing pressure, we may have to lower the cost of our services or decrease the level of service provided to consumers, which could have an adverse effect on our business, financial condition, and results of operations.

Similarly, any increase in competition due to new legislative or industry developments could adversely affect us. These developments include:

- increased capital-raising by carriers, which could result in new capital in the industry, which in turn may lead to changes in insurance premiums and commissions;
- carriers selling insurance directly to insureds without the involvement of a broker, agent or other intermediary;
- changes in our business compensation model as a result of regulatory developments; and
- increased competition from new market participants such as banks, accounting firms, consulting firms, and Internet or other technology firms offering risk management or insurance brokerage services, or new distribution channels for insurance such as payroll firms.

New competition as a result of these or other competitive or industry developments could cause the demand for our products and services to decrease, which could in turn adversely affect our business, financial condition, and results of operations.

Cyber-attacks, data breaches, security incidents, systems failures, and resulting interruptions in the availability of our websites, mobile applications, platform, or services, or those of third parties with whom we work, could adversely affect our business, financial condition, and results of operations.

It is critical to our success that consumers, agents, and carriers be able to access our platform at all times. Our systems, or those of third parties upon which we rely, may experience service interruptions or degradation or other performance problems because of data breaches or data security incidents (for additional information on this risk, see the section titled “Risk Factors—Risks Related to Intellectual Property, Artificial Intelligence, Data Privacy, and Security—If our information technology systems or those of third parties with whom we work or our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of consumers or sales, and other adverse consequences”), infrastructure changes, human error, earthquakes, hurricanes, floods, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, or other attempts to infiltrate or harm our systems or platform. It has become increasingly difficult and expensive to maintain and improve the performance of our systems and the availability of our platform, especially during peak usage times, as our operations grow and the usage of our platform increases. Some of our systems are not fully redundant, and our disaster recovery planning may not be sufficient for all eventualities.

We may experience system failures and other events or conditions that interrupt the availability or reduce or affect the speed or functionality of our platform. These events could result in significant losses of revenue and could harm our brand and reputation. Affected users could seek monetary recourse from us for their losses and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address. In addition, such breaches have in the past required, and may in the future require notification to governmental agencies, the media, or individuals pursuant to various federal and state privacy and security laws and regulations. Further, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. A prolonged interruption in the availability or reduction in the availability, speed, or other functionality of our platform could adversely affect our business and reputation and could result in the loss of consumers. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of system failures, cyber-attacks, and similar events.

Our brand awareness and marketing efforts to help grow our business may not be effective.

Promoting awareness of our platform and maintaining and enhancing our reputation is important to our ability to grow our business, and attracting consumers, agents, agencies, and carriers can be costly. We believe that much of the growth in the number of consumers, agents, agencies, and carriers that utilize our platform is attributable to our paid marketing initiatives. Our marketing efforts have included referrals, affiliate programs, partnerships, display advertising, television, billboards, radio, video, social media, email, podcasts, search engine optimization, and keyword search campaigns. Our marketing initiatives may become increasingly expensive, and we may not generate a meaningful return on these initiatives. Even if we increase revenue as a result of our paid marketing efforts, it may not offset the additional marketing expenses we incur. If our marketing efforts to help grow our business are not successful or cost-effective, our business, financial condition, and results of operations could be adversely affected.

The successful promotion of our brand and the market's awareness of our platform and product offerings will depend on a number of factors, including our marketing efforts, ability to continue to expand our product offerings, and ability to successfully differentiate our platform from competing channels. We expect to invest substantial resources to promote and maintain our brand, but there is no guarantee that our brand development strategies will enhance the recognition of our brand or lead to increased sales. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in promoting and maintaining our brand and reputation. If our efforts to cost-effectively promote and maintain our brand are not successful, our results of operations and our ability to attract and engage consumers, agencies, and agents may be adversely affected. Further, even if our brand recognition and consumer loyalty increase, this may not yield increased revenue for us.

Unfavorable publicity regarding our customer service, privacy, data security, data protection practices, and certain agencies with which we have a relationship could also harm our reputation and diminish confidence in, and the use of, our services. Fear of loss of consumers or lack of consumer adoption due to poor service quality or negative customer or shopper reviews or press may make agencies or agents reluctant to remain with us. The same negative network effects could occur as a result of trust and safety or fraud incidents as well as data breaches and other data security incidents. In addition, negative publicity related to agencies or carriers with whom we work may damage our reputation, even if the publicity is not directly related to us. If we fail to maintain, protect, and enhance our brand successfully or to maintain loyalty among consumers, agencies, and carriers, or if we incur substantial expenses in unsuccessful attempts to maintain, protect, and enhance our brand, we may fail to attract or increase the engagement of consumers, agencies, and carriers, and our business, financial condition, and results of operations may suffer.

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

Our results of operations could vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. As a result, comparing our results of operations on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include:

- our ability to accurately predict revenue and appropriately plan our expenses;
- levels of terminations that result in larger than expected changes in observed persistency and our persistency estimates, including with respect to our third-party channel;
- macroeconomic pressures and challenges, including due to inflation, high interest rates, and tariffs;
- geopolitical tensions or ongoing conflicts, and economic instability;
- additions or the loss of new agency and carrier relationships as well as introduction of new products or the loss of existing products on our platform;
- growth or diminution in our third-party channel as well as future shifts in revenue contribution between our two channels;
- the number of new policies activated;
- the timing of the recoupment of agent payments;
- the entry into agreements to sell a portion of our commissions receivable;
- timing of strategic investments and expenditures;

- fluctuations in operating expense as we seek to improve efficiencies, comply with changing regulatory requirements, and expand our business, offerings, and technologies;
- changes to financial accounting standards and the interpretation of those standards, which may affect the way we recognize and report our financial results;
- the effectiveness of our internal controls;
- the impact of future public health threats on our business; and
- the seasonality of our business.

The impact of one or more of the foregoing and other factors may cause our results of operations to vary significantly. As such, quarter-to-quarter and year-over-year comparisons of our results of operations may not be meaningful and should not be unduly relied upon as an indication of future performance.

Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.

We prepare our condensed consolidated financial statements in accordance with GAAP. These accounting principles require us to make assumptions, estimates or judgments that affect the reported amounts of assets, liabilities, revenue, and expenses in our consolidated financial statements. We are required to make certain judgments and estimates that affect the disclosed and recorded amounts of revenue and expenses related to accounting under Accounting Standards Codification, or ASC, Topic 606 Revenue Recognition. For example, persistency estimates may be more variable early in the life cycle of a product or carrier relationship due to lack of relevant historical data to analyze. Lack of historical data as well as experience with post-issue audit practices of new carriers on our platform can result in greater fluctuations in future revenue and cash flows. We also make estimates and assumptions regarding the compensation expense associated with our third-party channel, including the amounts we expect to recoup from agents and the allowances we establish for agent debt that we may be unable to collect. These estimates and assumptions require a significant amount of discretionary judgment and complexity. We have revised these estimates and assumptions in the past, resulting in adjustments to previously reported amounts, and we may revise them again in the future. Changes in these estimates, including as a result of deterioration in persistency or collection experience or the onboarding of agencies with different risk profiles, could result in charges that adversely affect our financial position and results of operations, including in periods after the related policies were sold. We periodically evaluate our assumptions, estimates and judgments and conduct persistency assessments with outside advisors on a quarterly basis. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. Such assumptions, estimates or judgments, however, are both subjective and could change in the future as more information becomes known, which could impact the amounts reported and disclosed in our consolidated financial statements. Additionally, changes in accounting standards could increase costs to the organization and could have an adverse impact on our future financial position and results of operations.

Our ability to recoup payments from agents and the timing of those recouped payments may impact our business and operating results.

Upon termination of a policy within certain time periods of activation, we are entitled to recoup all or a portion of agent payments. We typically advance to agents a portion of the commissions we expect to earn on a policy at the time the policy is activated. When a policy lapses before the advanced compensation has been earned, the unearned portion of that advance becomes an amount owed to us, which we refer to as agent debt. We have historically experienced and may continue to experience delays in receiving recoupment payments from agents beyond contractually prescribed repayment periods, and in certain cases we may be unable to collect these amounts in full or at all. We have limited means to pursue repayments from individual agents, and actions we take to pursue repayments may be perceived negatively by applicable agencies, which may harm our relationships with such agencies. In addition, if we take, or are perceived to take, punitive action against certain highly productive agents who are delayed in paying recoupment amounts, it could negatively impact our business and results of operations. Delays in recoupment of agent repayments may negatively impact our ability to make commission repayments to carriers upon lapses of policies. Any delays in our commission repayments in connection with policy lapses may harm our reputation and relationship with carriers, which would negatively impact our business, financial condition, and results of operations.

The amount of agent debt we generate depends in significant part on policy persistency. When persistency deteriorates, we generate more agent debt and a greater portion of that debt must be repaid out of an agent’s future production. Agents and agencies that are unable to generate sufficient new production, including those that exit the business or are terminated for

poor performance, may be unable to repay their outstanding debt. Under our commission arrangements, unpaid debt generally rolls up through the applicable distribution hierarchy and, to the extent it is not otherwise satisfied, may ultimately be borne by us. We have expanded our third-party channel rapidly in recent periods, including by onboarding newer agencies. As a result, our outstanding agent debt balances have increased, and a significant portion of those balances is concentrated among a limited number of counterparties. If persistency does not improve or our collection experience deteriorates, we may be required to increase our allowances for uncollectible agent debt or to write off outstanding balances, which could adversely affect our results of operations, including in periods after the related revenue was recognized.

We have implemented, and may in the future implement, measures intended to reduce the generation of agent debt and improve our recovery of it, including reducing or eliminating compensation advances for higher-risk policies and agents and accelerating the timeline on which outstanding debt is surfaced and repaid. These measures may reduce the volume of policies sold through our third-party channel, slow our revenue growth, or cause agents and agencies to reduce their engagement with our platform or to shift business to our competitors.

Non-compliance with or changes in laws, regulations or licensing requirements applicable to us could restrict our ability to conduct our business and impact our results of operations and financial condition.

The industry in which we operate is subject to extensive regulation. We are subject to regulation and supervision both federally and in each applicable local jurisdiction. In general, these regulations are designed to protect customers, policyholders and insureds, and to protect the integrity of the financial markets, rather than to protect stockholders or creditors. Our ability to conduct business in these jurisdictions depends on our compliance with the rules and regulations promulgated by federal regulatory bodies and other regulatory authorities, including requirements to maintain surety bonds in a number of states. Failure to comply with regulatory requirements, or changes in regulatory requirements or interpretations, could result in actions by regulators, potentially leading to fines and penalties, adverse publicity, and damage to our reputation in the marketplace. We may be unable to adapt effectively to any changes in law. Furthermore, in some areas of our businesses, we act on the basis of our own or the industry's interpretations of applicable laws or regulations, which may conflict from state to state. In the event those interpretations eventually prove different from the interpretations of regulatory authorities, we may be penalized. In extreme cases, revocation of our authority to do business in one or more jurisdictions could result from failure to comply with regulatory requirements. In addition, we could face lawsuits by consumers (including class action lawsuits), insureds, and other parties for alleged violations of certain of these laws and regulations. It is difficult to predict whether changes resulting from new laws and regulations, as well as changes in interpretation of current laws and regulations, will affect the industry or our business and, if so, to what degree.

Insurance agents and their principals who engage in the solicitation, negotiation or sale of insurance, or provide certain other insurance services, generally are required to be licensed individually. Insurance laws and regulations govern whether licensees may share commissions with unlicensed entities and individuals. We believe that any payments we currently make to licensed insurance agents are in compliance with applicable laws. However, should any regulatory agency take a contrary position and prevail, we could be required to change the manner in which we pay fees to such agents.

State insurance laws grant supervisory agencies, including state insurance departments, broad administrative authority. State insurance regulators and the National Association of Insurance Commissioners continually review existing laws and regulations, some of which affect our business. These supervisory agencies regulate many aspects of the insurance business, including the licensing of insurance brokers and agents and other insurance intermediaries, the handling of third-party funds held in a fiduciary capacity, and trade practices, such as marketing, advertising and compensation arrangements entered into by insurance brokers and agents. These regulators are also increasingly focused on the use of AI in offering and underwriting consumer products. In addition, because we act as both a producer and a third-party administrator to support policy distribution and provide certain administrative services on behalf of carriers, we are required to maintain various state licenses to operate in these roles. Failure to obtain or maintain these licenses, or to comply with associated regulatory requirements, could impair our ability to operate in certain jurisdictions and adversely affect our business. This legal and regulatory oversight could reduce our profitability or limit our growth by increasing the costs of legal and regulatory compliance and by limiting or restricting the products or services we sell, the markets we serve or enter, the methods by which we sell our products and services, and the form of compensation we can accept from our consumers, carriers, and third-parties. Certain insurance products that we distribute, or that we may distribute in greater volume in the future, including more complex products such as annuities, are subject to additional and more stringent regulatory requirements than our core life insurance products, including enhanced suitability and best interest standards, product-specific producer training and licensing requirements, and heightened supervision, disclosure, and documentation obligations. Compliance with these requirements increases our costs, and any failure to comply could subject us to regulatory action, penalties, or restrictions on our ability to offer these products.

We are also subject to U.S. federal and state laws governing marketing and consumer outreach. For example, certain outreach activities, such as marketing calls or text messages, may be subject to the Telephone Consumer Protection Act, or TCPA, as interpreted and implemented by the Federal Communications Commission, or FCC and U.S. courts, as well as similar state telemarketing laws, which regulate how and when such communications may be made and can impose significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. Violations of the TCPA may be enforced by the FCC or by individuals through litigation, as we have experienced in the past, including through costly class actions, of which numerous suits under federal and state laws have been filed in recent years against companies who conduct telemarketing and/or SMS texting programs, resulting in significant judgments or settlement awards to the plaintiffs. Further, any changes to the TCPA, its interpretation, or enforcement that further restricts the way we or independent agents contact and communicate with potential consumers or generate leads could harm our business, financial condition, and results of operations. Additionally, CAN-SPAM establishes specific requirements for commercial email messages and specifies penalties for the transmission of commercial email. Although we have implemented compliance controls and may rely on enterprise partners or vendors to manage these activities, we may still face, and have faced, regulatory scrutiny or claims regarding actual or perceived violations of these laws. Our uses of certain personal or health information for marketing and other purposes may also be restricted by federal and state laws and regulations. In addition, we are subject to certain anti-money laundering and economic sanctions laws and regulations, including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC. Failure to comply with these requirements could result in significant penalties, regulatory investigations, reputational harm, or limitations on our ability to operate.

Additionally, federal, state, and other regulatory authorities have focused on, and continue to devote substantial attention to, the insurance industry as well as to the sale of products or services to seniors. Regulatory review or the issuance of interpretations of existing laws and regulations may result in the enactment of new laws and regulations that could adversely affect our operations or our ability to conduct business profitably. In addition, the growth of our product mix to include more complex or variable products further exposes us to risk and regulatory scrutiny of the sale of such products to seniors. In particular, annuities and certain other more complex insurance products that we distribute are subject to heightened and evolving regulation that is more extensive than the regulation applicable to our core life insurance products, including best interest and suitability standards, replacement and free-look requirements, and enhanced protections for senior consumers. Our platform also now includes wills and estate planning services, which may subject us to additional legal and regulatory requirements, including those relating to the unauthorized practice of law, state-specific documentation standards, and marketing to seniors. We are unable to predict whether any such laws or regulations will be enacted and to what extent such laws and regulations would affect our business.

Fluctuations or an overall decline in economic activity, or any adverse trends in the life insurance industry, could have a material adverse effect on the financial condition and results of operations of our business.

Macroeconomic challenges, including adverse conditions resulting from uncertainty concerning tariffs, the volatility and strength of the capital markets, increased rates of inflation, high interest rates, government shutdowns, debt ceilings or funding, and public health emergencies can and have affected the life insurance industry. Life insurance trends have historically been impacted by changes in interest rates, employment levels, and median household income. The current macroeconomic environment, characterized by elevated interest rates and heightened consumer price sensitivity, has impacted and may continue to impact the insurance industry, including by contributing to fluctuations in policy demand and pricing behavior across the industry. Downward fluctuations in the year-over-year insurance premiums charged by insurers to protect against the same risk could adversely affect our commission rates and our revenue growth and margins. Shifts in life insurance trends resulting from macroeconomic uncertainty or changes in mortality rates also harm our ability to accurately predict our business trends as well as our persistency assumptions for both our direct and third-party channels, which can cause fluctuations in revenue and cash flow in future periods, including from policy cancellations. Insolvencies and consolidations associated with an economic downturn, especially insolvencies in the insurance industry, could adversely affect our business through the reduction in activity of or loss of carriers or agencies as well as a slowdown in the life insurance market. Also, some of our consumers or some agencies may experience liquidity problems or other financial difficulties in the event of a prolonged deterioration in macroeconomic conditions or a recession, which could result in our consumers becoming more price-sensitive to life insurance products and may reduce our ability to or impact the rate at which we recover the portion of agent payments due back to us from terminations. Shifts in consumer demand for product offerings away from those that we or our carriers offer may also negatively impact our revenue growth and margins. For all these reasons, a decline in economic activity could have a material adverse effect on our business, financial condition, and results of operations.

Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Our operations are dependent upon our ability to protect our personnel, offices, and technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. Should we or our critical third-party service providers experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, pandemic, protest or riot, security breach, cyberattack or other similar incident, power loss, telecommunications failure, or other natural or man-made disaster, our continued success will depend, in part, on the availability of personnel, office facilities, and the proper functioning of computer, telecommunication, and other related systems and operations. In events like these, while our operational size, the multiple locations from which we operate, our hybrid work model, and our existing backup systems provide us with some degree of flexibility, we still can experience near-term operational challenges in particular areas of our operations. We could potentially lose key executives, personnel, consumer data or experience material adverse interruptions to our operations or delivery of services to consumers in a disaster recovery scenario. We may experience additional disruption due to system upgrades, outages or an increase in remote work. Our inability to successfully recover, should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged consumer relationships, or legal liability. Our insurance coverage with respect to natural disasters is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate, or may not continue to be available at commercially reasonable rates and terms.

If we are unable to apply technology effectively in driving value for our consumers through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, consumer relationships, growth, and compliance programs could be adversely affected.

Our future success depends, in part, on our ability to anticipate and respond effectively to the threat of, and the opportunity presented by, digital disruption and other technology changes. These may include new applications or insurance-related services based on AI or machine learning technologies. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants (for example, through disintermediation) or new entrants such as technology companies, Insurtech start-up companies, and others. We must also develop and implement technology solutions and technical expertise among our employees that anticipate and keep pace with rapid and continuing changes in technology, industry standards, customer preferences and internal control standards. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis, and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise and develop new technologies in our business requires us to incur significant expenses. Our technological development projects may also not deliver the benefits we expect once they are completed or may be replaced or become obsolete more quickly than expected, which could result in the accelerated recognition of expenses. If we cannot offer new technologies as quickly as our competitors, or if our competitors

develop more cost-effective technologies or product offerings, we could experience a material adverse effect on our operating results, consumer relationships, growth, and compliance programs.

If we do not continue to innovate and further develop our platform, our platform developments do not perform, we do not successfully manage our platform strategy, or we are not able to keep pace with technological developments, we may not remain competitive and our business and results of operations could suffer.

Our success depends in part on our ability to continue to innovate and further develop our platform. To remain competitive, we must continuously enhance and improve the functionality and features of our platform, including our website and mobile applications and the suite of agent and other customer services that we offer through our platform. To compete effectively, we must also provide a convenient, efficient, and reliable customer experience on our platform, and we may be unable to effectively address customer needs or identify emerging customer trends.

In addition, any new features or functionalities for our platform that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve broad market acceptance. Agents may delay adoption and use of new features or functionalities and compare them against potentially competitive products in the market. Further, we may make changes to our platform and platform strategy that consumers, agents, or carriers do not find useful, and we may discontinue certain features or functionalities that our consumers or agents have otherwise enjoyed. Failure to effectively manage our platform and platform strategy could lead to consumer, agent or carrier dissatisfaction, which could adversely affect our business and operating results. If existing and new consumers do not perceive the services provided by agents that utilize our platform or the products offered by carriers on our platform to be reliable, competitive, and affordable, or if we fail to offer new and relevant features and functionalities on our platform, we may not be able to attract consumers or to increase the number of policies activated on our platform, any of which could adversely affect our business, financial condition, and results of operations.

Further, if competitors introduce new features, offerings, or technologies, or if new industry standards and practices or customer trends emerge, our existing technology, services, websites, and mobile applications may become less popular or obsolete. In the event that our competitors' technology is, or is perceived to be, superior to our or our partners' technology, they may be able to leverage such technology to compete more effectively with us, which could adversely affect our business, financial condition, and results of operations. Our future success could depend in large part on our ability to invest in, develop, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner.

Our inability to retain or hire qualified employees, as well as the loss of any of our executive officers, could negatively impact our ability to retain existing business and generate new business.

Our success depends on our ability to attract and retain skilled and experienced personnel. There is significant competition from within the insurance industry and from businesses outside the industry for exceptional employees, especially in key positions. Our competitors may be able to offer a work environment with higher compensation or more opportunities than we can. Any new personnel we hire may not be or become as productive as we expect, as we may face challenges adequately or appropriately integrating them into our workforce culture. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. If we are unable to successfully attract, retain, and motivate our employees, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new employees, or inadequate resources to train, integrate, and retain qualified employees, our business, financial condition, results of operations, and reputation could be materially and adversely affected.

If any of our key professionals were to join an existing competitor or form a competing company, some of our carriers, agency counterparties, and consumers could choose to use the services of that competitor instead of our services.

In addition, we could be adversely affected if we fail to adequately plan for the succession of our senior management, including our founders, executives, and key personnel. We currently do not maintain key person insurance on these individuals. Although we operate with a decentralized management system, the loss of our senior management or other key personnel in any circumstance, including any limitation on the performance of their duties or short- or long-term absence as a result of an acute illness, or our inability to continue to identify, recruit, and retain such personnel, could materially and adversely affect our business, financial condition, and results of operations. While we have employment contracts with members of senior management, as well as our key employees, they may terminate employment without notice and without cause or good reason. The members of our senior management are not subject to non-competition agreements. Accordingly,

the adverse effect resulting from the loss of certain members of senior management could be compounded by our inability to prevent them from competing with us.

Any failure to offer high-quality support for our platform may harm our relationships with consumers, agents, and carriers and could adversely affect our business, financial condition, and results of operations.

Our ability to attract and retain consumers, agents, and carriers is dependent in part on our ability to provide high-quality support for our platform. Consumers, agents, agencies, and carriers depend on our support organization to resolve any issues relating to our platform. If we are unable to resolve issues in a timely and effective manner, whether raised by prospective or existing policyholders, or by agents and agencies, those users may lose trust in our platform, disengage from our offerings, or shift their business elsewhere. This could result in lower policy volume, reputational harm, and reduced commission revenue. As we continue to grow our business and expand our offerings, we will face challenges related to providing high-quality platform support services at scale. Any failure to maintain high-quality support for our platform, or a market perception that we do not maintain high-quality support, could harm our reputation and adversely affect our ability to scale our platform and business, our financial condition, and results of operations.

We use third-party cloud service providers to deliver our platform services. Any disruption of services from our cloud service providers could harm our business.

We currently manage our platform services and serve all of our consumers through third-party cloud computing services, such as Amazon Web Services. If, for any reason, we are required to migrate our computing to other cloud service providers, such a transition could require significant time and expense and our business could be adversely impacted.

Our third-party cloud service providers do not guarantee that access to our platform will be uninterrupted or error-free. Any damage to, or failure of, our providers' systems could result in interruptions to our platform. Interruptions in our services would reduce our revenue, subject us to potential liability and adversely affect our ability to retain our consumers or attract new consumers and would also impact our relationships with carriers and agents using our platform. The performance, reliability, and availability of our platform is critical to our reputation and our ability to attract and retain consumers, agents, and carriers with whom we have a direct relationship. If service interruptions occur, consumers, agents, or carriers could share information about negative experiences on social media or via other channels, which could result in damage to our reputation and loss of future sales. In addition, the hosting costs for our cloud services have increased over time and may increase further if we continue to require more computing or storage capacity and such capacity may not be available on the same terms or with the same costs or at all. These costs could adversely impact our business and financial condition.

Our business, financial condition, and results of operations may be negatively affected by E&O claims.

We are subject to claims and litigation in the ordinary course of business resulting from alleged and actual errors and omissions in placing insurance and rendering coverage advice. These activities involve substantial amounts of money. Since E&O claims against us may allege our liability for all or part of the amounts in question, claimants may seek large damage awards. These claims can involve significant defense costs. Errors and omissions could include failure, whether negligently or intentionally, to place coverage on behalf of consumers, to provide carriers with complete and accurate information relating to the risks being insured, or to appropriately apply funds that we hold on a fiduciary basis. It is not always possible to prevent or detect errors and omissions, and the precautions we take may not be effective in all cases.

We have errors and omissions insurance coverage to protect against the risk of liability resulting from our alleged and actual errors and omissions. Prices for this insurance and the scope and limits of the coverage terms available are dependent on our claims history as well as market conditions that are outside of our control. While we endeavor to purchase coverage that is appropriate to our assessment of our risk, we are unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages or whether our errors and omissions insurance will cover such claims.

In establishing liabilities for E&O claims, we utilize case level reviews by inside and outside counsel and an internal analysis to estimate potential losses. The liability is reviewed annually and adjusted as developments warrant. Given the unpredictability of E&O claims and of litigation that could flow from them, an adverse outcome in a particular matter could have a material adverse effect on our results of operations, financial condition or cash flow in a given quarterly or annual period.

In connection with the implementation of our corporate strategies, we face risks associated with the acquisition or disposition of businesses, the entry into new lines of business, the integration of acquired businesses, and the growth and development of these businesses.

In pursuing our corporate strategy, we have in the past acquired, and may in the future acquire, other businesses or dispose of or exit businesses we currently own. The success of this strategy is dependent upon our ability to identify appropriate acquisition and disposition targets, negotiate transactions on favorable terms, complete transactions and, in the case of acquisitions, successfully integrate them into our existing businesses. If a proposed transaction is not consummated, the time and resources spent in researching it could adversely result in missed opportunities to locate and acquire other businesses. If we make acquisitions, we may not realize the anticipated benefits of such acquisitions, including revenue growth, operational efficiencies or expected synergies. If we dispose of or otherwise exit certain businesses, we may incur material disposition-related charges, or we may be unable to reduce overhead related to the divested assets.

From time to time, either through acquisitions or internal development, we may enter new lines of business or offer new products and services within existing lines of business. These new lines of business or new products and services may present additional risks, particularly in instances where the markets are not fully developed. Such risks include the investment of significant time and resources; the possibility that these efforts will not be successful; the possibility that the marketplace does not accept our products or services, or that we are unable to retain consumers that adopt our new products or services; and the risk of additional liabilities associated with these efforts. In addition, many of the businesses that we acquire and develop will likely have significantly smaller scales of operations prior to the implementation of our growth strategy. If we are not able to manage the growing complexity of these businesses, including improving, refining, or revising our systems and operational practices, and enlarging the scale and scope of the businesses, our business may be adversely affected. Other risks include developing knowledge of and experience in the new business, integrating the acquired business into our systems and culture, recruiting professionals, and developing and capitalizing on new relationships with experienced market participants. External factors, such as compliance with new or revised regulations, competitive alternatives and shifting market preferences may also impact the successful implementation of a new line of business. Failure to manage these risks in the acquisition or development of new businesses could materially and adversely affect our business, financial condition and results of operations.

If we fail to improve and enhance the functionality, performance, reliability, design, security, and scalability of our platform and innovate and introduce new solutions in a manner that responds to our consumers' evolving needs, our business may be adversely affected.

The life insurance markets in which we compete are characterized by constant change and innovation and we expect them to continue to evolve rapidly. Our success has been based on our ability to identify and anticipate the needs of our consumers and design and maintain a platform that provides them with the tools they need to operate their businesses. Our ability to attract new consumers, earn renewal revenue, being commissions received from the carrier after the first term of a policy, from existing consumers and increase sales to both new and existing consumers will depend in large part on our ability to continue to improve and enhance the functionality, performance, reliability, design, security, and scalability of our platform and to innovate and introduce new solutions. If we fail to anticipate and address consumers' rapidly changing needs and expectations or adapt to emerging trends, our reputation could be harmed and our business, operating results, and financial condition could suffer.

Furthermore, we expect adoption of our platform and solutions by carriers, agency counterparties, agents, and consumers to increase. As the number of carriers with greater product offerings increases, so does the need for us to offer increased functionality, performance, reliability, scalability, and support, which requires us to devote additional resources to such efforts. Furthermore, as adoption of our platform and solutions by carriers, agency counterparties, agents, and consumers increases, so does the scrutiny and audit requirements imposed on us by our partners, which may demand assurances regarding the security and compliance of our platform. We have in the past, and may in the future be required to undergo third-party audits or obtain industry certifications to validate the effectiveness of our controls. These audits and certifications can be costly and time-consuming. To the extent we are not able to enhance our platform's functionality to satisfy these requirements, our business, operating results, reputation, and financial condition could be adversely affected.

We may experience difficulties with software development that could delay or prevent the development, introduction, or implementation of new solutions and enhancements. We must also continually update, test, and enhance our software platform. The continual improvement and enhancement of our platform requires significant investment and we may not have the resources to make such investment. We may make significant investments in new solutions or enhancements that may not achieve expected returns and such solutions or enhancements may not result in our ability to recoup our investments in a timely manner, or at all. The improvement and enhancement of the functionality, performance, reliability, design, security, and scalability of our platform is expensive and complex, and to the extent we are not able to execute on these efforts in a

manner that responds to our consumers' evolving needs, our business, operating results, and financial condition will be adversely affected.

Our results may be adversely affected by changes in the mode of compensation in the insurance industry.

In the past, state regulators have scrutinized the manner in which insurance brokers are compensated. For example, in 2004, the Attorney General of the State of New York brought charges against members of the insurance brokerage community. These actions have created uncertainty concerning longstanding methods of compensating insurance brokers. Given that the insurance brokerage industry has faced scrutiny from regulators in the past over its compensation practices, and the transparency and discourse to consumers regarding brokers' compensation, it is possible that regulators may choose to revisit the same or other practices in the future. While we act as a licensed insurance producer and third-party administrator, rather than as an insurance broker, such scrutiny could nonetheless extent to the compensation arrangements of the third-party independent agencies and agents who sell policies on our platform, as well as the way we recognize revenue on policies sold through our platform. Compliance with new regulations that may be enacted by such regulators, along with any sanctions that might be imposed for past practices deemed improper could have an adverse impact on our future results of operations and inflict significant reputational harm on our business.

Internet search engines drive traffic to our platform and our new user growth could decline if we fail to appear prominently in search results.

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

Damage to our reputation could have a material adverse effect on our business.

Our reputation is one of our key assets. Our ability to attract and retain consumers is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition, and other subjective qualities. If a carrier, agency or group of agents is not satisfied with our platform, we may incur additional costs to address the sources of dissatisfaction or lose the relationship altogether, which may negatively impact other carriers', agencies', or agents' perception regarding us. Our success is also dependent on maintaining a good reputation with existing and potential employees, agents, investors, regulators, and the communities in which we operate. Negative perceptions or publicity regarding these or other matters, including our association with consumers or business partners who themselves have a damaged reputation, or from actual or alleged conduct by us or our employees, could damage our reputation. Any resulting erosion of trust and confidence among existing and potential consumers, existing or potential agents, regulators, and other parties important to the success of our business could make it difficult for us to attract new consumers and maintain existing ones, which could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Intellectual Property, Artificial Intelligence, Data Privacy, and Security

We and the third parties with whom we work are subject to stringent and evolving U.S. laws, regulations, and rules, contractual obligations, industry standards, policies, and other obligations related to data privacy and security. Our actual or perceived failure (or that of the third parties with whom we work) to comply with such obligations could lead, and in certain cases has led, to regulatory investigations or actions, litigation (including class action claims), arbitration, and mass arbitration demands, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of consumers or sales, and other adverse business consequences.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share, or collectively, process, personal information (which may also be referred to as "personally identifiable information," "personal data," "individually identifiable health information," "consumer health data," or similar terms), including sensitive information, such as proprietary and confidential business data, trade secrets, intellectual property, sensitive personal information and sensitive third-party data, or collectively, sensitive data. For example, we process personal information (including sensitive data) of our current, prospective, and past customers, which includes health data, financial data, and other personal information and sensitive data (such as Social Security numbers) as disclosed in our public-facing privacy notices.

Our data collection and processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. These requirements and obligations also apply to transfers of information among our affiliates, as well as to transactions we enter into with vendors and other third parties.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, comprehensive and sector-specific privacy laws and regulations, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act and similar state unfair and deceptive trade practices laws), and other similar laws (e.g., wiretapping laws). At the U.S. federal level, we are subject to, among other laws, the Gramm-Leach-Bliley Act, or GLBA, which requires financial institutions, including insurers, to, among other things, periodically disclose their privacy policies and practices relating to sharing "nonpublic personal information" and, in some cases, enables customers to opt out of the sharing of certain personal information with unaffiliated third parties. The GLBA also requires financial institutions to implement an information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of customer records and information. We are also subject to the rules and regulations promulgated under the authority of the U.S. Federal Trade Commission, or FTC. The FTC and state regulators enforce a variety of data privacy and cybersecurity issues, such as misrepresentations in privacy policies or failures to appropriately protect information about individuals, as unfair or deceptive acts or practices in or affecting commerce in violation of the FTC Act or similar state laws. While we are not directly subject to the federal Health Insurance Portability and Accountability Act of 1996, as amended, including as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and the regulations that implement such laws (collectively, HIPAA), HIPAA affects certain of our business operations. For example, we obtain individuals' medical and health information from their medical providers and other entities, which we then use for the purposes of determining applicants' eligibility for life insurance. Many medical providers and other entities cannot release such medical and health information to us unless the release authorizations signed by the individuals satisfy the applicable HIPAA requirements. We also represent in our contractual agreements with key vendors that we comply with HIPAA's requirements for authorizations to disclose protected health information.

Numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal information. As applicable, such rights may include the right to access, correct, or delete certain personal information, and to opt-out of certain data processing activities, such as targeted advertising, profiling, sales of personal information and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal information, including sensitive personal information, such as conducting data privacy impact assessments and requiring individual's consent under certain circumstances. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, and all regulations thereto, or collectively, CCPA, applies to personal information of consumers, business representatives, employees, and others who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights including the opt-out of "sales" and "sharing" (as such terms are defined by CCPA) of personal information. The CCPA provides for fines and allows private litigants affected by certain data breaches to recover significant statutory damages. The CCPA includes an exemption applicable to personal information collected, processed, sold or disclosed subject to the GLBA, and other comprehensive U.S. state privacy laws contain similar exemptions for

GLBA-covered data or broader exemptions for GLBA-covered entities. However, these developments may further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties with whom we work. Similar laws have been passed and/or are being considered in additional states, as well as at the federal level, and we expect more states to pass similar laws in the future.

We are subject to various state financial privacy laws such as the California Financial Information Privacy Act. These laws require, among other things, providing either an opt-in or opt-out, depending on the state, to the sharing of non-public personal information with unaffiliated third parties. They also require establishing a program of administrative, technical, and physical safeguards designed to protect the security and confidentiality of customer information. Additionally, in response to the growing threat of cyber-attacks in the insurance industry, certain jurisdictions, including New York, have begun to consider new cybersecurity measures, including the adoption of cybersecurity regulations. In March 2017, the New York State Department of Financial Services, or NYDFS, promulgated Cybersecurity Requirements for Financial Services Companies, which require covered financial institutions to establish and maintain a cybersecurity program and implement and maintain cybersecurity policies and procedures that meet specific requirements; the NYDFS adopted amendments to the cybersecurity regulation in 2023, the majority of which became effective in 2024. Additionally, in October 2017, the National Association of Insurance Commissioners, or NAIC, adopted its Insurance Data Security Model Law, intended to serve as model legislation for states to enact in order to govern cybersecurity and data protection practices of insurers, insurance agents, and other licensed entities registered under state insurance laws. Various states have adopted versions of the NAIC Insurance Data Security Model Law.

Several states have also enacted new laws and regulations governing the privacy and security of consumer health data. For example, Washington's My Health My Data Act, or MHMDA, broadly defines consumer health data, places restrictions on collecting, processing, using, and sharing consumer health data (including imposing stringent requirements for affirmative consents), provides consumers certain rights with respect to their health data, and creates a private right of action to allow individuals to sue for violations of the law. While the MHMDA includes an exemption applicable to GLBA-covered data, and a similar law in Nevada also exempts GLBA-covered entities, other states have passed, are considering and may adopt consumer health data privacy laws in the future.

Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal information. For example, some of our data processing practices have been and may in the future be subject to challenges or lawsuits under data privacy and communications laws, including for example under wiretapping laws, if we, as we have in the past and may in the future, share consumer information with third parties through various methods, including chatbot and session replay providers, or via third-party marketing pixels. These practices may be subject to increased challenges by class action plaintiffs for violations of laws such as the California Invasion of Privacy Act and other similar laws. Our inability or failure to obtain consent for these practices could result, and in certain cases has resulted, in adverse consequences, including class action litigation and mass arbitration demands.

Regulators are increasingly scrutinizing the activities of third-party data suppliers, and laws in the United States (including the CCPA and California's Delete Act) and other jurisdictions are likewise regulating such activity. These laws pose additional, material compliance risks to such data suppliers, and these suppliers may not be able to provide us with personal information in compliance with these laws. For example, some data suppliers are required to register as data brokers under certain state laws such as California law and file reports with regulators, which exposes them to increased scrutiny. Data brokers may also be required to honor certain opt-outs from consumers. Moreover, third-party data suppliers have recently been subject to increased litigation under various claims of violating certain state privacy laws. These laws and challenges may make it so difficult for our suppliers to provide the data that the costs associated with the data materially increase or may materially decrease the availability of data that our data suppliers can provide to us.

Additionally, the U.S. Department of Justice issued a rule entitled the Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restrictions on certain data transactions involving countries of concern (e.g., China, Russia, Iran) and covered persons (i.e., individuals and entities who are designated as such by the U.S. Attorney General or considered "foreign persons" and are majority owned by, organized under the laws of, a primary resident in, or a contractor of, a covered person or country of concern, as applicable) that may impact certain business activities such as vendor engagements, sale or sharing of data, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule applies regardless of whether data is anonymized, key-coded, pseudonymized, de-identified or encrypted, which presents particular challenges for companies like ours and may impact our ability to transfer data in connection with certain transactions or agreements.

In addition, we may face compliance risks and limitations on our ability to use certain data provided by our third-party suppliers if those suppliers have not complied with applicable privacy laws, provided appropriate notice to data subjects, obtained necessary consents, or established a legal basis for the transfer and processing of the data by us.

Additionally, as part of certain lead monetization efforts, we provide lead information from individuals who start but do not complete the insurance application process on our platform to a limited number of third-party agencies. While we intend for this information to be used solely for insurance-related purposes and by agencies, once shared, we do not control how these agencies handle the data. As a result, this initiative has exposed us to heightened privacy, data security, and reputational risks, particularly to the extent these third parties fail to comply with applicable laws or consumer expectations regarding the handling of personal information.

We publish privacy policies, marketing materials, and other statements concerning data privacy, and security. Regulators in the United States are increasingly scrutinizing these statements, and if these policies, materials, or statements are found to be deficient, lacking in transparency, deceptive, unfair, misleading, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences. We are also bound by contractual obligations related to data privacy and security, with which we may not fully comply and our efforts to comply with such obligations may not be successful. For example, certain privacy laws require us to undertake certain obligations with respect to data privacy and security or require us or our customers to impose specific contractual restrictions on our or their service providers.

Legal requirements and obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal information on our behalf. In addition, these obligations may require us to change our business model in part because our business model depends on our ability to process personal information. As such, we are particularly exposed to the risks associated with the rapidly changing legal landscape, including with respect to data privacy laws and regulations. For example, we may be at heightened risk of regulatory scrutiny, and any changes in the regulatory framework could require us to fundamentally change our business model, which could adversely impact our business, financial condition and/or results of operations. In addition, we are and may become in the future contractually subject to self-regulatory standards adopted by industry groups. For example, we are subject to the Payment Card Industry Data Security Standard, or PCI DSS, a self-regulatory standard that requires companies that accept payment cards, or that process payment card information to implement certain cybersecurity measures and/or annually validate that required security controls are in place. Companies that accept payment cards but otherwise outsource payment card processing to a third party and do not process payment card information themselves, as we do, are subject to minimal requirements under the PCI DSS. If we or our payment processors fail to comply with the PCI DSS, we may incur significant fines or liability and lose access to major payment card systems.

We may at times fail (or be perceived to have failed) to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact and in certain cases has negatively impacted our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, consent orders, injunctions, settlement, or resolution orders and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and/or oversight and requirements to take remedial actions; bans or restrictions on processing personal information; and orders to destroy or not use personal information. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.

We have in the past received, and may in the future receive, inquiries and have been, and may again become, subject to investigations, proceedings, orders, or various government inquiries regarding our data privacy and security practices and processing and related litigation. For example, in 2022, we learned that threat actors had launched an attack against our website and obtained consumer personal information from a third-party integration. As a result, we were the subject of class action litigation that has since settled as well as inquiries and investigations from various state regulators, all of which have since settled. While we maintain policies, procedures, and technological safeguards designed to protect the security and privacy of this information, including those implemented to prevent access to consumer personal information, we cannot

eliminate the risk of improper access to or disclosure of personal information nor the related costs we incur to mitigate the consequences from such events. Data privacy and cybersecurity laws, rules, and regulations are matters of growing public concern and are continuously changing in the jurisdictions in which we operate. The failure to adhere to or successfully implement adequate policies and procedures in response to evolving laws, rules, and regulations could result in legal liability or other adverse impacts on our business such as impairment to our reputation.

Any of the foregoing could have a material adverse effect on our reputation, business, or financial condition, including: loss of consumers; interruptions or stoppages in our business operations; inability to process personal information; limited ability to develop or commercialize our products or services; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

If our information technology systems or those of third parties with whom we work or our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of consumers or sales, and other adverse consequences.

Cyber-attacks, data breaches, malicious internet-based activity, online and offline fraud, and other similar activities and/or cybersecurity incidents threaten the confidentiality, integrity, and availability of our and our customers' personal information (including sensitive data) and information technology systems, and those of the third parties with whom we work. Any such incidents may also compromise confidential business information, result in intellectual property or other confidential or proprietary information being accessed, disclosed, misused, lost, or stolen, including customer, employee or company data (including personal information and other sensitive or regulated data), which could harm our reputation, competitive position or otherwise adversely affect our business. Such threats are prevalent and continue to rise and evolve, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), AI agents, sophisticated nation states, and nation-state-supported actors.

We and the third parties with whom we work are subject to a variety of evolving threats, including social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, attacks enhanced or facilitated by AI, and other similar threats.

In particular, severe ransomware attacks are becoming increasingly prevalent and could lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. In certain cases, payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. And even if we do make any such payments, doing so does not guarantee that we will regain access to any impacted systems or data and does not absolve us of liability under any applicable legal frameworks such as data breach and data security laws and regulations. Further, some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties with whom we work, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to sell or provide our services. In addition, remote work has increased risks to our information technology systems and data, as our employees and others utilize network connections, computers and devices outside our premises or network, including working at home, while in transit, and in public locations.

Additionally, as AI technologies continue to advance, threat actors can leverage these technologies to develop more sophisticated attack methods that are increasingly automated, targeted, coordinated, and which may evolve faster than traditional security measures can adapt, making them more difficult to defend against. The proliferation of these technologies could enable less skilled threat actors, or AI agents, to initiate attacks and increase the speed, frequency, scale and impact of security incidents.

Moreover, it may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident or data breach, and our efforts to do so may not be successful. Any actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident or data breach could result in outages, data losses, and disruptions of our business among other risks and issues. Threat actors may also gain access to other networks and

systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

There are many additional factors that could expose us to cybersecurity risks and vulnerabilities. For example, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We also rely on third parties to operate critical business systems to process sensitive data in a variety of contexts including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. We also rely on third party partners who are integrated into our business operations. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place despite any statements or representations they might make. Third parties with whom we work have experienced, and may again experience, security incidents or other interruptions that have in the past, and could in the future, adversely affect our business, results of operations, and financial condition. While we may be entitled to damages if the third parties with whom we work fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and at any given moment third parties' infrastructure in our supply chain or that of the third parties with whom we work could be compromised.

While we have implemented security measures designed to protect against security incidents and data breaches, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third parties with whom we work). However, we have not and will not in the future be able to detect and remediate all such vulnerabilities including on a timely basis. Further, we have and may in the future experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Any existing and/or unidentified vulnerabilities could be exploited and result in a security incident or data breach at any time.

Any of the previously identified or similar threats have in the past and may in the future cause a security incident or other interruption that have in the past and may in the future result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our confidential or sensitive data or our information technology systems, or those of the third parties with whom we work. For example, and as described above, in 2022, we learned that threat actors had launched attacks against our website and obtained consumer personal information from a third-party integration. While we maintain policies, procedures, and technological safeguards designed to protect the security and privacy of this information, including those implemented to prevent access to consumer personal information, we cannot eliminate the risk of improper access to or disclosure of personal information nor the related costs we incur to mitigate the consequences from such events. A data breach, security incident or other interruption could disrupt, and in certain cases has disrupted, our ability (and that of third parties with whom we work) to provide our services. We may expend significant resources or modify our business activities to try to protect against security incidents. Further, certain data privacy and security obligations have required us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive data.

Furthermore, federal laws, laws in all 50 U.S. states, the District of Columbia, and several U.S. territories can require businesses to provide notice to consumers whose personal information has been disclosed as a result of a data breach. Applicable data privacy and security obligations may require us, or we may voluntarily choose, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents or data breaches, or to take other actions, such as providing credit monitoring and identity theft protection services, and we have done so in the past. Such disclosures and related remedial actions can be costly, and the disclosure or the failure to comply with such applicable requirements could lead to adverse consequences. If we (or a third party with whom we work) experience a security incident or data breach or are perceived to have experienced a security incident or data breach, we may experience, and have in the past experienced, material adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing personal information (including sensitive data); litigation (including class action claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant material consequences may prevent or cause customers to stop using our services, deter new customers from using our services, and negatively impact our ability to grow and operate our business.

Furthermore, our contracts may not contain limitations of liability, and even where they do, the limitations of liability in our contracts may not be sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. In addition, we cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of any issues with our privacy and security practices or any data breaches or other security incidents, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

We utilize artificial intelligence in connection with our business, which may expose us to regulatory, operational, or reputational risk.

We utilize artificial intelligence, machine learning, and similar tools and technologies, including generative AI and agentic AI (collectively, "AI") that collect, aggregate, analyze or generate data or other materials or content in connection with our business, including customer-facing, operational and back-office functions, such as customer support, lead targeting, agent fraud detection, and development tooling. The use of AI technologies involves inherent risks. For example: AI tools may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or "hallucinatory" inferences or outputs; AI may subject us to new or heightened legal, regulatory, ethical, or other challenges; and negative public opinion or distrust of AI could impair the acceptance of AI solutions, including those incorporated in our products and services. If the AI tools that we use are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputation harm, or other adverse impacts on our business and financial results. If we do not have sufficient rights to use the data, content, or other material we input into such AI tools, or the output of such AI tools, or if the data we are using as inputs for AI is not permitted to be further disclosed under state laws or contractual arrangements on which the AI tools we use rely, we also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are a party. If we are unable to use AI technologies, or if we avoid adopting or are slow to adopt them out of concern for the risks they present, it could make our business less efficient and result in competitive disadvantages.

Many of the AI technologies we currently, or may in the future, use are developed and maintained by third parties, and such technologies may not be designed, tested, or validated for deployment in complex enterprise environments such as ours. Though we perform due diligence into third-party providers of AI technologies and, where appropriate, impose contractual requirements regarding their information security practices, we are not able to control the way third-party products or services are developed, trained or maintained. Due to the rapid evolution of AI technologies (including generative AI and agentic AI), such technologies may perform unexpectedly in our enterprise environment, such as by experiencing downtime or introducing cybersecurity vulnerabilities.

The legal and regulatory frameworks that apply to AI technologies continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto. The technologies underlying AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and cybersecurity, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. AI is the subject of ongoing review by various U.S. governmental and regulatory agencies, and various U.S. states are applying, or are considering applying, their laws and regulations to AI or are considering or have passed legal frameworks governing AI. Certain U.S. states have proposed, enacted, or are considering laws governing

the development and use of AI technologies, such as the Utah Artificial Intelligence Policy Act, Colorado Artificial Intelligence Act and the CCPA regulations on automated decision-making technology. We expect other jurisdictions will adopt similar laws and, as a result of the rapidly evolving regulatory landscape, implementation standards, enforcement practices, and available scope of protection are likely to remain uncertain for the foreseeable future, and we can neither determine the impact future laws, regulations, or standards may have on our business (including our positioning with respect to our competition) nor anticipate the appropriate response to new such laws or regulations as they emerge.

Although we strive to use AI in compliance with applicable legal and ethical guidelines, including human-in-the-loop oversight for certain decision-making processes, we may use AI technologies to assist us in making certain decisions. Due to inaccuracies or flaws in the inputs, outputs, or logic of the AI technologies, the model could be biased and could lead us to make decisions that could bias certain individuals (or classes of individuals), and adversely impact their rights, employment, and ability to obtain certain pricing, products, services, or benefits.

Our use of third party AI platforms and technologies presents a number of risks. Use of AI technologies could also include the input of our confidential information (including non-public information and personal information) by third parties in contravention of non-disclosure agreements or by our personnel or other related parties in contravention of our policies and procedures and, in each case, could result in such confidential information becoming part of a dataset that is generally accessible by AI technologies, applications, and users. Further, the use of AI technologies could be affected by claims of infringement, misappropriation or other violations of intellectual property, including based on the use of large datasets used to train AI technologies or the use of output generated by AI technologies, in either case which contain or are substantially similar to material protected by intellectual property, including patents, copyrights or trademarks. Similar claims of infringement, misappropriation or other violations of intellectual property could be made against providers of AI technologies, and affecting users of such AI technologies, which are considered to have substantial similarities to other, pre-existing AI technologies. Moreover, AI technologies will likely be competitive with certain business practices, or increase the obsolescence of certain organizations' products or services (which might include competitiveness with, or causing the obsolescence of, other AI technologies). Further, we could be exposed to risks to the extent our third-party service providers or other partners use AI technologies in their business activities notwithstanding any policies or contractual requirements we impose aimed at governing or restricting the use of such AI technologies. We are not able to control the way third-party products or services are developed, trained or maintained or the way third-party services utilizing AI technologies are provided to us.

Further, evolving legal and regulatory frameworks pose particular risk and uncertainty for entities operating in the insurance industry. For example, the Colorado Department of Insurance has issued regulations requiring life insurers to establish risk-based governance and management frameworks designed to determine whether algorithms and predictive modeling potentially result in unfair discrimination. Additionally, the National Association of Insurance Commissioners issued a model bulletin on the use of AI that has been adopted in some form by more than 20 states. The bulletins generally describe regulators' expectations that insurance industry participants develop governance frameworks and risk management protocols designed to prevent unfair or discriminatory practices in connection with the use of AI. We may be required to devote additional resources to comply with new or evolving AI-related regulations, and we may not always be able to anticipate or adapt quickly to such changes. If we are unable to comply with such new or evolving AI-related regulations, our business may be adversely affected. Any such developments could affect any use of our or related third parties' AI technologies and adversely impact, whether directly or indirectly, the success of our business.

AI technologies may also be more susceptible to cybersecurity threats, in part given the volume of data they utilize, which, in turn, could make our business more susceptible to cybersecurity threats (such as those described under "—Risks Related to Our Business—Cyber attacks, data breaches, security incidents, systems failures, and resulting interruptions in the availability of our websites, mobile applications, platform, or services could adversely affect our business, financial condition, and results of operations"), particularly in cases where we rely on AI technologies. Furthermore, the rapid evolution of AI technologies may at times outpace the development of effective security controls that account for the risks such technologies introduce. Though we make efforts to mitigate the risks introduced by AI technologies, our efforts may not always be successful, particularly for novel or emerging risks.

The use of AI technologies may expose us to other regulatory, operational, or reputational risks. For example, plaintiffs, including *pro se* litigants, may utilize AI technologies to generate complaints or otherwise in support of bringing litigation against us, including class action claims. Such complaints, regardless of their merits, could have an adverse effect on us by exposing us to negative publicity, reputational damage, or diversion of personnel and management resources. AI technologies may also impact consumer engagement with our platform, if AI agents or platforms do not encourage the use of our platform and offerings.

Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to any use of AI in our business. In particular, AI technologies could significantly disrupt our industry and the markets in which we operate and subject us to increased competition, legal and regulatory risks, and compliance costs, which could have a material adverse effect on our business, financial condition, and results of operations.

Failure to obtain, maintain, protect, defend or enforce our intellectual property rights, the infringement, misappropriation, or other violation of our intellectual property by third parties, or allegations that we have infringed, misappropriated or otherwise violated the intellectual property rights of others, could harm our reputation, ability to compete effectively, financial condition, and business.

Our success and ability to compete depends in part on our ability to obtain, maintain, protect, defend, and enforce our intellectual property. To protect our intellectual property rights, we rely on a combination of trademark and copyright laws, trade secret protection, confidentiality agreements, and other contractual arrangements with our affiliates, employees, consumers, strategic partners, and others. However, such measures provide only limited protection and the steps that we take to protect our intellectual property rights may be inadequate to deter infringement, misappropriation or other violation of our intellectual property or proprietary information by others. Further, the failure to protect our domain names could also adversely affect our reputation and brand and make it more difficult for subscribers to find our products and services. We may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights.

Moreover, while we take precautions designed to protect our intellectual property, competitors, and other unauthorized third parties may copy our technology and use our proprietary brand, content, and information to create or enhance competing solutions and products, which could adversely affect our competitive position in our rapidly evolving and highly competitive industry.

In addition, we may be unable to detect the unauthorized use of our intellectual property rights. Policing unauthorized use of our intellectual property is difficult, expensive, and time-consuming, and we may be required to spend significant resources to monitor and protect our intellectual property rights. Further, currently we do not own any U.S. trademark registrations for our brand names "Ethos" or "Ethos Technologies" that cover the services of our business, though we believe we have established common law rights through usage of such trademarks in commerce. Our lack of a U.S. federal trademark registration for our main brand may limit our ability to enforce such trademarks and expose us to claims from third parties that we have infringed, misappropriated, or otherwise violated their trademarks and/or allow competitors to register similar trademarks, potentially causing consumer confusion and/or harming our reputation. In the event that we opt to rebrand and/or are required to cease using any of our trademarks, we could incur significant costs and risks associated with any rebrand.

Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively in our industry. In addition, even if we initiate litigation against third parties, such as lawsuits alleging infringement, misappropriation or other violation of our intellectual property, we may not prevail. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Additionally, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related intellectual property at risk of not issuing or being cancelled. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. Any of the foregoing could adversely affect our business, financial condition, and results of operations.

We also cannot guarantee that the operation of our business does not and will not infringe, misappropriate, or otherwise violate the rights of third parties. Third parties may assert intellectual property-related claims against us, including claims of infringement, misappropriation or other violation of their intellectual property, which may be costly to defend, could require the payment of damages, legal fees, settlement payments, royalty payments, and other costs or damages, including treble damages if we are found to have willfully infringed certain types of intellectual property, and could limit our ability to use or offer certain technologies, products or other intellectual property. Additionally, our competitors and other third parties hold numerous trademarks, patents, copyrights, trade secrets and, other intellectual property rights related to technology used in our industry and may hold or obtain trademarks, patents, copyrights, trade secrets and other intellectual property rights that could prevent, limit or interfere with our ability to make, use, develop, sell, or market our products and services, which could make it more difficult for us to operate our business. Any intellectual property claims, with or without merit, could be expensive, take significant time, and divert management's resources, time, and attention from other business concerns. Moreover, other companies, including our competitors, may have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe, misappropriate or otherwise violate the rights of others, or require us to purchase costly licenses from third parties, which may not be available on commercially reasonable terms, or at all. Even if a license is available to us, it could be non-exclusive thereby giving our competitors and other third parties access to the same technologies licensed to us, and we may be required to pay significant upfront fees, milestone payments, or royalties, which would increase our operating expenses. Any of the foregoing could adversely affect our business, financial condition, and results of operations.

We employ third-party software and other third-party technology for use in our business, and the inability to maintain these licenses or errors in the software and technology we license could result in increased costs or reduced service levels, which would adversely affect our business.

Our business relies on certain third-party software and other technology (including AI) obtained under licenses or other commercial agreements from other companies. We anticipate that we will continue to rely on such third-party offerings in the future. Although we believe that there are commercially reasonable alternatives to the third-party software or technology we currently use, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of new third-party software or technology may require significant work and require substantial investment of our time and resources. Our use of additional or alternative third-party software or technology would require us to enter into license agreements or other commercial arrangements with third parties, which may not be available on commercially reasonable terms or at all. Many of the risks associated with the use of third-party software cannot be eliminated, and these risks could negatively affect our business.

Our platform contains third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our platform and services and subject us to costly litigation or other disputes.

We have in the past incorporated and may in the future incorporate certain open source software into our platform. Open source software is licensed by its authors or owners under open source licenses, which in some instances may subject us to certain unfavorable conditions. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our platform.

Some open source licenses contain requirements that may, depending on how the licensed software is distributed, conveyed, used or modified, require that we make available source code for modifications or derivative works we create based upon the licensed open source software, authorize further modification and redistribution of that source code, make that source code available at little or no cost, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could be required under certain open source licenses to release the source code of our proprietary software under the terms of an open source software license. This could enable our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. To avoid the release of the affected portions of our source code, we could be required to purchase additional licenses and expend substantial time and resources to re-engineer some or all of our software or cease use or distribution of some or all of our software until we can adequately address the concerns.

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

Risks Related to Ownership of Our Common Stock

The dual class structure of our common stock as described in our amended and restated certificate of incorporation has the effect of concentrating voting control with those stockholders who held our stock prior to the closing of our initial public offering and limiting your ability to influence corporate matters, which could adversely affect the trading price of our Class A common stock.

Our Class B common stock has 20 votes per share, and our Class A common stock, which is the stock we have listed for trading on Nasdaq, has one vote per share. As of September 30, 2026, stockholders who hold shares of Class B common stock, including our co-founders, entities affiliated with Accel, and entities affiliated with Sequoia Capital, together hold approximately 91.8% of the voting power of our outstanding capital stock. As a result, our co-founders, Accel, and Sequoia Capital have significant influence over our management and affairs and over all matters requiring stockholder approval, including election of directors and significant corporate transactions, such as a merger or other sale of the Company or our assets, for the foreseeable future.

In addition, the holders of Class B common stock collectively will continue to be able to control all matters submitted to our stockholders for approval even if their stock holdings represent less than 50% of the outstanding shares of our common stock. Because of the 20-to-1 voting ratio between our Class B common stock and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock even when the shares of Class B common stock represent as little as 4.8% of the outstanding shares of our Class A common stock and Class B common stock. This concentrated control will limit your ability to influence corporate matters for the foreseeable future, and, as a result, the market price of our Class A common stock could be adversely affected.

Future transfers by holders of shares of Class B common stock will generally result in those shares converting to shares of Class A common stock, which will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. Certain permitted transfers, as specified in our amended and restated certificate of incorporation, will not result in shares of Class B common stock automatically converting to shares of Class A common stock, such as, transfers by our co-founders whereby one of our co-founders retains or is granted exclusive voting control over such shares of Class B common stock.

In addition, each outstanding share of Class B common stock will convert automatically into a share of Class A common stock upon the earliest to occur following the closing of our initial public offering: (i) the date fixed by our Board of Directors when the number of shares of our Class B common stock, and any shares of Class B common stock underlying equity securities, held by our co-founders, certain immediate family members and their permitted entities and permitted transferees, is less than 20% of the number of shares of Class B common stock held by our co-founders, certain immediate family members and their permitted entities at our initial public offering; (ii) the tenth anniversary of our initial public offering; (iii) the date fixed by our Board of Directors that is no less than 61 days and no more than 180 days following our initial public offering that the second of our co-founders experiences a Triggering Event (as defined below, and other than death or disability); or (iv) the date that is 12 months after the second of our co-founders experiences a Triggering Event that is death or disability.

A "Triggering Event" is the first to occur of any of the following with respect to each of our co-founders:

- (1) such co-founder is no longer providing services to us as an officer or employee, and (2) such co-founder is no longer a member of our Board of Directors as a result of a voluntary resignation by such co-founder or as a result of a request of or agreement with such co-founder not to be renominated as a director at a meeting of stockholders;
- such co-founder's employment with us is terminated for cause; or
- the death or disability of such co-founder.

If only one of our co-founders has experienced such a Triggering Event, then a proxy will automatically be granted over all of the shares of Class B common stock held by such co-founder, certain immediate family members and their related permitted entities and permitted transferees to the other co-founder, referred to as the Founder Voting Proxy, such that one co-founder will have exclusive voting control over all shares of Class B common stock held by both co-founders, certain immediate family members and their related permitted entities and permitted transferees. As a result of the Founder Voting Proxy, one co-founder would then be able to significantly influence or determine any action requiring approval of stockholders in his sole discretion, including all matters referred to above.

In 2017, MSCI, a leading stock index provider, opened public consultations on its treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices; however, in October 2018, MSCI announced its decision to include equity securities "with unequal voting structures" in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track these indices will not be investing in our stock. In addition, we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and would make our Class A common stock less attractive to other investors. As a result, the trading price, volume, and liquidity of our Class A common stock could be adversely affected.

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

The market price of our Class A common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from our forecasts or the expectations of securities analysts;
- changes in commission rates;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to the life insurance industry;
- announcements by us or our competitors of significant business developments or acquisitions;
- our involvement in litigation;
- future sales or repurchases of our Class A common stock by us or our stockholders;
- changes in senior management or key personnel;

- the trading volume of our Class A common stock;
- changes in the anticipated future size and growth rate of our market;
- changes in demand for life insurance products;
- rumors and market speculation involving us or other companies in our industry;
- overall performance of the equity markets; and
- general political, social, economic, and market conditions, in both domestic and our foreign markets, including effects of increased interest rates, inflationary pressures, bank failures, and macroeconomic uncertainty and challenges.

In addition, technology stocks have historically experienced high levels of volatility. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management's attention.

An active public trading market for our Class A common stock may not develop or be sustained.

Although our Class A common stock is listed on The Nasdaq Global Select Market, an active public trading market for our Class A common stock may not develop or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

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

Sales of a substantial number of shares of our Class A common stock in the public market, or the perception that these sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold, and therefore, they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our Class A common stock.

Further, certain holders of our common stock have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

We may also issue our shares of Class A common stock or securities convertible into shares of our Class A common stock from time to time in connection with a financing, acquisition, investments, or otherwise. If we are unable to effectively manage the risks relating to the price of our Class A common stock, our business, financial condition, results of operations, and prospects could be adversely affected

We cannot guarantee that our share repurchase program will be utilized to the full value approved or that it will enhance long-term stockholder value. Repurchases we consummate could increase the volatility of the price of our common stock and could have a negative impact on our available cash balance.

In August 2026, our Board of Directors authorized a share repurchase program (the "2026 Share Repurchase Program") pursuant to which we may repurchase up to $100.0 million of our Class A common stock. Repurchases may be effected, from time to time, either on the open market (including pre-set trading plans), in privately negotiated transactions, and other transactions in accordance with applicable securities laws. The 2026 Share Repurchase Program has no expiration date. The manner, timing and amount of any share repurchases may fluctuate and will be determined by us based on a variety of factors, including the market price of our Class A common stock, our priorities for the use of cash to support our business operations and plans, general business and market conditions, and alternative investment opportunities. The 2026 Share Repurchase Program authorization does not obligate us to acquire any specific number or dollar value of shares. Further, our share repurchases could have an impact on our share trading prices, increase the volatility of the price of our Class A

common stock, or reduce our available cash balance such that we will be required to seek financing to support our operations. The 2026 Share Repurchase Program may be modified, suspended or terminated at any time at our discretion, which may result in a decrease in the trading prices of our Class A common stock. Even if the 2026 Share Repurchase Program is fully implemented, it may not enhance long-term stockholder value. As of the date of this Quarterly Report, no shares have been repurchased since the announcement of the program.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through equity and debt financings as well as cash generated from operations. We cannot be certain our operations will continue to generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity financings to secure additional funds. For example, in December 2024, we sold a portion of our commissions receivable to an unaffiliated third party re-insurer for upfront cash, as further described in Note 8 to our condensed consolidated financial statements included elsewhere in this Quarterly Report. We may consider entering into such arrangements in the future depending on our capital and business needs. The terms of any such arrangements may be less favorable to us in the future, and such arrangements may result in variability in our cash flows, which may complicate our financial planning and period-over-period comparisons. If our use of such arrangements increases, any disruption in our ability to execute such transactions, or changes in their terms, could negatively impact our liquidity and financial condition. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, results of operations, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of Class A common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our Class A common stock. Furthermore, if we issue additional equity securities, including in connection with merger and acquisition transactions, stockholders will experience dilution. In addition, new equity securities could have rights senior to those of our Class A common stock.

The trading prices for technology companies have been highly volatile, especially recently due to rising interest rates, inflation, and the uncertain macroeconomic environment, which may reduce our ability to access capital on favorable terms or at all. In addition, a recession, depression, or other sustained adverse market event could adversely affect the value of our Class A common stock as well as our business, financial condition, results of operations, and prospects. Because our decision to issue securities or engage in other financing arrangements in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities or other financing arrangements. As a result, our stockholders bear the risk of future issuances of debt or equity securities or other financing arrangements reducing the value of our Class A common stock and diluting their interests.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. In addition, our ability to pay dividends may be further restricted by agreements we may enter into in the future. Accordingly, you may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

We are an "emerging growth company," and the reduced reporting and disclosure requirements applicable to emerging growth companies could make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our Class A common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the first to occur of: (i) the last day of the year following the fifth anniversary of our initial public offering; (ii) the last day of the first year in which our annual gross revenue is $1.235 billion or more; (iii) the date on which we have, during the previous rolling three-year period, issued more than $1.0 billion in non-convertible debt securities; and (iv) the date we qualify as a "large accelerated filer," with at least $700.0 million of equity securities held by non-affiliates.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future results of operations may not be as comparable to the results of operations of certain other companies in our industry that adopted such standards. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock, and our stock price may be more volatile.

We incur costs as a result of operating as a public company, and our management is required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we incur significant legal, accounting, and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an "emerging growth company." The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the securities exchange on which our Class A common stock trades, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations have increased our legal and financial compliance costs and have made some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will continue to incur as a public company or the specific timing of such costs.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our Class A common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, may have the effect of preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our Board of Directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our Board of Directors that may be senior to our Class A common stock;
- following the date on which the outstanding shares of Class B common stock represent less than a majority of the total voting power of our then-outstanding shares, require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our Board of Directors, the chairperson of our Board of Directors, our chief executive officer, or our president (in the absence of a chief executive officer);
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our Board of Directors;
- establish that our Board of Directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of at least 66 2/3% of our outstanding shares of voting stock;
- provide that vacancies on our Board of Directors may be filled only by the affirmative vote of a majority of directors then in office, even though less than a quorum, or by a sole remaining director; and
- require the approval of our Board of Directors or the holders of at least 66 2/3% of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible

for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our Class A common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our Class A common stock in an acquisition.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the exclusive forums for certain disputes between us and our stockholders, which restricts our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation, provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders, or any action asserting a claim for aiding and abetting such breach of fiduciary duty; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation, provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. Our amended and restated certificate of incorporation, further provides that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. Investors also cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and we cannot assure you that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could harm our business.

If securities or industry analysts do not publish research or publish unfavorable or inaccurate research about our business, the market price and trading volume of our Class A common stock could decline.

The market price and trading volume of our Class A common stock is heavily influenced by the way analysts interpret our financial information and other disclosures. We do not have control over these analysts. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts do not publish research or reports about our business, downgrade our Class A common stock, or publish negative reports about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our Class A common stock.

General Risks

As a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the year ending December 31, 2026. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company." We have recently commenced the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 of the Sarbanes-Oxley Act, or Section 404, but we may not be able to complete our evaluation, testing, and any required remediation in a timely fashion once initiated. Our compliance with Section 404 will require that we incur substantial expenses and expend significant management efforts. Although we currently have an internal audit group, we will need to hire additional accounting and financial staff with appropriate public company experience and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We may identify material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We and our employees have and may continue to be subject to claims alleging violations of our employees' contractual obligations to their prior employers. These claims may be costly to defend, and if we do not successfully do so, our business could be harmed.

Many of our employees were previously employed at current or potential competitors. Although we have processes to ensure that our employees do not use proprietary information or disclose confidential information from their prior employer in their work for us or otherwise violate their contractual post-employment obligations such as customer and employee non-solicits, we or our employees may still in the future become subject to claims alleging such violations. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could negatively impact our business. Even if we are successful in defending against these claims, litigation efforts are costly, time-consuming, and a significant distraction to management.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

As of December 31, 2025, we had net operating loss carryforwards, or NOLs, for U.S. federal and state income tax purposes of $271.9 million and $159.1 million, respectively, which may be available to offset taxable income in the future,

and portions of which expire in various years beginning in 2036 for U.S. federal purposes and 2030 for state purposes if not utilized. Under current law, U.S. federal NOLs incurred in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but such federal NOLs are permitted to be used in any taxable year to offset only up to 80% of taxable income in such year. A lack of future taxable income would adversely affect our ability to utilize certain of these NOLs before they expire. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" (as defined under Section 382 of the Code and applicable Treasury Regulations; generally a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period) is subject to limitations on its ability to utilize its pre-change NOLs to offset post-change taxable income. We have experienced ownership changes under Section 382 of the Code in the past, and we may experience additional ownership changes in the future which could affect our ability to utilize our NOLs to offset our income. Similar provisions of state tax law may also apply. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future also may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities, including for state tax purposes. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, which could potentially result in increased future tax liability to us and could adversely affect our results of operations and financial condition.

We may be subject to additional tax liabilities, including as a result of changes in tax laws or regulations, which could adversely affect our financial condition and results of operations.

We are subject to taxes in U.S. federal, state, local, and non-U.S. jurisdictions. The amount of taxes we pay in different jurisdictions depends on the application of the relevant tax laws to our business activities, the relative amounts of income before taxes in the various jurisdictions in which we operate, the application of new or revised tax laws, the interpretation of existing tax laws and policies, the outcome of current and future tax audits, examinations, or administrative appeals, our ability to realize our deferred tax assets, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements.

The tax regimes to which we are subject or under which we operate, including income and non-income taxes, are unsettled in certain respects and may be subject to significant change. Changes in tax laws or regulations, or changes in interpretations of existing laws and regulations, could materially affect our financial condition and results of operations. For example, the Tax Cuts and Jobs Act, or the Tax Act, the Coronavirus Aid, Relief, and Economic Security Act, and the Inflation Reduction Act made many significant changes to the U.S. tax laws. Effective January 1, 2022, the Tax Act eliminated the option to deduct research and development expenses for tax purposes in the year incurred and instead requires taxpayers to capitalize and subsequently amortize such expenses over five years for research activities conducted in the United States and over 15 years for research activities conducted outside the United States. In recent years, many such changes have been made, and changes are likely to continue to occur in the future. It cannot be predicted whether, when, in what form or with what effective dates tax laws, regulations, and rulings may be enacted, promulgated or issued, which could result in an increase in our or our shareholders' tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law. Additionally, the enactment of the One Big Beautiful Bill Act ("OBBBA") in July 2025 has introduced significant changes to the U.S. federal tax code, including, among other changes, changes to the taxation of income derived from international operations, changes in the deduction and amortization of research and development expenditures, and limitations on the deductibility of business interest. While certain provisions, such as the restoration of immediate domestic R&D expensing, may benefit our cash flow, other provisions—including the 1% excise tax on foreign remittances and the continued capitalization of foreign R&D costs—may increase our effective tax rate. Furthermore, the complexity of transitioning to OBBBA standards may result in adjustments to our deferred tax assets or liabilities, which could materially affect our financial results in future periods. Future guidance from the Internal Revenue Service and other tax authorities with respect to any legislation may affect us, and certain aspects of such legislation could be repealed or modified or sunset in future years. Should our effective tax rate rise, our business could be harmed.

The determination of our overall provision for income and other taxes is inherently uncertain because it requires significant judgment with respect to complex transactions and calculations. As a result, fluctuations in our tax liabilities 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.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage us as being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from our senior management and

could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations, and financial condition.

Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change, and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of operations and financial condition.

Concerns regarding the effects of climate change on the global environment have led governmental bodies to adopt laws and regulations aimed at reducing greenhouse gas emissions and other measures to mitigate the impact of climate change. As a result, the global business community has increased its political and social awareness surrounding the issue. At various times, the U.S. Congress, state legislatures, and federal and state regulatory agencies have adopted or proposed legal requirements and other initiatives to combat climate change. Climate change legislation or regulation could cause us to incur increased costs and capital expenditures to comply, which may impact our financial condition and operating performance.

In addition, the U.S. Federal Reserve has in the past identified climate change as a potential risk to the stability of the financial system. It also reported that a gradual change in investor sentiment regarding climate risk introduces the possibility of abrupt tipping points or significant swings in sentiment, which could create unpredictable follow-on effects in financial markets. If this occurred, not only would we be negatively impacted by the general economic decline, but a drop in the stock market affecting our stock price could negatively impact our ability to grow through mergers and acquisitions financed using our common stock.

Moreover, if our carriers fail or withdraw from offering certain lines of insurance because of large payouts related to climate change, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of insurance and, as a result, reduce our revenue and profitability.

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

(a) **Unregistered Equity Sales.**

None.

(b) **Use of Proceeds**.

On January 28, 2026, our registration statement on Form S-1, as amended (File No.333-290534), was declared effective by the SEC for our initial public offering. There has been no material change in the expected use of the net proceeds from our IPO as described in the final prospectus, dated January 28, 2026 and filed with the SEC on January 29, 2026 pursuant to Rule 424(b) of the Securities Act.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Trading Arrangements

On August 25, 2026, Brandt Kucharski, our Chief Accounting Officer, terminated his previously disclosed trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), which was entered into on May 15, 2026 and was set to expire on August 31, 2027. The terminated sales plan provided for the potential sale of up to 136,831 shares of our Class A common stock, consisting of (i) up to 77,436 shares of our Class A common stock, and (ii) up to 59,395 shares of our Class A common stock issuable upon vesting and settlement of RSUs, excluding shares withheld or sold to satisfy tax withholding obligations.

Additionally, on August 25, 2026, Mr. Kucharski adopted a trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) that will expire on August 31, 2027. The trading plan provides for the potential sale of up to 45,049 shares of our Class A common stock issuable upon vesting and settlement of RSUs, excluding shares withheld or sold to satisfy tax withholding obligations.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Ethos Technologies Inc.	8-K	001-43065	3.1	2/2/2026	
3.2	Amended and Restated Bylaws of Ethos Technologies Inc.	S-1/A	333-290534	3.4	1/20/2026	
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101).					X

† Certain portions of this exhibit (indicated by asterisks) have been omitted because they are both not material and are the type that the Company treats as private or confidential.

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report and are not deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Date: November 4, 2026

Ethos Technologies Inc.

By: /s/ Peter Colis
Name: Peter Colis
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Christopher Capozzi
Name: Christopher Capozzi
Title: Chief Financial Officer
(Principal Financial Officer)

By: /s/ Brandt Kucharski
Name: Brandt Kucharski
Title: Chief Accounting Officer
(*Principal Accounting Officer)*

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER

THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter Colis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ethos 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)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. [Omitted];
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

By: /s/ Peter Colis
Peter Colis
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER

THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Capozzi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ethos 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)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. [Omitted];
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

By: /s/ Christopher Capozzi
Christopher Capozzi
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ethos Technologies, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, as amended, and Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") that:

1.The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and

2.The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 4, 2026

By: /s/ Peter Colis
Peter Colis
Chief Executive Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ethos Technologies, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, as amended, and Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") that:

1.The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, as amended, and

2.The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 4, 2026

By: /s/ Christopher Capozzi
Christopher Capozzi
Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.