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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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: 001-41805

instacart

MAPLEBEAR INC.

(Exact name of registrant as specified in its charter)

Delaware	**46-0723335**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

50 Beale Street, Suite 600
San Francisco, California 94105
(Address of principal executive offices) (Zip code)
(888) 246-7822
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	CART	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 ☒

The registrant had outstanding 231,500,067 shares of common stock, par value $0.0001 per share, as of July 31, 2026.

MAPLEBEAR INC. DBA INSTACART
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, 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,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “toward,” “will,” or “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 our financial performance, including revenue, cost of revenue, gross profit, operating expenses, net income, and key metrics such as gross transaction value (“GTV”) and orders, and our ability to maintain or increase future profitability and generate profitable growth over time;
- our ability to attract new customers and shoppers and maintain and/or increase engagement of existing customers and shoppers;
- our ability to effectively manage our growth and plan for and execute growth strategies and initiatives;
- anticipated trends, growth rates, and challenges in our financial performance, key metrics, and business and in the markets in which we operate;
- our ability to maintain and expand our relationships with retailers and brands and the effects of retailer consolidation;
- our ability to continue to grow across our current markets and expand into new markets;
- the effects of increased competition in our markets and our ability to successfully compete with companies that are currently in, or may in the future enter, the markets in which we operate;
- our estimated market opportunity;
- our ability to timely and effectively scale and adapt our offerings;
- our ability to maintain the safety, security, and availability of our platform;
- our ability to expand or enhance our existing offerings and develop new products, offerings, features, and use cases, bring them to market in a timely manner, and whether retailers, customers, brands, shoppers, or other partners launch or utilize such products, offerings, features, and use cases in the manner and timing that we expect;
- our ability to adapt to or utilize artificial intelligence (“AI”) and machine learning technologies as well as the use of such technologies by our competitors;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- our ability to identify, complete, and achieve anticipated business and financial benefits from acquisitions, strategic investments, collaborations, commercial arrangements, alliances or partnerships that complement and expand the functionality of Instacart and our offerings;
- our prices and pricing methodologies and our expectations for the impact of pricing on our competitive position and our financial results;
- macroeconomic and industry trends, including the impact on our business of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, inflation, elevated interest rates, the effects of supply chain challenges, cessation of, interruptions to, or changes to government aid programs, heightened recession risk, and geopolitical conflicts;
- our ability to successfully defend litigation and government proceedings brought against us;
- the implications from any legislative, regulatory, judicial, administrative, or legal proceeding that changes our current relationship with shoppers, and the potential impacts on our business operations, our business model, fulfillment strategies, and financial performance;

- our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the United States and internationally;
- our reliance on key personnel, our ability to attract, maintain, and retain management and skilled personnel;
- our expectations concerning our relationships with third parties; and
- our expectations regarding our share repurchase program.

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

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, 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 on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. 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 on Form 10-Q. 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 on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information, actual results, revised expectations or the occurrence of unanticipated events, except as required by law.

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to “we,” “us,” “our,” “our company,” and “Instacart” refer to Maplebear Inc. and its consolidated subsidiaries.

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, which is located at investors.instacart.com, our blog, which is located at www.instacart.com/company/blog, press releases, public conference calls, and public webcasts. The information disclosed through the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

The information we post through these channels is not a part of this Quarterly Report on Form 10-Q. 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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED BALANCE SHEETS

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

(unaudited)

	As of December 31, 2025	As of June 30, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 637	$ 757
Short-term marketable securities	50	93
Accounts receivable, net of allowance of $3 and $2, respectively	1,127	979
Restricted cash and cash equivalents, current	172	117
Prepaid expenses and other current assets	213	171
Total current assets	2,199	2,117
Long-term marketable securities	81	35
Restricted cash and cash equivalents, noncurrent	18	—
Property and equipment, net	218	218
Operating lease right-of-use assets	30	27
Intangible assets, net	71	66
Goodwill	393	412
Deferred tax assets, net	664	596
Other assets	14	39
Total assets	$ 3,687	$ 3,510
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 70	$ 62
Accrued and other current liabilities	634	631
Operating lease liabilities, current	3	3
Deferred revenue	211	232
Total current liabilities	917	929
Operating lease liabilities, noncurrent	33	31
Other long-term liabilities	24	27
Total liabilities	974	988
Commitments and contingencies (Note 10)		
Series A redeemable convertible preferred stock; $0.0001 par value per share; 5,833 shares authorized, issued, and outstanding as of December 31, 2025 and June 30, 2026	196	200
Stockholders' equity:		
Preferred stock, $0.0001 par value per share; 24,167 shares authorized as of December 31, 2025 and June 30, 2026; zero shares issued and outstanding as of December 31, 2025 and June 30, 2026	—	—
Common stock, $0.0001 par value per share; 2,000,000 shares authorized as of December 31, 2025 and June 30, 2026; 242,867 and 233,035 shares issued and outstanding as of December 31, 2025 and June 30, 2026, respectively	—	—
Additional paid-in capital	7,005	7,289
Accumulated other comprehensive loss	(1)	(7)
Accumulated deficit	(4,486)	(4,959)
Total stockholders' equity	2,518	2,322
Total liabilities, redeemable convertible preferred stock, and stockholders' equity	$ 3,687	$ 3,510

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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except share amounts, which are reflected in thousands, and per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2026**	**2025**	**2026**
Revenue	$ 914	$ 1,043	$ 1,811	$ 2,062
Cost of revenue	236	292	462	573
Gross profit	678	751	1,350	1,489
Operating expenses:				
Operations and support	66	74	140	148
Research and development	166	202	310	366
Sales and marketing	217	233	434	463
General and administrative	106	98	231	186
Total operating expenses	554	608	1,115	1,164
Income from operations	124	143	234	325
Other income (expense), net	3	(1)	3	(1)
Interest income	15	5	29	11
Income before provision for income taxes	142	147	266	335
Provision for income taxes	26	36	43	80
Net income	$ 116	$ 111	$ 222	$ 256
Accretion related to Series A redeemable convertible preferred stock	(2)	(2)	(5)	(5)
Net income attributable to common stockholders, basic	$ 114	$ 109	$ 218	$ 251
Accretion related to Series A redeemable convertible preferred stock	2	2	5	5
Net income attributable to common stockholders, diluted	$ 116	$ 111	$ 222	$ 256
Net income per share attributable to common stockholders:				
Basic	$ 0.43	$ 0.46	$ 0.83	$ 1.06
Diluted	$ 0.41	$ 0.45	$ 0.79	$ 1.02
Weighted-average shares used in computing net income per share attributable to common stockholders:				
Basic	262,588	234,928	262,511	237,089
Diluted	281,293	248,935	282,117	251,254

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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2026**	**2025**	**2026**
Net income	$ 116	$ 111	$ 222	$ 256
Other comprehensive income (loss):				
Change in foreign currency translation adjustments	7	(3)	8	(6)
Total other comprehensive income (loss)	7	(3)	8	(6)
Comprehensive income	$ 124	$ 108	$ 230	$ 249

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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY

(in millions, except share amounts, which are reflected in thousands)

(unaudited)

	Series A Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balances at December 31, 2024	5,833	$ 186	260,964	$ —	$ 6,687	$ (9)	$ (3,585)	$ 3,093
Accretion of Series A redeemable convertible preferred stock	—	2	—	—	(2)	—	—	(2)
Issuance of common stock upon settlement of restricted stock units	—	—	3,661	—	—	—	—	—
Exercise of common stock options	—	—	451	—	4	—	—	4
Common stock withheld or cancelled for tax obligation and net settlement	—	—	(154)	—	(8)	—	—	(8)
Stock-based compensation	—	—	—	—	77	—	—	77
Repurchase and retirement of common stock	—	—	(2,405)	—	—	—	(94)	(94)
Net income	—	—	—	—	—	—	106	106
Balances at March 31, 2025	5,833	$ 188	262,517	$ —	$ 6,758	$ (9)	$ (3,573)	$ 3,176
Accretion of Series A redeemable convertible preferred stock	—	2	—	—	(2)	—	—	(2)
Issuance of common stock upon settlement of restricted stock units	—	—	3,464	—	—	—	—	—
Exercise of common stock options	—	—	301	—	2	—	—	2
Common stock withheld or cancelled for tax obligation and net settlement	—	—	(135)	—	(6)	—	—	(6)
Stock-based compensation	—	—	—	—	117	—	—	117
Other comprehensive income	—	—	—	—	—	7	—	7
Repurchase and retirement of common stock	—	—	(2,704)	—	—	—	(111)	(111)
Net income	—	—	—	—	—	—	116	116
Balances at June 30, 2025	5,833	$ 191	263,443	$ —	$ 6,869	$ (1)	$ (3,568)	$ 3,299

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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY, CONTINUED

(in millions, except share amounts, which are reflected in thousands)

(unaudited)

	Series A Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balances at December 31, 2025	5,833	$ 196	242,867	$ —	$ 7,005	$ (1)	$ (4,486)	$ 2,518
Accretion of Series A redeemable convertible preferred stock	—	2	—	—	(2)	—	—	(2)
Issuance of common stock upon settlement of restricted stock units	—	—	2,975	—	—	—	—	—
Exercise of common stock options	—	—	347	—	3	—	—	3
Common stock withheld or cancelled for tax obligation and net settlement	—	—	(104)	—	(4)	—	—	(4)
Stock-based compensation	—	—	—	—	91	—	—	91
Other comprehensive loss	—	—	—	—	—	(3)	—	(3)
Repurchase and retirement of common stock [1]	—	—	(9,375)	—	50	—	(402)	(352)
Net income	—	—	—	—	—	—	144	144
Balances at March 31, 2026	5,833	$ 198	236,710	$ —	$ 7,143	$ (4)	$ (4,744)	$ 2,395
Accretion of Series A redeemable convertible preferred stock	—	2	—	—	(2)	—	—	(2)
Issuance of common stock upon settlement of restricted stock units	—	—	4,124	—	—	—	—	—
Exercise of common stock options	—	—	123	—	1	—	—	1
Common stock withheld or cancelled for tax obligation and net settlement	—	—	(98)	—	(4)	—	—	(4)
Stock-based compensation	—	—	—	—	151	—	—	151
Other comprehensive loss	—	—	—	—	—	(3)	—	(3)
Repurchase and retirement of common stock	—	—	(7,825)	—	—	—	(327)	(327)
Net income	—	—	—	—	—	—	111	111
Balances at June 30, 2026	5,833	$ 200	233,035	$ —	$ 7,289	$ (7)	$ (4,959)	$ 2,322

[1] Includes the completion of the Company's accelerated share repurchase agreement (the "ASR Agreement"). Refer to Note 13 — Stockholders' Equity for further discussion.

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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

(unaudited)

	Six Months Ended June 30,	
	2025	**2026**
OPERATING ACTIVITIES		
Net income	$ 222	$ 256
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	40	62
Stock-based compensation expense	172	221
Impairments of long-lived assets and other assets	11	6
Provision for bad debts	9	6
Amortization of operating lease right-of-use assets	5	2
Deferred income taxes	(1)	67
Other	(5)	3
Changes in operating assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	(31)	141
Prepaid expenses and other assets	46	21
Accounts payable	(12)	(8)
Accrued and other current liabilities	32	(34)
Deferred revenue	18	20
Operating lease liabilities	(6)	(1)
Net cash provided by operating activities	501	762
INVESTING ACTIVITIES		
Purchases of marketable securities	(144)	(13)
Maturities of marketable securities	127	15
Purchases of property and equipment, including capitalized internal-use software	(34)	(29)
Acquisitions of businesses, net of cash acquired	(105)	(29)
Other investing activities	(1)	—
Net cash used in investing activities	(156)	(56)
FINANCING ACTIVITIES		
Taxes paid related to net share settlement of equity awards	(14)	(8)
Proceeds from exercise of stock options	6	4
Changes in advances from payment card issuer	43	34
Repurchases of common stock	(210)	(683)
Other financing activities	—	(2)
Net cash used in financing activities	(175)	(655)
Effect of foreign exchange on cash, cash equivalents, and restricted cash and cash equivalents	5	(3)
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	176	47
Cash, cash equivalents, and restricted cash and cash equivalents - beginning of period	1,449	827
Cash, cash equivalents, and restricted cash and cash equivalents - end of period	$ 1,625	$ 874

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

MAPLEBEAR INC. DBA INSTACART

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED

(in millions)

(unaudited)

	Six Months Ended June 30,	
	2025	**2026**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for (received from) income taxes, net	$ 42	$ (2)
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Stock-based compensation capitalized as internal-use software	$ 23	$ 21
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION RELATED TO LEASES		
Remeasurement of operating lease right-of-use assets	$ 17	$ —
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE CONDENSED CONSOLIDATED BALANCE SHEETS		
Cash and cash equivalents	$ 1,489	$ 757
Restricted cash and cash equivalents, current	122	117
Restricted cash and cash equivalents, noncurrent	15	—
Total cash, cash equivalents, and restricted cash and cash equivalents	$ 1,625	$ 874

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

MAPLEBEAR INC. DBA INSTACART

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Business

Description of Business

Maplebear Inc., doing business as ("DBA") Instacart (the "Company"), was incorporated in Delaware on August 3, 2012 and is headquartered in San Francisco, California. The Company is a diversified technology business that operates a technology platform that enables connections and transactions primarily among retailers, end users, advertisers, and shoppers largely throughout the United States and Canada. End users are provided the ability to transact with retailers for grocery and non-grocery items and with shoppers to pick and deliver the items on the end user's behalf. Retailers contract with the Company to have their goods available for search, selection, and purchase, generally for a percentage of the total purchase value from the sale of goods, on a fee per transaction basis, or some combination thereof. Advertisers have the opportunity to purchase Sponsored Product ads, display ads, coupons, and a variety of other online advertising services. Shoppers, who are independent contractors, pick and deliver orders using the Company's technology platform for fulfillment or delivery service opportunities primarily on a fee per batch basis. The Company also sells software-as-a-service offerings primarily targeted at retailers and charges fees for such offerings.

2. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2025, which can be found in the Company's Annual Report on Form 10-K. In management's opinion, the unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the condensed consolidated financial statements. The condensed consolidated balance sheet as of December 31, 2025 has been derived from the audited financial statements at that date but does not include all of the disclosures required by GAAP.

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries after elimination of all intercompany accounts and transactions. The condensed consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the Company's results of operations and financial condition as of and for the periods presented. The results for the interim periods are not necessarily indicative of the results to be expected for the full year or any other future interim or annual period.

There have been no significant changes to the Company's significant accounting policies described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 that have had a material impact on the condensed consolidated financial statements and related notes.

Rounding

Amounts presented in the condensed consolidated financial statements and accompanying footnotes have been rounded based on their actual values, including totals and subtotals. As a result, totals and subtotals may not equal the sum of individual line items shown. All underlying calculations, including percentages, are based on unrounded amounts.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods covered by the financial statements and accompanying notes. These judgments, estimates, and assumptions are used for, but not limited to, (i) revenue recognition, including revenue-related reserves, (ii) legal and other loss contingencies, and (iii) income taxes. The Company determines its estimates and judgments based on historical experience and on various other assumptions that it believes are reasonable under the circumstances. However, actual results could differ from these estimates, and these differences may be material to the condensed consolidated financial statements.

The Company has considered the impacts of macroeconomic trends affecting the Company's markets and industry and consumer shopping habits, such as inflation and interest rate fluctuations, the effects of supply chain challenges, the impact of trade policies enacted or proposed by the United States ("U.S."), such as tariffs or other trade restrictions, and uncertainty related thereto, geopolitical conflicts, regulatory changes, uncertainty regarding an economic recession and its impact on consumer behavior, and the effects of severe weather patterns on the assumptions and inputs supporting certain of the Company's estimates, assumptions, and judgments. The level of uncertainties and volatility in the global financial markets and economies, as well as the uncertainties related to these macroeconomic factors, geopolitical environment, and their effects on the Company's operations and financial performance, means that these estimates may change in future periods as new events occur and additional information is obtained.

Recent Accounting Pronouncements Not Yet Adopted

With the exception of those discussed below, the Company reviewed all recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a material impact to the Company's consolidated financial statements or accompanying footnotes.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disaggregated information about certain income statement expense line items on an annual and interim basis. The standard is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, as clarified by ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. Early adoption is permitted and can be applied prospectively or retrospectively. The Company is currently evaluating the impact this standard will have on the consolidated financial statements and accompanying footnotes.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*, which provides updated guidance on the capitalization of internal-use software costs. The standard is effective for annual reporting periods beginning after December 15, 2027, including interim periods within those annual periods. Early adoption is permitted and can be applied prospectively or retrospectively. The Company is currently evaluating the impact this standard will have on the consolidated financial statements and accompanying footnotes.

3. Revenue

Disaggregation of Revenue

The following table summarizes the disaggregation of revenue according to type of revenue and is consistent with how the Company evaluates financial performance. The Company believes this depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
Transaction	$ 659	$ 746	$ 1,309	$ 1,478
Advertising and other	255	297	502	584
Total revenue	$ 914	$ 1,043	$ 1,811	$ 2,062

Revenue by geographic areas based on bill-to location was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
United States	$ 878	$ 994	$ 1,740	$ 1,967
International [(1)]	36	48	71	95
Total revenue	$ 914	$ 1,043	$ 1,811	$ 2,062

[(1)] No individual international country represented 10% or more of the Company's total revenue for the three or six months ended June 30, 2025 or 2026.

Contract Assets and Liabilities

The Company records deferred revenue, which is a contract liability, when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts. Deferred revenue primarily consists of balances related to Instacart+ memberships. Substantially all of the Company's deferred revenue as of December 31, 2025 and June 30, 2026 is expected to be recognized within a year. For the six months ended June 30, 2025 and 2026, the Company recognized revenue of $151 million and $157 million, respectively, from the deferred revenue balance as of December 31, 2024 and 2025.

There were no material contract assets as of December 31, 2025 or June 30, 2026.

Concentrations of Credit Risk

The following customers accounted for 10% or more of the Company's accounts receivable:

	As of December 31,	As of June 30,
	2025	2026
Customer A	11 %	12 %
Customer E	12 %	*

* Customer did not account for 10% or more of accounts receivable.

4. Fair Value Measurements

The following tables summarize assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Cash equivalents				
Money market funds	$ 293	$ —	$ —	$ 293
Commercial paper	—	13	—	13
U.S. government and government agency debt securities	—	10	—	10
Total cash equivalents	293	23	—	316
Short-term marketable securities				
Commercial paper	—	7	—	7
U.S. government and government agency debt securities	—	41	—	41
Corporate debt securities	—	2	—	2
Total short-term marketable securities	—	50	—	50
Long-term marketable securities				
U.S. government and government agency debt securities	—	81	—	81
Total long-term marketable securities	—	81	—	81
Total	$ 293	$ 153	$ —	$ 446

	As of June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Cash equivalents				
Money market funds	$ 409	$ —	$ —	$ 409
Commercial paper	—	25	—	25
Corporate debt securities	—	3	—	3
Total cash equivalents	409	28	—	436
Short-term marketable securities				
Commercial paper	—	9	—	9
U.S. government and government agency debt securities	—	82	—	82
Corporate debt securities	—	2	—	2
Total short-term marketable securities	—	93	—	93
Long-term marketable securities				
U.S. government and government agency debt securities	—	35	—	35
Total long-term marketable securities	—	35	—	35
Total	$ 409	$ 156	$ —	$ 565

The Company's investments in commercial paper, U.S. government and government agency debt securities, and corporate debt securities 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, such as prices obtained from an independent pricing service which may use quoted prices for identical or comparable instruments or model driven valuations using observable market data or inputs corroborated by observable market data.

The Series A redeemable convertible preferred stock that was issued during the year ended December 31, 2023 represented a non-recurring Level 3 financial measurement at issuance. Refer to Note 12 — Redeemable Convertible Preferred Stock for further information.

There were no transfers of financial instruments between Level 1, Level 2, and Level 3 for the three or six months ended June 30, 2025 or 2026.

5. Investments

For purposes of computing realized gains and losses, the cost of investments sold is based on the specific-identification method. The gross unrealized gains and losses related to the Company's available-for-sale debt securities as of December 31, 2025 and June 30, 2026 were immaterial.

The following table summarizes the amortized cost and fair value of the Company's available-for-sale debt securities with a stated maturity date:

	As of December 31, 2025		As of June 30, 2026	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)			
Within one year	$ 366	$ 366	$ 530	$ 530
One year through five years	81	81	35	35
Total	$ 446	$ 446	$ 565	$ 565

6. Property and Equipment, Net

Property and equipment, net of accumulated depreciation and amortization, consisted of the following:

	Estimated Useful Life	As of December 31, 2025	As of June 30, 2026
	(in years)	(in millions)	
Computer equipment	3	$ 18	$ 21
Furniture and fixtures	5	5	5
Leasehold improvements	2-8	15	14
Capitalized internal-use software	2-5	307	350
Total property and equipment		345	389
Less: Accumulated depreciation and amortization		(127)	(171)
Total property and equipment, net		$ 218	$ 218

Depreciation expense related to the Company's property and equipment was $2 million and $1 million for the three months ended June 30, 2025 and 2026, respectively, and $4 million and $3 million for the six months ended June 30, 2025 and 2026, respectively. Amortization expense related to the Company's internal-use software, which is primarily recorded within cost of revenue in the condensed consolidated statements of operations, was $13 million and $25 million for the three months ended June 30, 2025 and 2026, respectively, and $24 million and $47 million for the six months ended June 30, 2025 and 2026, respectively.

For the three months ended June 30, 2025 and 2026, the Company capitalized $25 million and $22 million of internal-use software costs, respectively. For the six months ended June 30, 2025 and 2026, the Company capitalized $51 million and $45 million of internal-use software costs, respectively.

Geographic Information

The following table summarizes the Company's long-lived assets, consisting of property and equipment and operating lease right-of-use assets, net of accumulated depreciation and amortization, by geographic area:

	As of December 31, 2025	As of June 30, 2026
	(in millions)	
United States	$ 215	$ 214
Canada	32	30
Other	1	1
Total long-lived assets, net	$ 248	$ 245

Long-lived assets attributed to the United States, Canada, and other international geographies are based on the country in which the asset is located.

7. Business Combinations

Acquisition of Marlin9 Holdings, Inc.

On April 30, 2025, pursuant to a Stock Purchase Agreement, the Company acquired a 100% ownership interest in Marlin9 Holdings, Inc. which operates as Wynshop ("Wynshop"), a provider of ecommerce retail solutions for grocers and retailers. The acquisition builds upon the Company's relationships with retail partners and reinforces the Company's continued commitment to providing retailers with cutting-edge tools and technologies that help drive their business growth.

The purchase consideration was $106 million in cash. The Company has accounted for this acquisition as a business combination. The following table summarizes the fair value of assets acquired and liabilities assumed as of the date of acquisition:

	Fair Value
	(in millions)
Current assets	$ 4
Goodwill	75
Intangible assets	40
Other assets	1
Total assets acquired	121
Total liabilities assumed	(14)
Net assets acquired	$ 106

Acquisition-related expenses were immaterial and expensed as incurred and included within general and administrative expense in the condensed consolidated statements of operations.

The fair value of identified intangible assets and their respective useful lives as of the time of acquisition were as follows:

	Amount	Weighted-Average Useful Life
	(in millions)	(in years)
Customer relationships	$ 39	10
Developed technology	1	2
Trademark	1	2
Total intangible assets	$ 40	

The overall weighted-average useful life of the identified amortizable intangible assets at the time of acquisition was ten years.

Intangible assets are amortized over the estimated useful lives in a pattern that most closely matches the timing of their economic benefits. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the monetization opportunities from the Company's current and future offerings and the value of the assembled workforce. Goodwill recognized from the acquisition is not deductible for tax purposes.

The estimated fair values of the customer relationships, developed technology, and trademark were determined based on the present value of cash flows to be generated by those existing intangible assets. Management applied significant judgment in determining the fair value of intangible assets, which involved the use of estimates and assumptions including revenue and cash flow forecasts, customer attrition, customer base and growth rates, and discount rates.

The Company concluded the purchase accounting for the acquisition during the three months ended June 30, 2026. During the measurement period, the Company recorded immaterial purchase price adjustments resulting in an increase to goodwill.

The results of operations of the business combination have been included in the Company's condensed consolidated financial statements from the date of acquisition. Wynshop's results of operations for periods prior to the acquisition were immaterial to the Company's condensed consolidated statements of operations and, accordingly, historical and pro forma disclosures have not been presented.

8. Goodwill and Intangible Assets, Net

Goodwill

The following table summarizes the activity in the carrying amount of goodwill for the six months ended June 30, 2026:

	Amount
	(in millions)
Balance as of December 31, 2025	$ 393
Addition related to business acquisition	19
Balance as of June 30, 2026	$ 412

Intangible Assets, Net

Intangible assets, net of accumulated amortization, resulting from business combinations and asset purchases consisted of the following:

	As of December 31, 2025			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Remaining Useful Life
		(in millions)		(in years)
Developed technology	$ 92	$ (73)	$ 19	1.8
Customer relationships	66	(27)	39	8.7
Patents	17	(7)	10	4.9
Other	9	(6)	3	5.9
Total intangible assets, net	$ 184	$ (113)	$ 71	

	As of June 30, 2026			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Remaining Useful Life
		(in millions)		(in years)
Developed technology	$ 85	$ (72)	$ 13	1.7
Customer relationships	75	(31)	44	8.8
Patents	17	(9)	8	4.5
Other	5	(4)	1	4.9
Total intangible assets, net	$ 183	$ (116)	$ 66	

Amortization expense was $6 million for each of the three months ended June 30, 2025 and 2026 and $12 million for each of the six months ended June 30, 2025 and 2026.

As of June 30, 2026, the remaining intangible asset amortization was as follows:

	Amount
Year ending December 31,	(in millions)
Remainder of 2026	$ 9
2027	13
2028	9
2029	6
2030	6
Thereafter	23
Total	$ 66

9. Accrued and Other Current Liabilities

Accrued and other current liabilities were as follows:

	As of December 31, 2025	As of June 30, 2026
	(in millions)	
Accrued legal and regulatory matters	$ 158	$ 87
Accrued shopper and merchant liability [1]	103	97
Accrued advertising	53	63
Accrued compensation and benefits	28	36
Accrued professional, legal, and contractor services	51	66
Sales and indirect tax liabilities	31	28
Insurance reserves	72	91
Advances from payment card issuer	22	56
Gift cards and rewards	47	44
Other	67	64
Total	$ 634	$ 631

[1] Accrued merchant liability primarily includes liabilities to certain retailers for payment of goods.

10. Commitments and Contingencies

Leases

The Company's leases primarily include corporate offices and warehouse space. The lease terms of operating leases vary from one year to nine years, with expirations through June 2034. The Company has leases that include one or more options to extend the lease term for up to seven years, as well as options to terminate the lease within one year. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. Most of these options to extend or terminate the lease do not create a significant economic incentive and hence are not recognized as part of the Company's operating lease liabilities and operating lease right-of-use assets.

The Company did not modify, enter into, or acquire any material leasing arrangements for the three or six months ended June 30, 2025 or 2026.

Sales and Indirect Taxes

The Company pays applicable state, franchise, and other taxes in state and local jurisdictions in which the Company conducts business. In the United States, the Company is under audit by various tax authorities with regard to sales and indirect tax matters. The subject matter of these audits primarily relates to the reporting of sales on behalf of the Company's third-party sellers or tax treatment applied to the sale of the Company's services in these jurisdictions. The Company believes it properly accrues and pays taxes according to its understanding of the tax requirements in each taxing jurisdiction; however, it is possible that tax authorities may question the Company's interpretation of taxability. As such, there is a high degree of complexity involved in the interpretation and application of state and local sales and indirect tax rules to the Company's activities. As a result, the Company maintains a reserve related to potential tax, interest, or penalties that may become due. Significant judgments are made by the Company in estimating these reserves which includes assessing the taxability of goods or services transacted using the Company's technology platform. The Company maintains such reserves until the respective statute of limitations has passed or upon conclusion of an audit examination with the relevant tax authorities, at which point the tax exposure and related interest and penalties are released. The reserve balance was $13 million and $14 million as of December 31, 2025 and June 30, 2026, respectively, and was included within other long-term liabilities on the condensed consolidated balance sheets. The releases and losses recognized related to these reserves, net of audit payments, for the three and six months ended June 30, 2025 and 2026 were immaterial and were recorded within general and administrative expense in the condensed consolidated statements of operations.

Legal Matters

Independent Contractor Classification Matters

The Company operates in several jurisdictions where there have been regulations enacted with respect to methods companies should use to classify workers as either independent contractors or employees, such as California, which enacted California Assembly Bill 5 in 2019. The Company believes that it has properly classified its workers in all jurisdictions in which it operates.

Further, on December 16, 2020, the California state ballot initiative, Proposition 22, which provides a framework that offers legal certainty regarding the status of independent workers offering delivery services in California and protects worker flexibility, the quality of on-demand work, and access to benefits for those who qualify, among other things, became effective. The Company provides appropriate worker benefits and other protections in accordance with Proposition 22, including guaranteed minimum earnings, healthcare subsidies, insurance, and safety trainings. Although the constitutionality of Proposition 22 was subsequently challenged, on July 25, 2024, the California Supreme Court upheld Proposition 22 as constitutional. However, there may continue to be legal challenges, or legislative or other attempts to amend or otherwise invalidate the benefits, protections, or the independent worker status provided by Proposition 22. Further, any future judgments, settlements, or orders issued by a court or governmental body or otherwise in connection with any judicial, administrative, or legal proceeding that results in the Company being prohibited from continuing to engage with independent-contractor shoppers in the manner it currently does would likely result in increases to its costs related to shoppers and decreases in the breadth of its offerings and geographic coverage. Further, if the Company changes its offerings or increases customer fees as a result of the increased costs, such changes may result in lower order volumes, which in turn would have an adverse effect on the Company’s business, financial condition, and results of operations.

The Company has other active legal matters in California and several other jurisdictions, including litigation, government audits, administrative claims, and inquiries, related to its classification of individuals who provide delivery and other fulfillment services as non-employee contractors. These matters involve allegations that certain individuals are misclassified and, as a result, may be due unpaid minimum statutory wages, overtime, expense reimbursement, and certain other payments and protections, among other issues. Courts and agencies handling these matters may rule that the Company cannot engage workers to perform certain tasks, including delivery and other fulfillment services, as independent contractors. In some of these cases, the Company has entered into settlement agreements to resolve the claims without any admission of liability and in others, there is active litigation or proceedings.

The Company has also been, is currently, and may in the future be involved in administrative audits with various state and local enforcement agencies, including audits related to shopper classification, state and local ordinance requirements, and unemployment insurance and workers’ compensation contributions. The Company is currently involved in such audits in several states. The Company believes that it complies with applicable legal requirements and that shoppers are properly classified as independent contractors; therefore, the Company disputes that it is obligated to provide such additional benefits under state law and plans to vigorously contest any adverse assessment or determination. The Company’s chances of success on the merits are still uncertain; however, the Company records a liability within accrued and other current liabilities when it believes that it is both probable that a loss has been incurred and the amount can be estimated. The results of these audits, assessments, or any negotiated agreements with these agencies, may result in additional payments, including settlement payments, penalties, and interest, and such additional amounts could have a material impact on the Company’s business, financial conditions, results of operations, and cash flows.

The Company is also currently involved in several putative class and collective actions, thousands of alleged individual claims, including those brought or threatened to be brought in arbitration or compelled to arbitrate pursuant to its independent contractor agreements, and matters brought, in whole or in part, as representative actions under California’s Private Attorney General Act, Labor Code Section 2698, et seq., alleging that the Company misclassified shoppers as independent contractors and related claims. None of the putative class or collective actions have progressed to or resulted in class certification. Those involving misclassification have either been compelled to individual arbitration or have motions to compel individual arbitration which have been granted and are now pending appeal.

FTC Investigation

In July 2025, staff of the Federal Trade Commission ("FTC") asserted they had authority to enter into consent negotiations with the Company relating to certain of its marketing and Instacart+ membership program practices. Following extensive discussions with staff of the FTC, the Company agreed to enter into a consent order to conclude the FTC's investigation, which became final on January 13, 2026. The consent order does not include any admission of liability. Pursuant to the consent order, the Company is required to pay $60 million to the FTC, which was included in accrued and other current liabilities on the consolidated balance sheet as of December 31, 2025, and subsequently paid in January 2026.

Other Litigation Matters

Besides the matters described above, the Company and its subsidiaries are regularly subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings involving unpaid wages, missed breaks, premium or overtime pay, hazard pay, inadequate notice under the Worker Adjustment and Retraining Notification Act or its state equivalent, retaliation, denial of or interference with leave of absence, improper application of the Company's paid time off or other policies, discrimination or harassment based on a protected characteristic, wrongful termination, failure to accommodate a disability, unfair labor practices, personal injury, intellectual property, including patent infringement, property damage, securities and stockholder claims, commercial and contract disputes, unfair competition, marketing claims, consumer protection claims, including auto-renewal practices, pricing, and fees, data protection and privacy, environmental claims, health and safety, appropriate disclosures of worker and customer rights and entitlements, weights and measures, compliance with regulatory requirements, and other matters. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and could result in fines, penalties, compensatory damages, or non-monetary relief. The Company does not believe that these matters will have a material adverse effect upon its operations, cash flows, or financial condition.

To the extent the Company has agreed to settle outstanding claims or where the Company has concluded it is probable that a resolution may be reached at an amount of loss that is estimable, the loss has been recognized within general and administrative expense in the condensed consolidated statements of operations. During periods where the settled amount is less than the loss reserved or if the Company estimates that an outstanding claim is less than that previously recorded, the Company will recognize a reserve release related to the claims within general and administrative expense in the condensed consolidated statements of operations. For the three months ended June 30, 2025 and 2026, the Company recognized a loss of an immaterial amount and a net reserve release of $14 million related to these claims, respectively. For the six months ended June 30, 2025 and 2026, the Company recognized a loss of $45 million and a net reserve release of $10 million related to these claims, respectively. The actual losses incurred on claims that have not been resolved may differ from the initial estimates of loss, and such differences could be material.

The Company is also subject from time to time to audits by government agencies in the various jurisdictions in which it operates. To the extent the Company is obligated to make payments in these jurisdictions (other than income taxes), the Company has recorded the related expense within general and administrative expense in the condensed consolidated statements of operations. The results of these audits may result in additional payments, penalties, and interest, and such additional amounts could be material.

Indemnifications

The Company has entered into indemnification agreements with certain of the Company's officers, directors, and current and former employees, and the Company's certificate of incorporation and bylaws contain certain indemnification obligations. It is not possible to determine the maximum potential loss under these indemnification provisions due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, no significant costs have been incurred, either individually or collectively, in connection with the Company's indemnification provisions.

11. Debt

Credit Agreement

On May 1, 2026, the Company entered into a revolving credit agreement with certain lenders (the “Credit Agreement”), providing for a $500 million unsecured revolving credit facility maturing on April 30, 2031, with a sublimit for the issuance of letters of credit in an aggregate face amount of up to $150 million, which reduce the amount the Company can borrow. Proceeds from any borrowings under the Credit Agreement may be used for working capital and general corporate purposes. The Company is required to pay a commitment fee of 0.10% per annum on the average daily unused amount of the revolving commitments.

The Credit Agreement contains customary events of default, certain financial covenants, and other affirmative and negative covenants that restrict the Company’s ability and certain of its subsidiaries’ ability to, among others, incur indebtedness, create liens, make fundamental changes, make restricted payments, make certain investments, and enter into certain transactions with affiliates. As of June 30, 2026, the Company was in compliance with all covenants under the Credit Agreement.

As of June 30, 2026, there were no revolving loans outstanding under the Credit Agreement. Debt issuance costs incurred in securing the Credit Agreement were immaterial.

12. Redeemable Convertible Preferred Stock

Series A Redeemable Convertible Preferred Stock

Immediately subsequent to the closing of the initial public offering (“IPO”) in September 2023, the Company authorized and issued 5,833,333 shares of Series A redeemable convertible preferred stock at a price of $30.00 per share for proceeds of $175 million. The Company determined the fair value of the Series A redeemable convertible preferred stock at issuance was $175 million, using a Monte Carlo valuation model. The key assumptions used included the closing price of the Company’s common stock on the issuance date of $30.65, an expected term of approximately seven years, an expected volatility of 54%, and a discount for lack of marketability of 35%.

Pursuant to the securities purchase agreement related to the issuance, the Company adopted the Certificate of Designation of Series A redeemable convertible preferred stock, as filed with the Secretary of State of the State of Delaware, setting forth the rights, designations, preferences, limitations, and restrictions applicable to the Series A redeemable convertible preferred stock.

The rights, preferences, and privileges of the Series A redeemable convertible preferred stock are as follows:

Seniority; Liquidation Preference

The Series A redeemable convertible preferred stock, with respect to distribution rights upon the liquidation, winding-up or dissolution of the Company but excluding a change of control, (as described below) ranks (i) senior to the Company’s common stock, (ii) on parity with any class or series of the Company’s capital stock expressly designated as ranking on parity with the Series A redeemable convertible preferred stock, and (iii) junior to any class or series of the Company’s capital stock expressly designated as ranking senior to the Series A redeemable convertible preferred stock. The Series A redeemable convertible preferred stock has a liquidation preference equal to the greater of (i) the Stated Value (as defined below), and (ii) the amount that the holder would be entitled to receive on an as-converted to common stock basis based on the then-applicable Conversion Ratio (as defined below), on the date of such liquidation, winding-up or dissolution. Such liquidation, winding-up or dissolution amounts would be paid out of the Company’s assets legally available for distribution to its stockholders, after satisfaction of debt and other liabilities owed to its creditors and holders of shares of any senior securities and before any payment or distribution is made to holders of any junior securities, including, without limitation, the Company’s common stock.

The Stated Value for the Series A redeemable convertible preferred stock on a given date is defined as the sum of (i) the original issue price of the Series A redeemable convertible preferred stock, automatically increased at an annual rate of

5.0%, compounding on each anniversary of the issue date, through such date, and (ii) on an as-converted to common stock basis, the pro rata portion of any cash dividends or distributions that the Company pays on its common stock.

The Conversion Ratio for the Series A redeemable convertible preferred stock means (i) a number of shares of common stock equal to the quotient of the Stated Value divided by the conversion price, plus (ii) if the product of such number of shares of common stock times the 10-Day VWAP (as defined below) is less than the Stated Value on such date, an additional number of shares of common stock that, when multiplied by the 10-Day VWAP, equals the difference.

The 10-Day VWAP is defined as the average of the volume-weighted average price ("VWAP") per share of common stock for each of the 10 consecutive trading days ending on, and including, the trading day immediately before the date of determination.

Conversion

From and after the seventh anniversary of the issue date of the Series A redeemable convertible preferred stock, at any time when the 10-Day VWAP exceeds the conversion price of the Series A redeemable convertible preferred stock, all outstanding shares of Series A redeemable convertible preferred stock will automatically convert into a number of shares of the Company's common stock equal to the Conversion Ratio on such date.

In addition, on the third anniversary of the issue date of the Series A redeemable convertible preferred stock, if the 10-Day VWAP immediately prior to such date exceeds the conversion price of the Series A redeemable convertible preferred stock, the holder will have the option to convert all outstanding shares of Series A redeemable convertible preferred stock at the conversion price on such date. If there is a Conversion Shortfall (as defined below), the holder will receive an additional number of shares of common stock equal to the Conversion Shortfall divided by the 10-Day VWAP immediately prior to such date.

The conversion price for the Series A redeemable convertible preferred stock is not subject to adjustment, except for customary adjustments for stock splits, stock dividends, recapitalizations, reorganizations and similar corporate actions.

The Conversion Shortfall for the Series A redeemable convertible preferred stock on any conversion date is defined as the absolute dollar value by which the product of the Conversion Ratio and the 10-Day VWAP for an applicable conversion is less than the Stated Value plus the Minimum Return Amount on such date.

Redemption

At any time from and after the seventh anniversary of the issue date of the Series A redeemable convertible preferred stock, if the 10-Day VWAP does not exceed the conversion price, the Company has the right to redeem all, but not less than all, outstanding shares of Series A redeemable convertible preferred stock at the Stated Value on such redemption date.

On each of the third anniversary (only if the 10-Day VWAP immediately prior to such date does not exceed the conversion price), the seventh anniversary, the tenth anniversary and the thirteenth anniversary of the issue date, the holder has the right to require the Company to redeem all, but not less than all, outstanding shares of Series A redeemable convertible preferred stock at the Stated Value on such redemption date.

Upon a change of control of the Company, the Company will redeem all, but not less than all, outstanding shares of Series A redeemable convertible preferred stock for an amount equal to the greater of (i) the Stated Value on the date of the change of control and (ii) the amount that the holder would be entitled to receive on an as-converted to common stock basis based on the then-applicable conversion ratio (for which the 10-Day VWAP equals the purchase price or transaction consideration per share of common stock in the change of control transaction).

Under certain regulatory events or strategic actions by the Company or the holder, the Company or the holder, as applicable, has the right to elect to redeem all outstanding shares of Series A redeemable convertible preferred stock at the Stated Value, if the 10-Day VWAP immediately prior to the date of such event does not exceed the conversion price, or convert all outstanding shares of Series A redeemable convertible preferred stock into a number of shares of the

Company's common stock equal to the then-applicable conversion ratio, in case the 10-Day VWAP immediately prior to the date of such event exceeds the conversion price.

The Company presents its Series A redeemable convertible preferred stock outside of stockholders' equity as mezzanine equity because the shares contain redemption features that are not solely within the Company's control. The Company is required to accrete the carrying value of the Series A redeemable convertible preferred stock to its redemption value over the period from issuance through redemption date. The accretion was $2 million for each of the three months ended June 30, 2025 and 2026 and $5 million for each of the six months ended June 30, 2025 and 2026.

Voting

The Series A redeemable convertible preferred stock confers no voting rights on the holder, except as required by applicable law and with respect to matters that adversely change the powers, preferences, privileges, rights or restrictions of the Series A redeemable convertible preferred stock, including the authorization or issuance of equity securities that would rank senior to or pari passu with the Series A redeemable convertible preferred stock (other than, in certain cases, new shares of Series A redeemable convertible preferred stock or new series of preferred stock with substantially similar terms as the Series A redeemable convertible preferred stock) and the declaration or payment of cash dividends on shares other than the Series A redeemable convertible preferred stock in excess of a 5.0% annual dividend yield.

No dividends were declared or paid for the three or six months ended June 30, 2025 or 2026.

13. Stockholders' Equity

Stock Repurchase Program

In June 2024, the Company's board of directors authorized a $500 million share repurchase program, which was subsequently increased to $750 million, $1 billion, $2.5 billion, and $3.5 billion in November 2024, May 2025, November 2025, and April 2026, respectively.

For the three and six months ended June 30, 2026, the Company repurchased and immediately retired a total of 7,825,070 and 17,199,917 shares of its common stock, respectively, for an aggregate amount, including broker commissions, fees, and excise taxes, of $327 million and $728 million, respectively, under this share repurchase program, which, for the six months ended June 30, 2026, included shares received and immediately retired upon the completion of the ASR Agreement (as described below). As of June 30, 2026, the Company had $998 million remaining available to repurchase shares pursuant to the repurchase program.

On November 10, 2025, the Company entered into the ASR Agreement with a third-party financial institution to repurchase $250 million of the Company's common stock. Pursuant to the terms of the ASR Agreement, the Company paid $250 million to the financial institution and received and immediately retired an initial delivery of 5,357,621 shares of common stock on November 12, 2025, representing 80% of the value of the $250 million payment. As of December 31, 2025, $50 million of the ASR Agreement was reflected as a forward contract within stockholders' equity on the consolidated balance sheet. In January 2026, repurchases under the ASR Agreement were completed. The final number of shares of common stock repurchased was based on the VWAP of the Company's common stock during the repurchase period, less a negotiated discount. The Company received and immediately retired an additional 553,349 shares in January 2026.

The Company's share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act. For the three and six months ended June 30, 2026, the excise tax recognized as part of the cost basis of shares acquired was immaterial.

Common Stock Reserved for Future Issuance

The following table summarizes the Company's shares of common stock reserved for future issuance on an as-converted basis:

	As of December 31, 2025	As of June 30, 2026
	(in thousands)	
Series A redeemable convertible preferred stock	5,833	5,833
Restricted stock units	15,959	19,229
Stock options outstanding	6,489	6,018
Shares available for issuance under the 2023 Equity Incentive Plan	54,419	56,396
Shares available for issuance under the 2023 Employee Stock Purchase Plan	12,400	14,829
Total	95,100	102,305

The holders of common stock are entitled to receive dividends out of funds that are legally available, when and if declared by the board of directors and subject to the approval from the holders of the Series A redeemable convertible preferred stock. No dividends were declared or paid for the three or six months ended June 30, 2025 or 2026.

Pursuant to the automatic increase feature of the 2023 Equity Incentive Plan, during the three months ended March 31, 2026, an additional 12,143,367 shares were reserved for issuance effective January 1, 2026.

Stock Options

The following table summarizes the activity related to the Company's stock options during the six months ended June 30, 2026:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value
	(in thousands)		(in years)	(in millions)
As of January 1, 2026	6,489	$ 11.82	2.29	$ 216
Options exercised	(471)	$ 8.85		
As of June 30, 2026	6,018	$ 12.05	1.83	$ 213
Options vested and exercisable as of June 30, 2026	6,018	$ 12.05	1.83	$ 213

Restricted Stock Units

The following table summarizes the activity related to the Company's restricted stock units ("RSUs") during the six months ended June 30, 2026:

	Number of Shares	Weighted-Average Grant-Date Fair Value per Share
	(in thousands)	
Unvested and outstanding as of January 1, 2026	15,959	$ 41.72
Granted	12,153	$ 41.34
Vested	(7,099)	$ 42.13
Vested and not settled	(47)	$ 46.77
Forfeited	(1,785)	$ 41.00
Unvested and outstanding as of June 30, 2026	19,181	$ 41.38

Stock-Based Compensation Expense Summary

The following table summarizes stock-based compensation expense by line item in the condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
Cost of revenue	$ 2	$ 3	$ 4	$ 5
Operations and support	4	5	7	8
Research and development	58	84	92	130
Sales and marketing	18	22	30	31
General and administrative	23	27	38	46
Total stock-based compensation expense	$ 105	$ 142	$ 172	$ 221

As of June 30, 2026, there was $659 million of unrecognized stock-based compensation expense related to unvested awards which are expected to vest and to be recognized over a weighted-average period of 1.50 years.

The amount of stock-based compensation expense capitalized related to the development of internal-use software was $12 million and $9 million for the three months ended June 30, 2025 and 2026, respectively. The amount of stock-based compensation expense capitalized related to the development of internal-use software was $23 million and $21 million for the six months ended June 30, 2025 and 2026, respectively.

2023 Employee Stock Purchase Plan

The Company's board of directors adopted, and the Company's stockholders approved, the 2023 Employee Stock Purchase Plan ("the ESPP"), which became effective immediately prior to the effectiveness of the registration statement on Form S-1 filed under the Securities Act in connection with the Company's IPO.

As of June 30, 2026, there had been no offering period or purchase period under the ESPP, and no such period will begin unless and until determined by the Company's board of directors, or its compensation committee under its delegation, as the administrator of the ESPP. Pursuant to the automatic increase feature of the ESPP, during the three months ended March 31, 2026, an additional 2,428,673 shares were reserved for issuance under the ESPP effective January 1, 2026.

14. Income Taxes

The Company's provision for income taxes for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter.

The Company's effective tax rates for each period presented are the result of the mix of income earned in various tax jurisdictions that apply a broad range of income tax rates. The Company's effective tax rate was 18.2% and 24.5% for the three months ended June 30, 2025 and 2026, respectively. The Company's effective tax rate was 16.3% and 23.8% for the six months ended June 30, 2025 and 2026, respectively. The Company's provision for income taxes varied from the tax computed at the U.S. federal statutory income tax rate primarily due to tax effects of stock-based compensation recognized, U.S. research and development credits generated, and the income taxes generated in U.S. states and foreign jurisdictions.

15. Net Income per Share Attributable to Common Stockholders

The computation of basic and diluted net income per share attributable to common stockholders was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except share amounts, which are reflected in thousands, and per share amounts)			
Numerator:				
Net income	$ 116	$ 111	$ 222	$ 256
Less: Accretion related to Series A redeemable convertible preferred stock	(2)	(2)	(5)	(5)
Net income attributable to common stockholders, basic	$ 114	$ 109	$ 218	$ 251
Add: Accretion related to Series A redeemable convertible preferred stock	2	2	5	5
Net income attributable to common stockholders, diluted	$ 116	$ 111	$ 222	$ 256
Denominator:				
Weighted-average shares used in computing basic net income per share attributable to common stockholders	262,588	234,928	262,511	237,089
Weighted-average effect of dilutive securities:				
Series A redeemable convertible preferred stock	5,833	5,833	5,833	5,833
Stock options	5,066	4,404	5,249	4,425
Restricted stock units	7,751	3,770	8,477	3,907
Unvested restricted non-voting common stock	55	—	47	—
Weighted-average shares used in computing diluted net income per share attributable to common stockholders	281,293	248,935	282,117	251,254
Net income per share attributable to common stockholders:				
Basic	$ 0.43	$ 0.46	$ 0.83	$ 1.06
Diluted	$ 0.41	$ 0.45	$ 0.79	$ 1.02

The following potentially dilutive outstanding securities were excluded from the computation of diluted income per share attributable to common stockholders because their effect was not dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in thousands)			
Stock options	384	384	384	384
Restricted stock units	373	4,235	373	4,235
Total	757	4,619	757	4,619

MAPLEBEAR INC. DBA INSTACART
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The following potentially dilutive outstanding securities were excluded from the table above because they are subject to performance-based and / or market-based vesting conditions that were not achieved as of those dates:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in thousands)			
Restricted stock units	1,055	168	1,055	168
Total	1,055	168	1,055	168

16. Segment Information

The Company has one operating and reportable segment. A description of how the Company derives revenues can be found in Note 2 — Significant Accounting Policies of the audited consolidated financial statements for the year ended December 31, 2025, which can be found in the Company's Annual Report on Form 10-K. The Company's chief executive officer is the Company's Chief Operating Decision Maker ("CODM"), who reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. The CODM uses consolidated net income as the sole measure of segment profit or loss to make key operating decisions such as the allocation of the budget and monitoring budget versus actual results. The CODM does not evaluate operating segments using asset information.

Significant expenses within net income include cost of revenue, operations and support, research and development, sales and marketing, general and administrative, which are each separately presented on the Company's condensed consolidated statements of operations. Stock-based compensation expense is also a significant expense within net income. Refer to Note 13 — Stockholders' Equity for additional information about the Company's stock-based compensation expense. Other segment items include interest income, other income (expense), net, and income before provision for income taxes on the condensed consolidated statements of operations.

Geographic information is included in Note 3 — Revenue and Note 6 — Property and Equipment, Net.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025. The following discussion contains forward-looking statements that are based on current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those identified below and those discussed in the section titled "Risk Factors" and other sections, including the "Special Note Regarding Forward-Looking Statements" of this Quarterly Report on Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

For purposes of clarity and ease of presentation, numbers presented within this section may not sum precisely to the totals provided. The underlying data used in the calculations, including percentages, is not rounded.

Overview

Instacart is the leading technology and enablement partner for the grocery industry — helping consumers save time, retailers run their businesses online and in-store, and connect brands with customers.

We enable retail banners to grow by providing technology that can accelerate digital transformation of their business both online and in-store. Retailers reach customers through both Instacart Marketplace, where customers can shop from their favorite retailers through our app or website, and retailers' owned and operated online storefronts that are powered by Instacart Enterprise platform, our end-to-end technology solution encompassing ecommerce, fulfillment, Connected Stores, ads and marketing, and insights.

When shopping for groceries, consumers want selection, quality, affordability, and convenience, and they shop in many different ways. Customers can place orders for delivery or pickup across a variety of use cases including the weekly shop, bulk stock-up, convenience, special occasions, from restaurants, and using our in-store technologies. We help our customers shop at their favorite retailers, order from their favorite restaurants, and enjoy selection, quality, affordability, and convenience. Our membership program, Instacart+, offers expanded customer benefits including unlimited $0 delivery fees on orders over a certain size, and other exclusive benefits.

Instacart Ads offers brands a highly measurable ads offering that leverages first-party transaction data to move products off store shelves more efficiently. We provide discovery and attractive return on investment through our industry-leading advertising tools and insights purpose-built for the online grocery category.

We offer shoppers an immediate, flexible earnings opportunity that allows them to choose when and how much to work. Shoppers are deeply valued members of the Instacart community, and we strive to make the shopping experience as seamless as possible so they can continue to deliver superior customer service.

Macroeconomic Impacts

Our business, financial condition, customer acquisition and retention, and key business metrics, including GTV and orders, may be impacted by macroeconomic trends affecting our markets and industry and consumer shopping habits, such as inflation and interest rate fluctuations, the effects of supply chain challenges, the impact of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, and uncertainty related thereto, geopolitical conflicts, regulatory changes, uncertainty regarding an economic recession and its impact on consumer behavior, and the effects of severe weather patterns.

Shopper Classification Developments

The state of the law regarding independent contractor status of Instacart shoppers varies from jurisdiction to jurisdiction and among governmental agencies and is subject to change based on court decisions, administrative or agency determinations, new or changing regulations, and other legal and regulatory proceedings.

Some jurisdictions have adopted, and may adopt in the future, regulations that impact whether we can or should classify shoppers as independent contractors. For example, Proposition 22 in California provides a framework that offers more legal certainty regarding the status of independent workers offering delivery services and entitles shoppers in California to certain pay standards and benefits, which increases costs for us to operate in California. However, there may continue to be legal challenges, or legislative or other attempts to amend or otherwise invalidate the benefits, protections, or independent worker status provided by Proposition 22. To date, no such challenges have been successful. Additionally, we may face allegations that certain of our business practices do not satisfy all the elements of Proposition 22.

We also experience and expect to continue experiencing challenges to the independent contractor classification of shoppers who use Instacart in other jurisdictions in which we operate, as well as the imposition of additional requirements on the use of contractors. Any successful challenges, changes in law, or other legal uncertainty with respect to independent contractor classification, or requirements related to the use of contractors, may adversely impact our financial condition, business, and results of operations. For additional information about the risks to our business related to independent contractor classification, see the section titled “Risk Factors—Risks Related to Our Legal and Regulatory Environment—Our business is subject to various laws and regulations, which may change or increase over time and subject us to increased compliance costs and liabilities.”

Key Financial and Operational Highlights

We use the following financial and key business metrics to help us evaluate the health of our business, identify trends affecting our performance, formulate business plans, and make strategic decisions:

	Three Months Ended June 30,		
	2025	**2026**	**% Change**
	(in millions, except percentages)		
GTV	$ 9,081	$ 10,351	14 %
Orders	82.7	90.3	9 %
Revenue	$ 914	$ 1,043	14 %
Gross profit	$ 678	$ 751	11 %
Gross margin	74 %	72 %	
Gross profit as a percent of GTV	*7.5 %*	*7.3 %*	
Net income	$ 116	$ 111	(4)%
Net income as a percent of revenue	*13 %*	*11 %*	
Net income as a percent of GTV	*1.3 %*	*1.1 %*	
Adjusted EBITDA [(1)]	$ 262	$ 313	19 %
Adjusted EBITDA margin [(1)]	*29 %*	*30 %*	
Adjusted EBITDA as a percent of GTV [(1)]	*2.9 %*	*3.0 %*	
Net cash provided by operating activities	$ 203	$ 493	143 %
Free cash flow [(1)]	$ 187	$ 480	156 %

[(1)] Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, Adjusted EBITDA margin, and free cash flow are non-GAAP financial measures. For more information regarding our use of these measures and reconciliation to the most directly comparable financial measures calculated in accordance with GAAP, see the section titled “—Non-GAAP Financial Measures.”

Gross Transaction Value

We define GTV as the value of the products sold through Instacart, including applicable taxes, deposits and other local fees, customer tips, which go directly to shoppers, customer fees, which include flat subscription fees related to Instacart+ that are charged monthly or annually, and other fees. GTV consists of orders including those completed through Instacart Marketplace or services that are part of the Instacart Enterprise platform. We believe that GTV indicates the health of our business, including our ability to drive revenue and profits, and the value we provide to our constituents. We have experienced and expect to continue to experience fluctuations in GTV growth, including due to the macroeconomic conditions described above, changes in customer and retailer engagement, and the effects of our strategic initiatives.

In the second quarter of 2026, GTV increased to $10,351 million, or 14% growth, compared to the same period of 2025, primarily driven by the increase in orders and higher average order value.

Orders

We define an order as a completed customer transaction to purchase goods for delivery or pickup primarily from a single retailer through Instacart during the period indicated, including those completed through Instacart Marketplace or services that are part of the Instacart Enterprise platform. We believe that orders are an indicator of the scale and growth of our business as well as the value we bring to our constituents.

In the second quarter of 2026, orders increased to 90.3 million, or 9% growth, compared to the same period of 2025, driven primarily by new customers and increased engagement of existing customers.

Gross Profit, Gross Margin, and Gross Profit as a Percent of GTV

Gross profit is defined as revenue less cost of revenue, and gross margin is defined as gross profit as a percent of revenue. We believe that gross profit, gross margin, and gross profit as a percent of GTV are important indicators of the growth and efficiencies of our business.

In the second quarter of 2026, gross profit increased to $751 million, or 11% growth, compared to the same period of 2025, primarily driven by the increase in total revenue. Gross margin decreased by 2% to 72% in the second quarter of 2026, compared to the same period of 2025, primarily due to cost of revenue growing faster than revenue.

Adjusted EBITDA, Adjusted EBITDA as a Percent of GTV, and Adjusted EBITDA Margin

We define Adjusted EBITDA as net income (loss), adjusted to exclude (i) provision for (benefit from) income taxes, (ii) interest income, (iii) other (income) expense, net, (iv) depreciation and amortization expense, (v) stock-based compensation expense, (vi) payroll taxes related to stock-based compensation, (vii) certain legal and regulatory accruals and settlements, net, (viii) reserves for sales and other indirect taxes, net, (ix) acquisition-related expenses, and (x) restructuring charges. We define Adjusted EBITDA margin as Adjusted EBITDA as a percent of revenue. For more information about how we use these non-GAAP financial measures in our business, the limitations of these measures, and reconciliations of these measures to the most directly comparable GAAP financial measures, see the section titled “—Non-GAAP Financial Measures.”

In the second quarter of 2026, Adjusted EBITDA increased to $313 million, or 19% growth, compared to the same period of 2025, primarily driven by a combination of strong GTV growth, higher advertising and other revenue, and operating leverage. Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin can vary significantly as we continue to make substantial investments to fuel our growth and scale our business.

Free Cash Flow

We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment, including capitalized internal-use software.

In the second quarter of 2026, free cash flow increased to $480 million, or 156%, compared to the same period of 2025, primarily due to a large accounts receivable balance collected in the second quarter of 2026 compared to higher accounts receivable balances outstanding in the second quarter of 2025.

Components of Results of Operations

Revenue

Our revenue consists of transaction revenue and advertising and other revenue.

Transaction Revenue

We generate transaction revenue primarily from:

- end users, whom we refer to as customers, (i) through service and delivery fees paid for arranging fulfillment services from shoppers and (ii) for monthly or annual Instacart+ memberships, our membership program, which offers unlimited $0 delivery fees on orders over a certain size, and other exclusive benefits;

- retailers (i) through service fees in exchange for connecting retailers with customers to facilitate transactions on Instacart Marketplace and (ii) fees related to fulfillment for orders placed through retailers' owned and operated online storefronts powered by Instacart Enterprise platform; and
- revenue share agreements with third parties that supply payment cards to Instacart shoppers for in-store use.

Transaction revenue is recognized upon transfer of control of services, net of the purchase value of the goods remitted to retailers and payments to shoppers for their services (including any shopper incentives), coupons, consumer incentives, and refunds. We expect transaction revenue from customer and retailer fees to fluctuate from time to time as a result of customer and retailer fee optimizations and changes in the mix of customer use cases and fulfillment options. We also expect the amounts of payments to shoppers, coupons, consumer and shopper incentives, and refunds to fluctuate over time depending on a number of factors. For example, implementation of additional fulfillment options, shifts in our ability to use shoppers, or regulatory changes related to our engagement of shoppers, as well as fulfillment efficiencies, such as changes in our batch rate, average time spent per order, shopper tenure, and shopper pay optimization, could result in fluctuations in our transaction revenue. In addition, periods of elevated customer demand have resulted in and can in the future result in increased shopper incentives and degradation of order quality due to higher rates of out of stock items and other delays, which in turn generally lead to more appeasement credits and refunds. Furthermore, our overall marketing strategy will impact the spend mix between activities that are recorded as reductions of revenue, such as promotions and consumer incentives, and activities that are recorded as sales and marketing expense, such as paid marketing and referrer credits. In certain cases, reductions of revenue can be more than fees received from retailers and customers. As a result of these factors, transaction revenue as a percent of GTV may fluctuate over time.

Advertising and Other Revenue

We primarily generate advertising and other revenue from:

- the sale of advertising services to brands that are interested in reaching customers; and
- certain partners for use of our software-as-a-service solution through Instacart Enterprise platform that enhances the omnichannel shopping experience, with revenue recognized over the subscription period as services are provided.

Advertising revenue is recognized upon delivery of clicks, upon delivery of impressions, over the contract term on a fixed fee basis, or upon redemptions of coupons. For advertising arrangements that involve third parties, we record advertising revenue on a gross or net basis based on whether we act as a principal or agent in the transaction, which is assessed on a contract by contract basis. When we act as the principal and control the services provided to the brand partner, we record revenue on a gross basis, recognizing fees from the brand partner as revenue and related payments to the publisher as cost of revenue. When we act as an agent and do not control the services, we record revenue on a net basis, representing only the net amount received from the brand partner after payments to the publisher.

Advertising and other revenue has historically been, and is expected to continue to be, seasonally high in the fourth quarter and seasonally low in the first quarter in a given year as a result of how advertisers deploy their budgets. In addition, we expect our advertising and other revenue growth rate and advertising and other investment rate (which we define as advertising and other revenue in a given period divided by GTV in such period) to continue to fluctuate, particularly during periods of acceleration or decreases in our GTV growth. We also expect advertising and other investment rate to fluctuate during periods in which we generate more GTV from sources where we do not provide advertising or where we have recently enabled advertising, such as from certain new offerings or use cases and from retailers' owned and operated online storefronts including those utilizing Instacart API that do not partner with Carrot Ads. We also expect our advertising and other revenue growth to fluctuate in the near term due to changes in brand partner spend, including as a result of the macroeconomic factors described above and in response to our GTV growth trends, which may occur on a delayed basis, as well as changes in the mix of revenue contribution from advertising contracts in effect in a particular period and related recognition of advertising revenue on a gross or net basis.

Cost of Revenue

Cost of revenue primarily consists of third-party payment processing fees, depreciation expense and amortization expense of capitalized internal-use software and technology-related intangible assets, hosting fees, insurance costs attributed to fulfillment, payments to publishers, and expenses related to cancellations. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

We expect cost of revenue, exclusive of stock-based compensation expense, will increase on an absolute dollar basis and vary from period to period as a percent of revenue as we continue to grow our operations.

Gross Profit and Gross Margin

Gross profit represents revenue less cost of revenue. Gross margin is gross profit expressed as a percent of total revenue. Our gross margin has varied and will continue to vary from period to period based on a number of factors, including (1) changes in revenue mix, changes in the mix of order type due to changes in mix of use cases and fulfillment options, consumer shopping behaviors, average order values, customer fee optimization, and levels of consumer incentives, (2) operational efficiencies, (3) negotiations with our retail partners, third-party payment processors, publishers, and hosting providers, and (4) macroeconomic factors as discussed above. As we continue to expand across fulfillment options and consumer use cases, we also expect to incur additional types of costs, such as certain labor costs, that can impact both our cost of revenue and profitability trends in the future. Additionally, we expect fluctuations in transaction revenue and advertising and other revenue as described above.

Operations and Support Expense

Operations and support expense primarily consists of compensation costs for employees who support our operations, costs of customer and shopper support, costs to attract and onboard new shoppers, expenses related to software and subscriptions, and depreciation and amortization expense. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

Operations and support expense, exclusive of stock-based compensation expense, may increase on an absolute dollar basis and vary from period to period as a percent of revenue and as a percent of GTV as we continue to invest in our operations and may hire additional employees, third-party consultants, and contractors to support our operations.

Research and Development Expense

Research and development expense primarily consists of compensation costs for our engineering employees, costs related to subscriptions and software, hosting fees attributed to research and development, third-party consulting fees, and depreciation and amortization expense. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

Research and development expense, exclusive of stock-based compensation expense, may increase on an absolute dollar basis and vary from period to period as a percent of revenue and as a percent of GTV as we continue to invest in research and development activities relating to ongoing improvements to, and maintenance of, our offerings, including the hiring of engineering, product development, and design employees to support these efforts.

Sales and Marketing Expense

Sales and marketing expense primarily consists of advertising expenses, such as paid marketing, compensation costs for sales and marketing employees, third-party consulting fees, amortization expense of customer relationship intangible assets, and depreciation expense. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

Sales and marketing expense, exclusive of stock-based compensation expense, may increase on an absolute dollar basis and vary as a percent of revenue, and as a percent of GTV as we continue to invest in sales and marketing to attract and increase the engagement of customers on Instacart and increase our brand awareness. While we expect sales and marketing expense to be one of our largest operating expenses for the foreseeable future, the trend and timing of our sales and marketing expense will depend in large part on the timing and magnitude of our marketing campaigns.

General and Administrative Expense

General and administrative expense primarily consists of compensation costs for administrative employees, including finance and accounting, human resources, policy, and legal; legal, regulatory, and policy expenses; third-party consulting fees; depreciation expense; amortization expense of patents and trademarks; and taxes. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

General and administrative expense, exclusive of stock-based compensation expense, may increase on an absolute dollar basis and vary from period to period as a percent of revenue and as a percent of GTV as we continue to invest in processes, systems, and controls to enable our internal support functions to scale with the growth of our business.

Other Income (Expense), Net

Other income (expense), net primarily consists of gains and losses from transactions denominated in a currency other than the functional currency.

Interest Income

Interest income consists primarily of interest earned on our cash and cash equivalents, restricted cash and cash equivalents, and marketable securities.

Provision for (Benefit from) Income Taxes

The provision for (benefit from) income taxes consists primarily of income taxes in certain federal, state, local, and foreign jurisdictions in which we conduct business. Our provision for (benefit from) income taxes differs from the United States ("U.S.") federal statutory income tax rate primarily due to the tax effects of stock-based compensation recognized, federal and California research and development credits generated, and the income taxes generated in U.S. states and foreign jurisdictions. Our future effective income tax rate depends on various factors, such as changes in tax laws, regulations, accounting principles, or interpretations thereof, and the geographic composition of our pre-tax income.

Results of Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
Revenue	$ 914	$ 1,043	$ 1,811	$ 2,062
Cost of revenue [(1)(2)]	236	292	462	573
Gross profit	678	751	1,350	1,489
Operating expenses:				
Operations and support [(1)(2)]	66	74	140	148
Research and development [(1)(2)]	166	202	310	366
Sales and marketing [(1)(2)]	217	233	434	463
General and administrative [(1)(2)]	106	98	231	186
Total operating expenses	554	608	1,115	1,164
Income from operations	124	143	234	325
Other income (expense), net	3	(1)	3	(1)
Interest income	15	5	29	11
Income before provision for income taxes	142	147	266	335
Provision for income taxes	26	36	43	80
Net income	$ 116	$ 111	$ 222	$ 256

(1) Amounts include depreciation and amortization expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
Cost of revenue	$ 15	$ 26	$ 29	$ 50
Operations and support	—	1	1	1
Research and development	2	2	4	4
Sales and marketing	2	3	4	5
General and administrative	1	1	2	2
Total depreciation and amortization expense	$ 21	$ 32	$ 40	$ 62

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(2) Amounts include stock-based compensation expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
Cost of revenue	$ 2	$ 3	$ 4	$ 5
Operations and support	4	5	7	8
Research and development	58	84	92	130
Sales and marketing	18	22	30	31
General and administrative	23	27	38	46
Total stock-based compensation expense	$ 105	$ 142	$ 172	$ 221

The following table summarizes the components of our condensed consolidated statements of operations data, for each of the periods presented, as a percent of revenue.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(as a percent of revenue)			
Revenue	100 %	100 %	100 %	100 %
Cost of revenue	26	28	25	28
Gross profit	74	72	75	72
Operating expenses:				
Operations and support	7	7	8	7
Research and development	18	19	17	18
Sales and marketing	24	22	24	22
General and administrative	12	9	13	9
Total operating expenses	61	58	62	56
Income from operations	14	14	13	16
Other income (expense), net	—	—	—	—
Interest income	2	1	2	1
Income before provision for income taxes	16	14	15	16
Provision for income taxes	3	3	2	4
Net income	13 %	11 %	12 %	12 %

Comparison of the Three and Six Months Ended June 30, 2025 and 2026

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions)				(in millions)			
Transaction	$ 659	$ 746	$ 86	13 %	$ 1,309	$ 1,478	$ 169	13 %
Advertising and other	255	297	42	16 %	502	584	82	16 %
Total revenue	$ 914	$ 1,043	$ 128	14 %	$ 1,811	$ 2,062	$ 250	14 %

The increase in transaction revenue during the second quarter of 2026, compared to the same period of 2025, was primarily driven by growth in GTV, which grew 14%, increased fulfillment efficiencies, and lower consumer incentives, partially offset by lower payment revenue.

The increase in transaction revenue during the first six months of 2026, compared to the same period of 2025, was primarily driven by growth in GTV, which grew 13%, and increased fulfillment efficiencies, partially offset by lower payment revenue.

The increase in advertising and other revenue during the second quarter of 2026, compared to the same period of 2025, was primarily driven by interrelated factors including an increase in advertising volume, activity on our platform, and strength from emerging and mid-size brand partners. Advertising and other investment rate increased by 6 basis points to 2.9% during the second quarter of 2026, compared to the same period of 2025, as advertising and other revenue grew faster than GTV.

The increase in advertising and other revenue during the first six months of 2026, compared to the same period of 2025, was primarily driven by an increase in advertising volume, activity on our platform, and strength from emerging and mid-size brand partners. Advertising and other investment rate increased by 7 basis points to 2.8% during the first six months of 2026, compared to the same period of 2025, as advertising and other revenue grew faster than GTV.

Cost of Revenue, Gross Profit, and Gross Margin

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions, except percentages)				(in millions, except percentages)			
Cost of revenue	$ 236	$ 292	$ 56	24 %	$ 462	$ 573	$ 111	24 %
Gross profit	$ 678	$ 751	$ 72	11 %	$ 1,350	$ 1,489	$ 139	10 %
Gross margin	74 %	72 %			75 %	72 %		

The increase in cost of revenue during the second quarter of 2026, compared to the same period of 2025, was primarily due to an increase of $21 million in credit card processing fees, an increase of $11 million in depreciation and amortization expense, primarily related to capitalized internal-use software, and an increase of $10 million in payments to publishers.

The increase in cost of revenue during the first six months of 2026, compared to the same period of 2025, was primarily due to an increase of $37 million in credit card processing fees, an increase of $23 million in payments to publishers, and an increase of $21 million in depreciation and amortization expense, primarily related to capitalized internal-use software.

The increase in gross profit during the three and six months ended June 30, 2026, compared to the same period of 2025, was primarily driven by the increase in total revenue due to the factors described above. The decrease in gross margin during the three and six months ended June 30, 2026, compared to the same period of 2025, was primarily due to cost of revenue growing faster than revenue.

Operations and Support Expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions, except percentages)				(in millions, except percentages)			
Operations and support	$ 66	$ 74	$ 9	13 %	$ 140	$ 148	$ 8	6 %
Percent of revenue	7 %	7 %			8 %	7 %		

The increase in operations and support expense during the three and six months ended June 30, 2026, compared to the same period of 2025, was immaterial.

Research and Development Expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions, except percentages)				(in millions, except percentages)			
Research and development	$ 166	$ 202	$ 37	22 %	$ 310	$ 366	$ 57	18 %
Percent of revenue	18 %	19 %			17 %	18 %		

The increase in research and development expense during the second quarter of 2026, compared to the same period in 2025, was primarily due to an increase of $29 million in total compensation costs driven by a net increase in stock-based compensation expense, reflecting the year-over-year impact of shifting our first quarterly vesting date for our annual equity refresh grants from August to May.

The increase in research and development expense during the first six months of 2026, compared to the same period of 2025, was primarily due to an increase of $42 million in total compensation costs driven by a net increase in stock-based compensation expense, reflecting the year-over-year impact of shifting our first quarterly vesting date for our annual equity refresh grants from August to May.

Sales and Marketing Expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions, except percentages)				(in millions, except percentages)			
Sales and marketing	$ 217	$ 233	$ 16	7 %	$ 434	$ 463	$ 30	7 %
Percent of revenue	24 %	22 %			24 %	22 %		

The increase in sales and marketing expense during the three and six months ended June 30, 2026, compared to the same period of 2025, was immaterial.

General and Administrative Expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions, except percentages)				(in millions, except percentages)			
General and administrative	$ 106	$ 98	$ (8)	(7)%	$ 231	$ 186	$ (46)	(20)%
Percent of revenue	12 %	9 %			13 %	9 %		

The decrease in general and administrative expense during the second quarter of 2026, compared to the same period of 2025, was primarily due to a decrease of $18 million in accruals for legal matters and sales and indirect taxes, partially offset by a net increase of $5 million in total compensation costs driven by an increase in stock-based compensation expense.

The decrease in general and administrative expense during the first six months of 2026, compared to the same period of 2025, was primarily due to a net decrease of $64 million in accruals for legal matters and sales and indirect taxes, partially offset by a net increase of $10 million in total compensation costs driven by an increase in stock-based compensation expense.

Interest Income

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions)				(in millions)			
Interest income	$ 15	$ 5	$ (9)	(64)%	$ 29	$ 11	$ (18)	(61)%

The decrease in interest income during the second quarter of 2026, compared to the same period of 2025, was immaterial.

The decrease in interest income during the first six months of 2026, compared to the same period of 2025, was primarily due to lower interest rates and a reduction in the average balance of our cash, cash equivalents, and marketable securities.

Provision for Income Taxes

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2026	$ Change	% Change	2025	2026	$ Change	% Change
	(in millions)				(in millions)			
Provision for income taxes	$ 26	$ 36	$ 10	40 %	$ 43	$ 80	$ 36	84 %

The increase in the provision for income taxes during the three and six months ended June 30, 2026, compared to the same period of 2025, was due to an increase in pre-tax book income, fewer U.S. research and development credits generated, and lower tax deductible stock-based compensation expense.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes.

We use Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, Adjusted EBITDA margin, adjusted cost of revenue, adjusted cost of revenue as a percent of GTV, adjusted operations and support expense, adjusted operations and support expense as a percent of GTV, adjusted research and development expense, adjusted research and development expense as a percent of GTV, adjusted sales and marketing expense, adjusted sales and marketing expense as a percent of GTV, adjusted general and administrative expense, adjusted general and administrative expense as a percent of GTV, adjusted total operating expenses, adjusted total operating expenses as a percent of GTV, and free cash flow (collectively "Non-GAAP Measures") in conjunction with GAAP measures 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 discuss our business and financial performance with our board of directors. We believe that these Non-GAAP Measures provide useful information to investors about our business and financial performance, enhance their overall understanding of our past performance and future prospects, and allow for greater transparency with respect to metrics used by our management in their financial and operational decision making. We are presenting these Non-GAAP Measures to assist investors in seeing our business and financial performance through the eyes of management, and because we believe that these Non-GAAP Measures provide an additional tool for investors to use in comparing results of operations of our business over multiple periods with other companies in our industry.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with our condensed consolidated statements of operations prepared in accordance with GAAP. Our presentation of non-GAAP financial measures may not be comparable to similar measures used by other companies, which reduce their usefulness as comparative measures. In addition, other companies may not publish these or similar measures. Further, these measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations.

We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial measure, and carefully consider our results under GAAP, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business.

Adjusted EBITDA, Adjusted EBITDA as a Percent of GTV, and Adjusted EBITDA Margin

We define Adjusted EBITDA as net income (loss), adjusted to exclude (i) provision for (benefit from) income taxes, (ii) interest income, (iii) other (income) expense, net, (iv) depreciation and amortization expense, (v) stock-based compensation expense, (vi) payroll taxes related to stock-based compensation, (vii) certain legal and regulatory accruals and settlements, net, (viii) reserves for sales and other indirect taxes, net, (ix) acquisition-related expenses, and (x) restructuring charges. We define Adjusted EBITDA margin as Adjusted EBITDA as a percent of revenue.

We include Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin in this Quarterly Report on Form 10-Q because they are important measures upon which our management assesses our operating performance and the operating leverage in our business. Because Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin facilitate internal comparisons of our historical operating performance, including as an indication of our revenue growth and operating efficiencies when compared to GTV and revenue over time, we use them to evaluate the effectiveness of our strategic initiatives and for business planning purposes. We also believe that Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin, when taken collectively, may be useful to investors because they provide consistency and comparability with past financial performance, so that investors can evaluate our operating efficiencies by excluding certain items that may not be indicative of our business, results of operations, or outlook. In addition, we believe Adjusted EBITDA is widely used by investors, securities analysts, rating agencies, and other parties in evaluating companies in our industry as a measure of operational performance.

Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin should not be considered as alternatives to net income (loss), net income (loss) as a percent of GTV, net income (loss) as a percent of revenue, or any other measure of financial performance calculated and presented in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin rather than net income (loss), net income (loss) as a percent of GTV, and net income (loss) as a percent of revenue, which are the most directly comparable GAAP measures. Some of these limitations are that each of Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin:

- does not reflect provision for or benefit from income taxes that reduces or increases cash available to us.
- does not reflect interest income which increases cash available to us;
- does not reflect other income or expense that includes unrealized and realized gains and losses on foreign currency exchange; and
- excludes depreciation and amortization expense, and although these are non-cash expenses, the assets being depreciated may have to be replaced in the future, increasing our cash requirements;
- excludes stock-based compensation expense;
- excludes payroll taxes related to stock-based compensation;
- does not reflect the positive or adverse adjustments related to the reserve for sales and other indirect taxes or certain legal and regulatory accruals and settlements, net;
- excludes acquisition-related expenses; and
- excludes restructuring charges.

Other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure. Because of these limitations, we consider, and you should consider, Adjusted EBITDA together with other operating and financial performance measures presented in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated in accordance with GAAP:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
Net income	$ 116	$ 111	$ 222	$ 256
Adjusted to exclude the following:				
Provision for income taxes	26	36	43	80
Interest income	(15)	(5)	(29)	(11)
Other (income) expense, net	(3)	1	(3)	1
Depreciation and amortization expense	21	32	40	62
Stock-based compensation expense	105	142	172	221
Payroll taxes related to stock-based compensation [1]	5	6	15	13
Certain legal and regulatory accruals and settlements, net [2]	6	(13)	45	(12)
Reserves for sales and other indirect taxes, net [3]	—	1	(1)	1
Acquisition-related expenses	—	3	1	4
Adjusted EBITDA	$ 262	$ 313	$ 506	$ 613
GTV	$ 9,081	$ 10,351	$ 18,202	$ 20,639
Net income as a percent of GTV	1.3 %	1.1 %	1.2 %	1.2 %
Adjusted EBITDA as a percent of GTV	2.9 %	3.0 %	2.8 %	3.0 %
Revenue	$ 914	$ 1,043	$ 1,811	$ 2,062
Net income as a percent of revenue	13 %	11 %	12 %	12 %
Adjusted EBITDA margin	29 %	30 %	28 %	30 %

[1] Represents employer payroll taxes related to the vesting and settlement of certain equity awards.
[2] Represents certain legal, regulatory, and policy expenses, including those related to worker classification, as well as non-recurring intellectual property matters and regulatory settlements.
[3] Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our underlying operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.

Adjusted Cost of Revenue and Adjusted Cost of Revenue as a Percent of GTV

We define adjusted cost of revenue as cost of revenue excluding depreciation and amortization expense and stock-based compensation expense. We exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature.

The following table provides a reconciliation of cost of revenue to adjusted cost of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
Cost of revenue	$ 236	$ 292	$ 462	$ 573
Adjusted to exclude the following:				
Depreciation and amortization expense	(15)	(26)	(29)	(50)
Stock-based compensation expense	(2)	(3)	(4)	(5)
Adjusted cost of revenue	$ 218	$ 262	$ 428	$ 518
Cost of revenue as a percent of GTV	2.6 %	2.8 %	2.5 %	2.8 %
Adjusted cost of revenue as a percent of GTV	2.4 %	2.5 %	2.4 %	2.5 %

Adjusted Operations and Support Expense and Adjusted Operations and Support Expense as a Percent of GTV

We define adjusted operations and support expense as operations and support expense excluding depreciation and amortization expense, stock-based compensation expense, payroll taxes related to stock-based compensation, and restructuring charges. We exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature. We exclude payroll taxes related to the vesting and settlement of certain equity awards and restructuring charges as they are not indicative of our operating performance.

The following table provides a reconciliation of operations and support expense to adjusted operations and support expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
Operations and support expense	$ 66	$ 74	$ 140	$ 148
Adjusted to exclude the following:				
Depreciation and amortization expense	—	(1)	(1)	(1)
Stock-based compensation expense	(4)	(5)	(7)	(8)
Payroll taxes related to stock-based compensation [1]	—	—	(1)	(1)
Adjusted operations and support expense	$ 61	$ 68	$ 132	$ 138
Operations and support expense as a percent of GTV	0.7 %	0.7 %	0.8 %	0.7 %
Adjusted operations and support expense as a percent of GTV	0.7 %	0.7 %	0.7 %	0.7 %

[1] Represents employer payroll taxes related to the vesting and settlement of certain equity awards.

Adjusted Research and Development Expense and Adjusted Research and Development Expense as a Percent of GTV

We define adjusted research and development expense as research and development expense excluding depreciation and amortization expense, stock-based compensation expense, payroll taxes related to stock-based compensation, and restructuring charges. We exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature and we exclude payroll taxes related to the vesting and settlement of certain equity awards and restructuring charges as they are not indicative of our operating performance.

The following table provides a reconciliation of research and development expense to adjusted research and development expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
Research and development expense	$ 166	$ 202	$ 310	$ 366
Adjusted to exclude the following:				
Depreciation and amortization expense	(2)	(2)	(4)	(4)
Stock-based compensation expense	(58)	(84)	(92)	(130)
Payroll taxes related to stock-based compensation [1]	(2)	(4)	(9)	(8)
Adjusted research and development expense	$ 103	$ 113	$ 205	$ 224
Research and development expense as a percent of GTV	1.8 %	2.0 %	1.7 %	1.8 %
Adjusted research and development expense as a percent of GTV	1.1 %	1.1 %	1.1 %	1.1 %

[1] Represents employer payroll taxes related to the vesting and settlement of certain equity awards.

Adjusted Sales and Marketing Expense and Adjusted Sales and Marketing Expense as a Percent of GTV

We define adjusted sales and marketing expense as sales and marketing expense excluding depreciation and amortization expense, stock-based compensation expense, payroll taxes related to stock-based compensation, acquisition-related expenses, and restructuring charges. We exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature and we exclude payroll taxes related to the vesting and settlement of certain equity awards, acquisition-related expenses, and restructuring charges as they are not indicative of our operating performance.

The following table provides a reconciliation of sales and marketing expense to adjusted sales and marketing expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
Sales and marketing expense	$ 217	$ 233	$ 434	$ 463
Adjusted to exclude the following:				
Depreciation and amortization expense	(2)	(3)	(4)	(5)
Stock-based compensation expense	(18)	(22)	(30)	(31)
Payroll taxes related to stock-based compensation [1]	(1)	(1)	(2)	(2)
Adjusted sales and marketing expense	$ 197	$ 208	$ 397	$ 425
Sales and marketing expense as a percent of GTV	2.4 %	2.3 %	2.4 %	2.2 %
Adjusted sales and marketing expense as a percent of GTV	2.2 %	2.0 %	2.2 %	2.1 %

(1) Represents employer payroll taxes related to the vesting and settlement of certain equity awards.

Adjusted General and Administrative Expense and Adjusted General and Administrative Expense as a Percent of GTV

We define adjusted general and administrative expense as general and administrative expense excluding depreciation and amortization expense; stock-based compensation expense; payroll taxes related to stock-based compensation; certain legal and regulatory accruals and settlements, net; reserves for sales and other indirect taxes, net; acquisition-related expenses; and restructuring charges. We exclude depreciation and amortization expense and stock-based compensation expense as these are non-cash in nature. We exclude payroll taxes related to the vesting and settlement of certain equity awards; certain legal and regulatory accruals and settlements, net; reserves for sales and other indirect taxes, net; acquisition-related expenses; and restructuring charges as they are not indicative of our operating performance.

The following table provides a reconciliation of general and administrative expense to adjusted general and administrative expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
General and administrative expense	$ 106	$ 98	$ 231	$ 186
Adjusted to exclude the following:				
Depreciation and amortization expense	(1)	(1)	(2)	(2)
Stock-based compensation expense	(23)	(27)	(38)	(46)
Payroll taxes related to stock-based compensation [1]	(1)	(1)	(3)	(2)
Certain legal and regulatory accruals and settlements, net [2]	(6)	13	(45)	12
Reserves for sales and other indirect taxes, net [3]	—	(1)	1	(1)
Acquisition-related expenses	—	(3)	(1)	(4)
Adjusted general and administrative expense	$ 74	$ 79	$ 144	$ 143
General and administrative expense as a percent of GTV	1.2 %	0.9 %	1.3 %	0.9 %
Adjusted general and administrative expense as a percent of GTV	0.8 %	0.8 %	0.8 %	0.7 %

(1) Represents employer payroll taxes related to the vesting and settlement of certain equity awards.
(2) Represents certain legal, regulatory, and policy expenses, including those related to worker classification, as well as non-recurring intellectual property matters and regulatory settlements.
(3) Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our underlying operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.

Adjusted Total Operating Expenses and Adjusted Total Operating Expenses as a Percent of GTV

We define adjusted total operating expenses as the sum of adjusted operations and support expense, adjusted research and development expense, adjusted sales and marketing expense, and adjusted general and administrative expense. We exclude depreciation and amortization expense and stock-based compensation expense as these are non-cash in nature. We exclude payroll taxes related to the vesting and settlement of certain equity awards; certain legal and regulatory accruals and settlements, net; reserves for sales and other indirect taxes, net; acquisition-related expenses; and restructuring charges as these are not indicative of our operating performance.

The following table provides a reconciliation of operating expenses to adjusted total operating expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions, except percentages)			
Total operating expenses	$ 554	$ 608	$ 1,115	$ 1,164
Adjusted to exclude the following:				
Depreciation and amortization expense	(6)	(6)	(11)	(12)
Stock-based compensation expense	(103)	(139)	(168)	(216)
Payroll taxes related to stock-based compensation [(1)]	(5)	(6)	(14)	(13)
Certain legal and regulatory accruals and settlements, net [(2)]	(6)	13	(45)	12
Reserves for sales and other indirect taxes, net [(3)]	—	(1)	1	(1)
Acquisition-related expenses	—	(3)	(1)	(4)
Adjusted total operating expenses	$ 434	$ 468	$ 877	$ 931
Total operating expenses as a percent of GTV	6.1 %	5.9 %	6.1 %	5.6 %
Adjusted total operating expenses as a percent of GTV	4.8 %	4.5 %	4.8 %	4.5 %

[(1)] Represents employer payroll taxes related to the vesting and settlement of certain equity awards.
[(2)] Represents certain legal, regulatory, and policy expenses, including those related to worker classification, as well as non-recurring intellectual property matters and regulatory settlements.
[(3)] Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our underlying operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.

Free Cash Flow

We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment, including capitalized internal-use software.

The following table provides a reconciliation of net cash provided by operating activities to free cash flow:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
	(in millions)			
Net cash provided by operating activities	$ 203	$ 493	$ 501	$ 762
Purchases of property and equipment, including capitalized internal-use software	(16)	(13)	(34)	(29)
Free cash flow	$ 187	$ 480	$ 467	$ 733

Liquidity and Capital Resources

We finance our operations primarily through fees received from retailers, customers, and brands. As of June 30, 2026, we had cash and cash equivalents of $757 million and marketable securities of $128 million, which were primarily held for working capital purposes.

Although we have generated profit in recent periods, including net income of $256 million for the six months ended June 30, 2026, we have historically experienced significant net losses as reflected in our accumulated deficit of $5.0 billion as of June 30, 2026. While we generated positive cash flows from operating activities for the years ended December 31, 2024 and 2025 and for the six months ended June 30, 2026, our future cash flows from operating activities may fluctuate as a result of investments we continue to make across our organization. As a result, we may require additional capital resources to execute strategic initiatives to grow our business.

Our working capital and operating cash flows fluctuated and continue to fluctuate significantly from period to period as a result of new initiatives, the timing of payments made to and/or received from retailers, shoppers, and vendors, and certain transaction types, such as those involving EBT SNAP and alcohol sales, which have a more significant impact on our working capital and operating cash flow due to the variability, magnitude, and timing of retailer reimbursements. Additionally, we make substantial weekly payments to shoppers on Tuesdays and Sundays for services delivered on Instacart and, therefore, we expect our reported cash and cash flows from operating activities to be impacted based on the day of the week of each reporting period. Furthermore, due to the timing of funding to a certain payment card issuer, we may experience an increase in short-term liabilities based on the day of the week of the last day of each reporting period.

We believe that our existing cash, cash equivalents, and marketable securities will be sufficient to satisfy our anticipated cash needs for working capital and capital expenditures for at least the next 12 months and beyond. However, our future cash requirements will depend on many factors, including our growth rate, the timing and the amount of cash received from retailers, customers, and brands, the timing and extent of spending to support our research and development efforts as well as sales and marketing activities, the introduction of enhancements, the continuing market adoption of Instacart, and the volume and timing of our share repurchases. In addition, we may enter into additional or expanded retailer, customer, brand, or other relationships, as well as 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. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. In particular, recent volatility in the global financial markets, including due to the impact of tariffs or other trade restrictions, elevated interest rates and other macroeconomic conditions, geopolitical conflicts, and potential 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 are unable to raise additional capital when required, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, financial condition, and cash flows would be adversely affected.

Credit Agreement

On May 1, 2026, we entered into a revolving credit agreement with certain lenders (the "Credit Agreement"), which provides for a $500 million unsecured revolving credit facility maturing on April 30, 2031. We are also required to pay a commitment fee of 0.10% per annum on the average daily unused amount of the revolving commitments. As of June 30, 2026, we were in compliance with all covenants under the Credit Agreement and there were no revolving loans outstanding. Refer to Note 11 — Debt for additional information.

Share Repurchases

In June 2024, our board of directors authorized a $500 million share repurchase program, which was subsequently increased to $750 million, $1 billion, $2.5 billion, and $3.5 billion in November 2024, May 2025, November 2025, and April 2026, respectively.

For the six months ended June 30, 2026, we repurchased and immediately retired 17 million shares of our common stock for an aggregate amount of $728 million, including broker commissions, fees, and excise taxes, under this share repurchase program, which included shares repurchased under the ASR Agreement as described below.

On November 10, 2025, we entered into the ASR Agreement with a third-party financial institution to repurchase $250 million of our common stock. Pursuant to the terms of the ASR Agreement, we paid $250 million to the financial institution and received and immediately retired an initial delivery of 5.4 million shares of common stock on November 12, 2025, representing 80% of the value of the $250 million payment. Repurchases under the ASR Agreement were completed in January 2026, and we received and immediately retired an additional 0.6 million shares. Refer to Note 13 — Stockholders' Equity for further discussion.

Cash Flows

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

	Six Months Ended June 30,	
	2025	2026
	(in millions)	
Net cash provided by operating activities	$ 501	$ 762
Net cash used in investing activities	$ (156)	$ (56)
Net cash used in financing activities	$ (175)	$ (655)

Cash Flows from Operating Activities

For the six months ended June 30, 2026, net cash provided by operating activities was $762 million, which consisted of net income of $256 million, adjustments for certain non-cash items of $367 million and net cash inflows from changes in operating assets and liabilities of $139 million. Adjustments for certain non-cash items were primarily driven by stock-based compensation expense of $221 million and a decrease in deferred income taxes of $67 million. The year-over-year increase in cash provided by operating activities was primarily driven by fluctuations in working capital from general business impacts including (i) the timing of customer collections, including the settlement of large accounts receivable balances, and the impact of offering mix on invoiced amounts; (ii) the timing of customer, vendor, and other third-party payments and accruals including legal and regulatory matters, sales and indirect taxes, and insurance; (iii) the timing of spend and usage of software subscriptions for hosting arrangements; and (iv) the overall growth of our business. Regulatory settlements of $60 million, previously accrued as of December 31, 2025, were paid with cash on hand in January 2026 and is reflected in the operating asset and liability changes noted above.

For the six months ended June 30, 2025, net cash provided by operating activities was $501 million, which consisted of net income of $222 million, adjusted for certain non-cash items of $232 million, primarily driven by stock-based compensation expense of $172 million and by net cash inflows from changes in operating assets and liabilities of $47 million. The year-over-year increase in net changes in operating assets and liabilities, which impacted cash provided by operating activities, from a net cash inflow of $349 million to $501 million, was primarily driven by fluctuations in working capital from general business impacts such as (i) the timing of customer collections due to the collection of a large accounts receivable balance from a retailer and the mix of transaction types, such as those involving EBT SNAP and alcohol sales, which result in longer and uneven collection cycles; (ii) the timing of customer, vendor, and other third party payments and accruals; (iii) the timing of spend and usage of software subscriptions for hosting arrangements, and (iv) the overall growth of our business.

Cash Flows from Investing Activities

For the six months ended June 30, 2026, net cash used in investing activities was $56 million, comprised primarily of acquisitions of businesses, net of cash acquired, of $29 million and purchases of property and equipment, including capitalized internal-use software, of $29 million.

For the six months ended June 30, 2025, net cash used in investing activities was $156 million, comprised primarily of purchases of marketable securities of $144 million; acquisition of business, net of cash acquired, of $105 million; and purchases of property and equipment, including capitalized internal-use software, of $34 million, partially offset by maturities of marketable securities of $127 million.

Cash Flows from Financing Activities

For the six months ended June 30, 2026, net cash used in financing activities was $655 million, comprised primarily of repurchases of common stock of $683 million, partially offset by changes in advances from a payment card issuer of $34 million.

For the six months ended June 30, 2025, net cash used in financing activities was $175 million, comprised primarily of repurchases of common stock of $210 million and taxes paid related to net share settlement of equity awards of $14 million, partially offset by changes in advances from a payment card issuer of $43 million and proceeds from the exercise of stock options of $6 million.

Contractual Obligations and Commitments

As of June 30, 2026, there have been no material changes from the contractual obligations and commitments as described in our Annual Report on Form 10-K for the year ended December 31, 2025.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of condensed consolidated financial statements in accordance with GAAP requires us 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 period presented. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows could be affected.

There have been no material changes to our critical accounting policies and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

See Note 2 — Significant Accounting Policies in the notes to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include foreign currency and exchange risk, interest rate risk, and inflation risk as follows:

Foreign Currency and Exchange Risk

We transact business globally in multiple currencies, with the vast majority of our cash generated from revenue denominated in the U.S. dollar and a small amount denominated in other foreign currencies. Our international revenue, as well as costs and expenses denominated in foreign currencies, expose us to the risk of fluctuations in foreign currency exchange rates against the U.S. dollar.

We have experienced and will continue to experience fluctuations in our net income as a result of transaction gains or losses related to remeasurement of certain asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on our condensed consolidated financial statements. As the impact of foreign currency exchange rates has not been material to our historical results of operations, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Interest Rate Risk

As of June 30, 2026, we had cash and cash equivalents of $757 million and marketable securities of $128 million invested in a variety of securities, including money market funds, commercial paper, U.S. government and government agency debt securities, and corporate debt securities. In addition, we had $117 million of restricted cash and cash equivalents primarily due to legally restricted funds maintained in a bank account pursuant to an agreement with a payment card issuer and outstanding letters of credit established in connection with lease agreements for our facilities. Our cash, cash equivalents, and marketable securities are held for working capital purposes. We do not enter into investments for trading or speculative purposes. Due to the nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. We may be exposed to further interest rate risk if we revise our strategy to invest in longer term securities in the future. A hypothetical 10% increase or decrease in interest rates would not have had a material impact on our condensed consolidated financial statements as of June 30, 2026.

As of June 30, 2026, there were no revolving loans outstanding under the Credit Agreement. We will be exposed to increased interest rate risk if we draw down on the facility. Refer to Note 11 — Debt for additional information.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations, other than as a result of its impact on the general economy. However, we are operating in a more volatile inflationary environment due to macroeconomic conditions and have limited data and experience doing so in our history, particularly at our scale. The principal inflationary factors affecting our business are higher prices of products offered by retail partners through Instacart, including due to higher raw material costs, tariffs and trade restrictions, shipping and freight costs, elevated fuel prices that are borne by our partners, and customers purchasing fewer items on average per order. Higher retailer prices, resulting in increased grocery costs and reduced consumer spending have negatively impacted consumer demand for online grocery as consumers return to in-store shopping to save on service and delivery fees and also have reduced order frequency, driven lower order volumes, and impacted average order values. Customers have and may continue to reduce spending on more premium products, and our brand partners have and may continue to reduce their overall advertising budgets, either of which could harm our revenue and margin. We may also not be able to fully offset higher costs through operational efficiencies or price increases. Increased fuel prices as a result of supply chain and other macroeconomic factors may also result in fewer shoppers or reduced shopper activity. While we have previously implemented certain shopper incentives in response to these factors, persistent or increased shopper shortages may require us to reintroduce or further increase shopper incentives to ensure sufficient shoppers are available to meet demand or provide additional consumer incentives or refunds due to shopper delays or incorrect orders, which have historically occurred and reduced our revenue and profitability. As a result of these factors, we may experience fluctuations in GTV and orders, which could negatively impact our revenue and margin.

Certain of our offerings focused on affordability, such as the addition of discount grocers to Instacart, continued customer promotions, no rush delivery, Instacart+ members-only discounts, and acceptance of other payment options may improve customer accessibility to online grocery and help offset pricing challenges faced by customers due to inflationary pressures and customer fees. However, we cannot predict whether such offerings will offset or mitigate the negative impacts of inflationary pressures to our business, such as general reductions in spending by customers. Our inability or failure to address challenges relating to inflation could harm our business, financial condition, and results of operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective and provided reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, 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) during the second quarter of 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

See discussion under the caption “Legal Matters” in Note 10 — Commitments and Contingencies to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for information regarding legal proceedings that constitute material contingencies for financial reporting purposes that could have a material adverse effect on our consolidated financial position, liquidity, or results of operations if they were resolved in a manner that is adverse to us.

Although the results of these claims, lawsuits, government investigations, and other legal proceedings in which we are involved cannot be predicted with certainty, we believe that none of these matters is likely to have a material impact on our business, financial condition, results of operations, or cash flows. However, management’s views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Further, regardless of final outcomes, any such legal proceedings, claims, and government investigations may nonetheless impose a significant burden on management and employees and may come with costly defense costs or unfavorable preliminary and interim rulings.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as further described below. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations, or prospects. In such case, the trading price of our common stock could decline, and you may lose some or all of your original investment. You should not interpret our disclosure of any of the following risks to imply that such risks have not already materialized.

Risk Factors Summary

Our business is subject to numerous risks and uncertainties, including those outside of our control, that could cause our actual results to be harmed. These risks include the following:

- Historical trends relating to our growth and financial performance may not be indicative of future performance.
- If we fail to cost-effectively acquire new customers or increase the engagement of our existing customers, including through effective marketing strategies, our business would be harmed.
- We have a limited history operating our business at its current scale, scope, and complexity in an evolving market and economic environment, which makes it difficult to plan for future operations and strategic initiatives, predict future results, and evaluate our future prospects and the risks and challenges we may encounter.
- We have a history of losses, and we may be unable to sustain or increase profitability or generate profitable growth in the future.
- The success of our business is dependent on our relationships with retailers. The loss of one or more of our retail partners or reduction in their engagement with Instacart could harm our business.
- We are continuing to build our Instacart Ads offerings. If we fail to grow our advertising revenue, our business, financial condition, and results of operations would be negatively impacted.
- Our business is subject to various laws and regulations, including those related to the contractor status of shoppers and requirements to engage shoppers, which may change or increase over time and subject us to increased compliance costs and liabilities.
- The markets in which we participate are highly and increasingly competitive, with well-capitalized and better-known competitors, some of which are also partners. If we are unable to compete effectively, our business and financial prospects would be adversely impacted.
- Artificial intelligence and machine learning technologies, including our use of such technologies and use of such technologies by our competitors, could result in reputational harm, competitive harm, or legal liability, and could adversely affect our results of operations.

- If we fail to cost-effectively engage, attract, or retain shoppers on Instacart, our business could be harmed.
- The failure to achieve increased market acceptance of online grocery shopping and our offerings could seriously harm our business.
- Mergers or other strategic transactions by competitors or retailers could weaken our competitive position and adversely affect our business.
- 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.
- The trading price of our common stock may be volatile and could decline significantly and rapidly. You may be unable to sell your shares of common stock at or above the price at which you purchased them.

Risks Related to Our Business and Industry

Historical trends relating to our growth and financial performance may not be indicative of future performance.

We have experienced rapid growth in prior periods, which was driven substantially by the COVID-19 pandemic, which led to significant demand for our offerings, and the rapid evolution of the online grocery shopping industry, as well as the other retail categories in which we operate. However, our growth rates have decreased from what we historically experienced and may continue to decrease or fluctuate as a result of macroeconomic and geopolitical conflicts, including as a result of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, inflation risk, actual or perceived risk of an economic recession, cessation of, interruptions to, or changes to government aid programs, the effects of severe weather patterns, increasing competition, strategic initiatives, and the maturation of our business, among others. We also cannot be certain whether we will drive greater engagement from new or existing retailers, customers, or brands or maintain or increase the level of demand for our offerings over the long term. As a result of the foregoing, our prior growth rates and financial performance should not necessarily be considered indicative of our future performance and results of operations.

Overall growth of our GTV, revenue, margin, and profitability depends on a number of factors, including our ability to:

- attract new retailers, customers, brands, and shoppers, including through effective pricing of our offerings, and sustain and expand our relationships with existing retailers, customers, brands, and shoppers;
- accurately forecast our revenue and plan our operating expenses and investments for future growth;
- successfully compete with other companies that are currently in, or may in the future enter, the markets in which we compete, and respond to developments from these competitors such as pricing changes and the introduction of new services;
- hire, integrate, and retain talented sales, customer service, engineering, and other personnel;
- comply with existing and new laws, regulations, and judgments or settlements applicable to our business;
- successfully expand in existing markets and enter new markets, including new geographies, retail categories, and fulfillment methods;
- increase the adoption of our Instacart+ membership program to drive increased customer engagement;
- successfully launch new offerings and enhance Instacart and its features and use cases, including in response to new trends or competitive dynamics or the needs of retailers, customers, brands, and shoppers;
- increase the revenue generated by our Instacart Ads offerings;
- successfully identify, acquire and integrate, or invest in businesses, products, or technologies that we believe could complement or expand our offerings;
- enter into and maintain strategic partnerships, including our partnership with Uber to offer their restaurant delivery services on our platform;
- avoid interruptions or disruptions in our services;
- provide retailers, customers, brands, and shoppers with high-quality support that meets their needs;

- effectively manage growth of our infrastructure, personnel, and operations, particularly due to our Flex First workforce model that permits employees to elect to work remotely;
- effectively manage our costs related to our fulfillment methods; and
- maintain and enhance our reputation and the value of our brand.

As a result, you should not rely on our GTV, revenue growth rate, or other key business metrics for any prior quarterly or annual period as an indication of our future performance.

In addition, our ability to forecast, and to provide guidance to investors regarding future operating results and key financial metrics is inherently uncertain. Our business is complex, relatively young and subject to significant impacts from events or evolving regulations beyond our control. All forecasts should be viewed as our good faith expectation at the time originally made, but not accorded undue weight.

We also expect to continue to expend substantial financial and other resources to grow our business, which may not result in sufficient growth or increased profitability to offset the cost of such investments. We may also fail to allocate our resources in a manner that results in increased GTV or revenue growth or improved margin. If our GTV or revenue growth rates decline or our margin is negatively impacted, investors' perceptions of our business and the trading price of our common stock could be adversely affected.

If we fail to cost-effectively acquire new customers or increase the engagement of our existing customers, including through effective marketing strategies, our business would be harmed.

The growth of our business is dependent upon our ability to continue to grow our offerings by cost-effectively increasing our engagement with existing customers and acquiring new customers. If we fail to do so, the value of our offerings will be diminished, and we may have difficulty attracting and engaging retailers and brands. The number of customers and their level of engagement on Instacart may decline materially or fluctuate as a result of many factors, including, among other things:

- dissatisfaction with the operation of, or pricing on, Instacart, including our customer support services, or the quality and performance of the offerings, services, and technology of our partners;
- the actual or perceived quality of service provided by shoppers, such as picking the wrong item, making a poor substitution for out of stock items, failing to deliver items on a timely basis or at all, failing to complete requested tasks or otherwise follow customer instructions, or customers having negative experiences in their interactions with shoppers, particularly during demand surges;
- cost of using Instacart compared to in-store shopping or other alternatives, including as a result of customer fees and differences between online and in-store prices and promotions;
- the actual or perceived value or quality of our membership offering and membership benefits;
- the actual or perceived value or quality of service, or the quality, pricing, and availability of products provided by retailers, including as a result of disruptions in the global supply chain;
- the breadth and variety of retailers that are available to customers on Instacart, including retailers with whom we have a limited or informal arrangement for availability on Instacart;
- macroeconomic uncertainty, including as a result of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, as well as related price increases, inflation risk, and actual or perceived risk of an economic recession;
- future public health outbreaks, or a future outbreak of disease or similar public health concern;
- market acceptance of online grocery shopping and our in-store technology offerings;
- negative publicity related to our brand, including as a result of safety incidents, dissatisfaction with our offerings, and other events;
- actual or perceived public policy positions;
- failure to maintain good relationships with shoppers resulting in fewer shoppers available for customers, particularly during peak demand; or

- dissatisfaction with the user experience on our platform, new and current offerings, or changes we make to our offerings.

Although we believe that many customers originate from word-of-mouth customer acquisition and other non-paid referrals, we expect to continue to expend resources for customer acquisition and engagement, including through offering discounts and running promotions, all of which could impact our overall profitability. We have in the past experienced and may continue to experience decreases in new customer acquisition rates and customer retention, which have negatively impacted and may continue to negatively impact GTV and orders. As a result, we have increased and may continue to increase our customer acquisition spend, including incentives, paid marketing, and brand marketing campaigns to acquire new customers and increase the engagement of our existing customers, which may harm our margin and profitability and our efforts to drive efficiencies in our operating expenses. If we are not successful in, or reduce, our marketing investments, we may not be able to retain our existing customers or convert first-time customers, including those using consumer incentives such as discount promotions, into customers who regularly use and engage with our offerings. Further, we may not be able to accurately assess the effectiveness of our marketing campaigns and strategies in acquiring new customers or increasing existing customer engagement for several periods. The effectiveness of our marketing campaigns and strategies may also be obfuscated due to temporary or periodic external factors, such as future public health outbreaks, macroeconomic factors, and changes in the regulatory landscape. Failure to effectively design and conduct such campaigns and strategies may negatively impact our ability to acquire new customers and increase engagement with existing customers, which would harm our revenue growth and business. Consumers also have different grocery needs and preferences depending on demographics, and these priorities may shift as they age. We face heavy competition for consumers in certain demographics, including those in younger age groups who prioritize use cases, features, and fulfillment options that are different from customers in older age groups, such as convenience and specific product categories, as well as those in different income groups who may prioritize affordability over convenience or selection. If we do not successfully address the current and future needs of consumers in different demographics, primarily certain age and income groups, including through brand marketing campaigns and introduction and promotion of relevant use cases, features, fulfillment options, and other functionalities, we may be unable to attract new customers or increase engagement with existing customers. In addition, we may also experience increased customer churn, including to competitors, which would harm our business.

Many customers initially access Instacart to take advantage of certain promotions, such as discounts and other reduced fees. We strive to demonstrate the value of our offerings to such customers, thereby encouraging them to access Instacart regularly or subscribe to Instacart+, through prompts, notifications, and reduced fees or time-limited trials of Instacart+ and other offerings. However, these customers or other customers we acquire inorganically may be lower intent users of Instacart with reduced engagement compared to customers that we acquire organically, may never convert to paying Instacart+ members, or may discontinue using Instacart after they take advantage of our promotions. Further, our initiatives to retain customers, such as encouraging them to subscribe to Instacart+ or providing additional use cases and fulfillment options, may result in negative impacts to other metrics. For example, an increase in Instacart+ orders, changes in product categories shopped, reduced spend on more premium or discretionary products, or a shift toward convenience or priority, may result in a decrease in average order value. Such shifts may also negatively impact certain retailers' and brands' actual or perceived benefit from engaging with Instacart.

We regularly provide customers with appeasement credits and refunds as well as incentives for future orders, which measures are intended to counteract any reputational harm and maintain customer satisfaction but are accounted for as direct reductions to our transaction revenue. These negative impacts to our revenue have harmed, and may continue to harm, our margin and results of operations, and the related customer dissatisfaction negatively impacts customer retention and engagement as well as our ability to continue growing our orders, GTV, and Instacart+ adoption. These negative impacts particularly harm our ability to engage with and retain customers in demographic groups that are historically less prevalent on Instacart, such as lower income customers, who may attribute less value to Instacart compared to alternatives due to these negative impacts. Efforts to reduce the overall costs associated with these appeasement credits and refunds, including by reducing appeasement credits and refunds generally, may also create reputational harm and impact our ability to attract or retain customers. Failure to retain existing customers or acquire new customers may also harm our relationships and commercial arrangements with retailers and brands as well as our ability to attract new retail and brand partners. Past and future changes to the fees that we charge our customers may also reduce overall engagement by our customers or negatively impact new customer acquisition. If we are not able to continue to expand our customer base or fail to retain or drive greater engagement of customers or increase demand for our full-price or paid services, such as Instacart+, while balancing the interests of other constituents on Instacart, our revenue may grow slower than expected or decline, and our margin may be negatively impacted.

We have a limited history operating our business at its current scale, scope, and complexity in an evolving market and economic environment, which makes it difficult to plan for future operations and strategic initiatives, predict future results, and evaluate our future prospects and the risks and challenges we may encounter.

We have significantly scaled and expanded our business and operations, which has led to increased usage of our offerings from new and existing customers. Accordingly, we have limited experience in, and data and results from, operating our business at its current scale, scope, and complexity and in a rapidly evolving market and economic environment. As a result, our ability to plan for future operations and strategic initiatives, predict future results of operations, and plan for and model future growth in orders, GTV, revenue, expenses, and prospects is subject to significant risk and uncertainty as compared to companies with longer and more consistent operating histories and in more stable macroeconomic or regulatory environments and industries. In particular, we face risks and challenges relating to our ability to, among other things:

- accurately forecast our orders, GTV, and revenue and budget for and manage our expenses;
- attract new retailers, customers, brands, and shoppers and retain or increase the engagement of existing retailers, customers, brands, and shoppers in a cost-effective manner;
- enter into and maintain strategic partnerships, including our partnership with Uber to offer their restaurant delivery services on our platform;
- comply with existing and new laws, regulations, and judgments or settlements applicable to our business;
- plan for and manage capital expenditures;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate, including as a result of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, as well as related price increases, inflation risk, and actual or perceived risk of an economic recession;
- maintain and enhance the value of our reputation and brand;
- effectively manage our growth as the market for online grocery shopping continues to evolve;
- effectively deploy our capital toward strategic initiatives;
- successfully expand our geographic reach;
- hire, integrate, and retain talented people at all levels of our organization; and
- successfully maintain and enhance our offerings and our technology infrastructure for retailers, customers, brands, and shoppers.

Our future growth will depend heavily on our ability to successfully execute on our strategic initiatives. For example, as we continue to expand our business, we have introduced and scaled new features, use cases (such as convenience and restaurants), fulfillment options (such as pickup and priority), and functionalities in our offerings (such as flyers and loyalty programs), and made strategic investments in new technologies and initiatives (such as our enterprise offerings, including AI Solutions). We have also invested heavily in Instacart Ads capabilities and in growing the number of brands that use our services. In addition, we continue to invest in international expansion and strategic initiatives such as Instacart Business and Instacart Health to expand the scope of our business. Our future growth depends on the perceived value of our expanded offerings as a whole to retailers, customers, brands, shoppers, and strategic partners, as well as our ability to balance the effects of various strategic initiatives, including our focus on further scaling our operations to improve our margin and profitability. For example, we may experience fluctuations in our growth due to changes in average order value as a result of restaurant orders and lowered basket minimums for Instacart+ members to receive $0 delivery fees, new or updated pricing strategies, or other strategic initiatives. We have limited experience operating this expanded business model and may not be able to accurately predict and plan for the impacts it may have on our growth rates, revenue mix, margin, and profitability, as well as outside factors that may impact our business model, such as changes in consumer shopping behavior, retailer preferences, competition, and macroeconomic factors.

Our limited history and experience operating our current business may also negatively impact our ability to plan strategic investments and initiatives to further expand our business and offerings, including to support our retail partners, customers, brand partners, and shoppers, certain of which may require significant capital expenditures and future operating expenses that may be difficult to forecast. In addition, existing and future operational and strategic initiatives may have lengthy return on investment time horizons, such as brand marketing campaigns, new marketing, merchandising and consumer awareness strategies, Connected Stores, AI Solutions, and international expansion. As a result, we will not be able to adequately assess the benefits of such initiatives until we have made substantial investments of time and capital, resulting in high opportunity costs. The online grocery industry and competitive landscape also continue to evolve, which will require us to address shifting competitive pressures and further stresses our ability to plan for operational and strategic initiatives and forecast our future results of operations. We are also devoting significant resources to retain, manage, and train employees in information technology infrastructure, financial and accounting systems and controls, sales and marketing and engineering capabilities, operations and support infrastructure, as well as employees in geographically dispersed locations to service new and existing customers. We may not successfully accomplish any of these objectives in a timely manner or at all.

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 such as the online grocery industry that are or could be materially impacted by significant regulatory changes, tariffs or other trade restrictions, global pandemics, and economic recessions. 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, scope, and complexity, the continued evolution of our business and the online grocery industry, or other factors, our results of operations could differ materially from our expectations, and our business, financial condition, and results of operations could be adversely affected.

We have a history of losses, and we may be unable to sustain or increase profitability or generate profitable growth in the future.

Although we have generated profit in recent periods, including net income of $457 million and $447 million for the years ended December 31, 2024 and 2025, respectively, we have historically experienced significant net losses, including a net loss of $1.6 billion for the year ended December 31, 2023, primarily as a result of stock-based compensation expense we recognized in connection with the vesting of certain restricted stock units (“RSUs”) and vesting of restricted stock in connection with our initial public offering (“IPO”). As of December 31, 2025, we had an accumulated deficit of $4.5 billion. We will need to sustain or increase revenue while managing our costs to sustain or increase profitability.

Our ability to generate and expand profitability is highly impacted by growth in our diversified revenue streams and our ability to drive operational efficiencies in our business. Our efforts to maintain and increase our profitability may not succeed due to factors such as evolving consumer behavior trends in grocery shopping, including the impacts of future public health outbreaks, impacts on prices of goods due to trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, inflationary pressures or other factors, actual or perceived risk of an economic recession, unfavorable macroeconomic conditions, customer engagement and retention, changes in our revenue mix and retailer, customer, and brand partner fees, the costs associated with complying with evolving regulatory regimes, including costs associated with order fulfillment, collection and credit risks, our ability to hire and retain highly skilled personnel, our ability to effectively scale our operations, and the continuing evolution of the online grocery industry, many of which are beyond our control.

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

- increase the engagement of retailers, customers, brands, and shoppers;
- drive adoption of our offerings through marketing and incentives and increase awareness through brand campaigns;
- enhance Instacart with new offerings, including through partnerships, use cases, features, including flyers and loyalty programs, fulfillment options, member benefits, such as unlimited $0 delivery fees on orders over a certain size, and other exclusive benefits for Instacart+ members, and functionality, including through strategic investments and expanded technologies, such as AI Solutions; and
- invest in our operations to continue scaling our business and expanding internationally to achieve and sustain long-term efficiencies.

These investments may contribute to net losses in the near term. We may discover that these initiatives are more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses or realize the benefits we anticipate. Certain initiatives may also require incremental investments or recurring expenses and may not be accretive to revenue growth, margin, or profitability for a longer time period, if at all. Many of our efforts to increase revenue and manage operating costs are new and unproven given the unique and evolving complexities of our business and the evolving nature of the grocery industry. Any failure to adequately increase revenue or manage operating costs could prevent us from sustaining or increasing profitability. Expansion of our offerings, such as to include new use cases, technologies, fulfillment options, geographic markets, or retail categories, may initially harm our profitability. We have also made and may continue to make concessions to retailers that are designed to maximize profitability in the long term but may decrease profitability in the short term. These retailer concessions negatively impact our revenue and financial results and the process for determining and quantifying the impact of these concessions requires judgment and estimates. As a result, the impact of retailer concessions on our financial results may continue into future periods or have higher impacts than we anticipate. We may also incur higher operating expenses as we implement strategic initiatives, including in response to external pressures such as competition, retailer consolidation, and evolving consumer behavior trends in grocery shopping. For example, our sales and marketing expenses as well as consumer incentive costs have increased and may continue to increase in the near term. Additionally, we may not realize, or there may be limits to, the efficiencies we expect to achieve through our efforts to scale the business, reduce friction in the shopping experience, and optimize costs such as shopper earnings, payment processing, customer and shopper support, and shopper acquisition and onboarding costs. We have expanded gross margin and optimized operating costs through these efficiencies in the past, but the pace of such expansion has normalized and may decelerate further in the future. We may encounter unforeseen operating expenses, difficulties, complications, delays, and other factors, including as we expand our business, execute on strategic initiatives, continue to expand internationally, and navigate macroeconomic uncertainty and any future public health concerns or outbreaks, which may result in losses or a failure to generate or expand profitable growth in future periods.

In addition, we have granted RSUs to our employees and directors, which primarily vest upon the satisfaction of a service-based vesting condition. Stock-based compensation expense related to these RSUs and other outstanding equity awards will result in fluctuations in our expenses in future periods.

As such, due to these factors and others described in this “Risk Factors” section, we may not be able to sustain or increase profitability or generate profitable growth in the future. If we are unable to sustain or increase profitability, the value of our business and the trading price of our common stock may be negatively impacted.

The success of our business is dependent on our relationships with retailers. The loss of one or more of our retail partners or reduction in their engagement with Instacart could harm our business.

In order to attract and expand our relationships with consumers, brands, and shoppers, we must attract new retailers and maintain our relationships with existing retailers. Consumers have strong preferences for their favorite retailers due to the trust these retailers have created over generations, and our ability to increase consumer and brand adoption of Instacart depends on our ability to attract and maintain our retail partners and maintain or increase their adoption of our offerings.

Our ability to attract and retain retailers depends on our ability to generate revenue for them. Retailers will not continue to do business with us if they do not believe that partnering with Instacart will generate a competitive return relative to other alternatives, including from our competitors. Retailers have in the past chosen, and could continue to choose, to partner with other online grocery platforms (exclusively or otherwise) or develop or acquire their own online grocery platforms, in either case in a specific geographic market or overall. Retailers may also choose to develop, acquire, or partner with other companies (exclusively or otherwise) for access to products and offerings for specific use cases, fulfillment options, features, or technologies, such as brand advertising and retail media platforms, prepared meals, shopping cart or checkout technologies, and others. Our future growth depends in part on our ability to not only engage new retailers but also to retain and expand existing retailer engagement with Instacart. However, retailers may decrease their engagement with Instacart based on factors that may not be within our control or whose impacts are difficult to predict. For example, macroeconomic effects from supply shortages and inflation have previously resulted in fluctuations in consumer shopping behaviors and preferences. An increase in retailer operating costs, or other deterioration in the financial condition of retailers, whether due to macroeconomic conditions or otherwise, could cause retailers to raise prices, renegotiate contract terms, or cease operations, which we expect may influence our retailer fee terms. Further, as we expand our own offerings, changes in the mix of customer engagement with our existing and new use cases, fulfillment options, features, and technologies, as well as any changes in online shopping behaviors, may also result in a decrease in engagement for certain retailers, due to less favorable economics or changes in retailers’ strategic focus. We may not be able to accurately predict the extent of the impact of the factors above on our business and growth initiatives and resulting new trends in retailer strategies and preferences, including due to our limited experience in operating our business at its current scale, scope, and complexity and limited historical data regarding impacts of these factors, which may harm our revenue growth, margin, and results of operations.

We enter into services agreements with our retail partners that provide for service fees in exchange for providing access to our technology platform. We recognize revenue as a percentage of the total purchase value from the sale of goods, a per transaction fee, the difference in price between amounts charged to customers for goods and the actual settlement price to the retailer for the goods, a license fee for the use of our technology platform, or a combination thereof. Payment by retailers is generally due immediately to 45 days upon receipt of invoice. Retailers have in the past decided and may in the future decide to not renew their agreements while others have in the past modified and may in the future modify their agreement terms in a cost-prohibitive or strategically detrimental manner when their agreements are up for renewal due to factors such as macroeconomic uncertainty, dissatisfaction with existing or proposed terms in their service agreements, changes in consumer shopping behavior and preferences on Instacart and among our use cases, fulfillment options, and competitive offerings. For example, we have modified, and may need to modify in the future, retailer fee arrangements to attract and retain retailers, modify payment processing arrangements, or make other changes that reduce our transaction revenue, in each case due to competition, retailer business downturns, and other factors. Some retailers have in the past shifted and may in the future shift away from exclusive arrangements with us for various reasons, including to partner with other or additional online grocery platforms, and additional retailers may decide to shift away from such arrangements in the future. Our inability to maintain our relationships with retailers on terms consistent with or better than those already in place and that are otherwise favorable to us could increase competitive pressure, impact grocery product and/or offering pricing, and otherwise adversely affect our business, financial condition, and results of operations. Retailer consolidation may also result in a decrease in or cessation of engagement with Instacart, or result in Instacart receiving less favorable contract terms with the consolidated entity.

Retailers could also experience downturns or fail, including due to macroeconomic pressures, experience labor shortages or disputes, fail to adopt additional offerings or fulfillment methods or fail to launch or utilize our offerings in the manner and timing that we expect, or cease using Instacart altogether for many reasons. The grocery industry has traditionally been slow to adopt new technologies, fulfillment options, and online enablement in general, including due to lack of confidence in the online grocery industry, preference for in-store shopping due to resulting organic shopping behaviors, or general resistance to adopting Instacart, and is typically characterized by comparatively lower margin and high cash needs. As a result, we have at times experienced, and may continue to experience, slower adoption and implementation of our offerings by our retail partners as well as retailer turnover. If we lack a sufficient variety and supply of retailers, or lack access to the most popular retailers, such that Instacart becomes less appealing to consumers and brands, our business may be harmed.

We currently generate significant GTV and revenue from a small number of retailers. Our top three retailers accounted for approximately 43% of our GTV for the years ended December 31, 2023 and 2025, and 42% for the year ended December 31, 2024. While GTV and revenue from our largest retail partners may decrease as a percent of our total GTV and revenue over time as we generate more GTV and revenue from other retailers, we believe that GTV and revenue from our largest retailers will continue to account for a significant portion of our GTV and revenue for the foreseeable future. If any of these retailers were to suspend, limit, or cease their operations or otherwise terminate their relationships with us, the attractiveness of Instacart to consumers and brands could be materially and adversely affected.

We are continuing to build our Instacart Ads offerings. If we fail to grow our advertising revenue, our business, financial condition, and results of operations would be negatively impacted.

We are continuing to build, grow, and scale our Instacart Ads offerings and our advertising revenue model. Our agreements with brand partners provide that service fees are paid for continually promoting a brand during the duration of the term applicable to a given advertising campaign. Contracts applicable to a given advertising campaign are typically less than one year in duration. We primarily recognize revenue in the amount that we have the right to invoice as advertising services are rendered, which occurs upon delivery of clicks, upon delivery of impressions, over the contract term on a fixed fee basis, or upon redemption of coupons. Payment for our advertising offerings is generally due 30 to 90 days after receipt of invoice. Although we have significantly grown our advertising and other revenue and launched a number of new advertising capabilities in recent years, we are still optimizing and refining the execution of our growth strategy for our Instacart Ads offerings and face certain challenges associated with scaling such newer offerings. As such, there is no assurance that this advertising revenue model will continue to be successful or that we will generate increasing advertising revenue, and the pace of expansion of our Ads offerings may fluctuate. To sustain or increase our advertising revenue, we must attract new brands and encourage existing brands to maintain or increase their advertising spend on Instacart given we do not typically have long-term commitments from brands. To do this, we must expand the number of markets and surfaces where we offer advertising, attract new retailers, marketplaces, and platforms and expand our relationships with existing retailers, marketplaces, and platforms, acquire new customers and increase the engagement of existing customers, and increase the breadth and functionality of our advertising products to create more value for our brand partners, including new advertising formats, new measurement tools, increased brand awareness, and other capabilities to deliver attractive return on investment to brand partners. If we are unable or choose not to expand our advertising markets, develop or pursue innovative advertising models and offerings, expand our relationships with more retailers, marketplaces, and platforms, acquire new customers or increase the engagement of existing customers, or acquire new brand partners or increase the engagement of existing brand partners, we may not be able to successfully grow our advertising and other revenue. In addition, our advertising and other revenue growth rate and our advertising and other investment rate have fluctuated and may continue to fluctuate, particularly during periods of acceleration or deceleration in our GTV growth. Our advertising and other investment rate may also fluctuate if we generate more GTV from sources where we do not provide advertising or where we have recently enabled advertising, such as from certain new offerings or use cases and from retailers' owned and operated online storefronts including those utilizing Instacart API that do not partner with Carrot Ads.

Changes to our advertising policies and privacy, data security, and data protection practices, laws, legislation, or regulations, or the regulatory enforcement thereof, may affect the products that we are able to provide to brands, which could harm our business. Actions by operating system platform providers or application stores such as Apple or Google may also affect our offerings or services or how we collect, use, and share data from end-user devices in connection with Instacart Ads. For example, Apple implemented a requirement for applications using its mobile operating system, iOS, to affirmatively (on an opt-in basis) obtain an end user's permission to track user activity across apps or websites or access users' device advertising identifiers for advertising and advertising measurement purposes, as well as other restrictions. Additionally, many state legislatures have enacted laws and regulations granting consumers the right to opt-out of a company's sharing of personal data for advertising purposes in exchange for money or other valuable consideration and imposing certain obligations on covered businesses with respect to consumers' personal data. Partially as a result of these developments, individuals are becoming increasingly resistant to the collection, use, and sharing of personal data to deliver targeted advertising. Individuals are now more aware of options related to consent, privacy preference mechanisms (such as browser signals from the Global Privacy Control), and "ad-blocking" software to prevent the collection of their personal data for targeted advertising purposes. The long-term impact of these and other privacy and regulatory changes remains uncertain and may harm our growth, business, and profitability.

In addition, expenditures by brands tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Adverse macroeconomic conditions have also adversely affected the demand for advertising and caused brands to reduce the amounts they spend on advertising. For example, we have seen and may continue to see reduced demand for advertising from brands that are exercising caution with their spending budgets and either slowing or reducing their campaigns due to, among other things, macroeconomic uncertainty, including as a result of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, global supply chain disruptions, labor shortages or disputes, changing consumer preferences, geopolitical conflicts, and reduced consumer confidence. These factors have had a negative impact on our advertising revenue, and such impact is expected to continue in future periods. These factors may also negatively impact our ability to forecast our advertising revenue as the extent of the ongoing impact of these macroeconomic factors on our business and on global economic activity generally is uncertain and may continue to adversely affect our business, operations, and financial results. In addition, brand partners have in the past reduced, and may in the future reduce, their spend on Instacart as a result of decreases in our GTV growth, the timing of adoption of new advertising formats and offerings, or for any other reason, which has in the past resulted and may continue to result in reductions in the growth of brand partner digital marketing spend on Instacart and related decreases in advertising and other revenue growth in future periods. Our ability to sustain or increase profitability depends in part on our advertising revenue, and failure to maintain or grow our advertising revenue could harm our prospects, business, financial condition, and results of operations, as well as impact our ability to strategically lower fees and invest in larger marketing campaigns, new offerings, and select geographic expansions.

The markets in which we participate are highly and increasingly competitive, with well-capitalized and better-known competitors, some of which are also partners. If we are unable to compete effectively, our business and financial prospects would be adversely impacted.

The markets in which we compete are evolving rapidly and are highly competitive with increasing competitive pressure. Our business is complex and encompasses a range of technologies, offering types, and fulfillment methods that serve the diverse needs of our constituents.

With respect to Instacart Marketplace, our current and potential competitors include, but are not limited to: (i) existing and well-established online grocery or shopping alternatives, including digital-first platforms, such as Amazon and Thrive Market, (ii) brick-and-mortar retailers that have their own digital and fulfillment offerings, such as Target and Walmart, some of which decide to partner with Instacart to complement their own offerings, (iii) companies that provide ecommerce and fulfillment services for third parties, including retailers, whether online or offline, such as DoorDash, Shipt (acquired by Target), and Uber Eats, (iv) digital-first platforms entering the grocery market by owning inventory, including DashMart (owned by DoorDash), Fresh Direct (owned by Getir), and Gopuff, which may include existing retailers on Instacart, which could eventually eliminate their need to partner with us or limit their use of Instacart Marketplace, (v) companies that provide ecommerce and fulfillment services that focus on discrete categories of products, such as alcohol or prescription delivery, and (vi) companies that offer direct to consumer ingredient or meal offerings, such as Blue Apron (owned by Wonder Group) or Misfits Market, some of which may partner with Instacart to complement their own offerings. Most consumers currently choose to shop for themselves at brick-and-mortar grocery stores, regardless of whether we partner with the retailers that operate these stores. Also, the cost to switch between providers of online grocery shopping is low for consumers, and consumers within various demographics have a propensity to shift to the lowest-cost or highest-quality provider and may use more than one platform.

With respect to Instacart Enterprise platform, our current and potential competitors include, but are not limited to: (i) companies that are focused on the online grocery enterprise services industry, as well as larger enterprise software companies that have products and services that provide retailers with some of the benefits we offer through Instacart Enterprise platform, (ii) micro-fulfillment or automated warehouse providers that support grocery retailers' owned and operated offerings, such as Ocado, and (iii) existing and potential retailers on Instacart who develop or may in the future develop their own enterprise ecommerce system. In addition, our competitors include companies that provide point solutions for individual components of Instacart's ecommerce offering such as picking technology, retail media network solutions, and AI-powered grocery tools. Our competitors may also make acquisitions or establish cooperative or other strategic relationships among themselves or with others, including retailers. While there may be costs to switch between enterprise products, retailers may shift to the platform that offers the lowest service fee for their products and provides the highest volume of orders, or build their own. Our Instacart Enterprise platform also includes in-store technology offerings, including Caper Carts, FoodStorm, Carrot Tags, and other in-store applications, which face competition from other retailer technology solution providers, such as Amazon and Hanshow.

With respect to Instacart Ads, our current and potential competitors include, but are not limited to: (i) third-party platforms that assist retailers with monetization of their digital offerings for consumers, such as CitrusAd (acquired by Publicis Groupe), Criteo, Moloco, and Quotient, (ii) first-party retailer-owned solutions that provide online advertising opportunities to brands on their owned and operated domains, such as Amazon, Kroger, Target, Walmart, and others, some of which are also retailers on Instacart, (iii) companies that provide ecommerce and fulfillment services for third parties, including retailers, which currently offer or may in the future offer advertising products, such as DoorDash and Uber Eats, and (iv) companies that offer established online advertising products that are not specifically limited to the grocery industry, such as those offered by Amazon, Google, Meta, and Snap.

With respect to restaurants offered on Instacart's Marketplace via our partnership with Uber, there are a number of competitors to such offering available through Instacart including, but not limited to: (i) local on-demand delivery companies such as DoorDash, Uber Eats via Uber's native applications, and Grubhub (acquired by Wonder), (ii) restaurants that have their own online ordering platform or online ordering systems, and (iii) other businesses that offer online ordering of prepared meals. Many consumers also rely on offline ordering channels, such as take-out offerings, telephone, and paper menus advertised by restaurants to consumers. The cost to switch between providers of online restaurant delivery is low for consumers, and consumers within various demographics have a propensity to shift to the lowest-cost or highest-quality provider and may use more than one delivery platform. In addition, competitors may offer different restaurant selection or restaurant delivery focused memberships that discourage consumers from switching to our offering.

We also compete for shoppers with many of the same companies with which we compete for customers, as well as companies in industries unrelated to ours that offer personal task-based services. The majority of shoppers do not shop on Instacart as their primary occupation or source of income. As such, a shopper, or someone considering to be a shopper, weighs that opportunity against others, such as traditional employment, personal task-based services, school, personal time, or other options in the labor market. Because switching costs are low, shoppers may shift to another platform that has higher, or is perceived to have higher, earnings potential.

Further, while we work to expand further in the United States and Canada and scale international markets, and introduce new offerings across a range of industries, many of our competitors remain focused on a limited number of products or on a narrow geographic scope, allowing them to develop specialized expertise and employ resources in a more targeted manner than we do. As we and our competitors introduce new offerings, and as existing offerings evolve, we expect to become subject to additional competition. If we are unable to offer comparable or superior offerings, our business may be adversely affected. In addition, our competitors may adopt certain of our features, or may adopt innovations that consumers value more highly than ours, which would render our offerings less attractive or reduce our ability to differentiate our offerings.

Many of our competitors are well-capitalized and are able to offer discounted or free services, shopper incentives, consumer discounts and promotions, innovative products and offerings, and alternative pricing models, which may be more attractive to retailers, consumers, brands, or shoppers than those that we offer. In addition, we may not be able to effectively compete with service offerings from vertically integrated competitors, such as Amazon or Gopuff, which control both the brick-and-mortar retailer and online fulfillment technology. Certain brick-and-mortar retailers that have their own digital offering, such as Walmart, also have significant size, scale, geographic, and customer base advantages, which may allow them to grow online sales or capture increasing share of the online grocery market or advertising budgets more effectively and at a faster rate than us. Competitors may also offer fulfillment options from our retail partners, despite having no formal engagement with such retailers. Further, some of our current or potential competitors have, and may in the future continue to have, greater resources and access to larger consumer and shopper bases in a particular geographic area. In addition, our competitors in certain geographies enjoy substantial competitive advantages, such as greater brand recognition, longer operating histories, larger marketing budgets, better localized knowledge, and/or fewer regulatory challenges. Smaller competitors may be more nimble at anticipating and meeting changing market dynamics and new entrants to online grocery are able to initially grow grocery sales at a faster rate due to their smaller scale, which has attracted advertising budget to certain of these competitors. As a result, such competitors may be able to respond more quickly and effectively than us in such markets to new or changing opportunities, technologies, consumer preferences, regulations, or standards, which may render our offerings less attractive. In addition, future competitors may share in the effective benefit of any regulatory or governmental approvals and litigation victories we may achieve, without having to incur the costs we have incurred to obtain such benefits.

For all of these reasons, we may not be able to compete successfully against our current and future competitors. Our inability to compete effectively would have an adverse effect on our ability to acquire new retailers, customers, and brand partners or increase the engagement of our existing retailers, customers, and brand partners, or would otherwise harm our business, financial condition, and results of operations. Third parties may also gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveal competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

If we fail to cost-effectively engage, attract, or retain shoppers on Instacart, our business could be harmed.

Shoppers perform certain tasks for customers, including picking and delivering goods, on Instacart. We enter into agreements with shoppers for them to provide fulfillment and other services to customers through Instacart and our technology. Our agreements with shoppers generally remain in effect until terminated by the shopper or by us. Shoppers may generally terminate their agreements with us at any time by providing us written notice and such agreements do not provide for any exclusivity.

If there are not enough shoppers on Instacart, customer orders may be late, go unfulfilled, or be incorrectly fulfilled, which would have a negative effect on those impacted customers and retailers and consequently on our business. If there are too many shoppers on Instacart, there may be an insufficient number of customers placing orders to keep shoppers occupied, engaged, and satisfied with their earnings potential on Instacart. If we are unable to attract shoppers on favorable terms or increase utilization of Instacart by existing shoppers, if we lose shoppers on Instacart, or if shoppers determine it is no longer economically worthwhile to provide services on Instacart due to factors that may be beyond our control, including the costs of gasoline, vehicles, or insurance, changes in consumer behaviors in grocery shopping, and actual or perceived economic advantages of providing services with other companies that engage independent contractors, including our competitors, our growth objectives and our business and prospects could be seriously harmed.

The number of shoppers on Instacart could decline or fluctuate as a result of a number of factors, including shoppers choosing not to provide their services through Instacart as a result of being dissatisfied with their earnings potential, our pay model or changes to our pay model, changes to the terms of our independent contractor agreement, shopper incentives, our retail partners, having a poor experience on Instacart, or deciding to pursue other work opportunities. Many shoppers provide services part-time and have other independent contracting work or employment. Factors outside of our control, including macroeconomic factors, and improvements in labor markets, may cause shoppers to cease providing services on Instacart and become employees elsewhere. Shopper dissatisfaction has in the past resulted in shopper protests, coordinated shopper work stoppages, shoppers choosing not to provide their services through Instacart, and negative press. Any protests, work stoppages, or refusals to provide services may result in interruptions to our business or negative publicity and may otherwise harm our business and reputation. While we have implemented strategic initiatives and commitments to bolster our reputation with shoppers in the past, and intend to continue implementing such initiatives and commitments in the future, there can be no assurance that these will be effective to retain shoppers and maintain or improve our reputation with shoppers.

From time to time, we have experienced, and expect to continue to experience, shopper shortages, often due to factors that are not within our control and which may be difficult to predict. Shoppers have significant flexibility regarding the in-store tasks they want to perform, including when, where, and how they wish to shop and may also provide services on other app-based platforms. To the extent that we experience shopper shortages, we may need to provide or increase incentives to shoppers in order to attract them to Instacart, which would negatively impact our financial results. Our expectations and predictions for shopper needs and preferences may also be inaccurate or incomplete, including due to a lack of historical data for our current scale and scope of operations or due to consumer demand surges that can arise due to factors outside of our control, such as inclement weather. Under these circumstances, we may not be able to attract enough shoppers to fulfill orders in a timely manner even with shopper incentives. Consequently, if shopper shortages lead to the inability of customers to place orders through Instacart or to delayed or incorrect orders, we may lose customers to other online grocery platforms or to other modes of shopping, particularly customers in certain demographic groups who have historically been less prevalent users of Instacart and are more difficult to engage or retain, which would harm our growth, profitability, and results of operations. Finally, the loss of customer orders due to a lack of shoppers to fulfill them or due to incorrect order fulfillment may reduce the perceived value of our offerings to retailers, who may in turn leave Instacart.

In addition, authorities have passed laws or adopted regulations, and may continue to do so in the future, requiring shoppers in the applicable jurisdiction to undergo a materially different type of qualification, training, licensure, screening, or background check process, which could be costly and time-consuming. These laws have also in the past imposed and may in the future impose requirements forcing us to fix minimum levels of compensation and provide certain benefits for shoppers, disclose additional details about orders, prices, and shopper earnings, and handle shopper account deactivation in a prescribed manner, which could force us to create new administrative processes and negatively affect our ability to attract and retain retailers, customers, or shoppers, as well as require us to share competitively sensitive information that may cause harm to our business. Court decisions interpreting or otherwise affecting such laws regarding shopper classification or shopper pay and benefits, or interpretations by agencies of the applicability of a retailer or brand collective bargaining agreement to certain tasks shoppers perform, may also negatively affect our ability to attract and retain retailers, customers, or shoppers. Even if some or all of such changes are ultimately not costly or time-consuming, they could reduce the number of shoppers in those markets or extend the time required to recruit new shoppers to Instacart, which could adversely impact our growth, business, and results of operations.

Often, we are forced to balance tradeoffs between the satisfaction of various constituents on Instacart, as a change that one category views as positive may be viewed as negative to another category. For example, we take certain measures that are designed to protect against fraud, help increase safety, and prevent privacy and security breaches, such as imposing certain qualifications for shoppers and terminating access to Instacart for shoppers with reported incidents, that may be popular with consumers but may also damage our relationships with shoppers or discourage or diminish their use of Instacart. Certain measures we take to incentivize shoppers, such as smaller windows for reducing tips after an order is complete, may be popular with shoppers but may also be viewed negatively by consumers who wish to have more flexibility over tipping. Further, increased shopper flexibility in when, where, and how to shop may result in shopper shortages during periods of peak demand, which may cause frustration with retailers and customers. If we do not adequately balance the tradeoffs among the various constituents on Instacart and continuously assess such tradeoffs in the context of prevailing market and competitive factors, our business may be harmed.

The failure to achieve increased market acceptance of online grocery shopping and our offerings could seriously harm our business.

The market acceptance of our offerings is critical to our continued success. Historically, consumers and retailers have been slower to adopt online grocery shopping than ecommerce offerings in other industries such as consumer electronics and apparel. Grocery is a complex market, and improving upon the traditional consumer in-store experience through an online platform or with connected shopping experiences is difficult due to broad consumer demands on selection, quality, affordability, and convenience. Grocery shopping habits and related consumer preferences are complex and diverse across and within geographies and across demographics and age groups. Changing traditional grocery shopping habits is difficult, and if consumers and retailers do not embrace the transition to online grocery shopping and connected shopping experiences as we expect, our business and operations could be harmed. The amount of influence we may have over these shopping habits and preferences, and the methods at our disposal to exercise such influence (including marketing and incentives), may be limited, and we are dependent on external influences over shopping habits and macroeconomic factors. In particular, shopping habits and preferences vary between younger and older consumers, consumers across different income groups, and among other demographic characteristics, and to be successful, we need to effectively increase market acceptance across all age, income, and other demographically different groups by increasing brand awareness and focusing marketing efforts on relevant habits and preferences. Moreover, even if more consumers begin to shop for groceries online, if we are unable to address their changing needs, or the evolving needs of retailers or brands, and anticipate or respond to market trends and new technologies in a timely and cost-efficient manner, we could experience decreased adoption, increased customer churn and lose the support of retailers and brands, any of which would adversely affect our business and results of operations. Demand for our offerings is also affected by a number of factors beyond our control, including macroeconomic conditions, initiatives by retailers to influence shopping behavior, continued market acceptance of our offerings, the timing of development and release of new offerings and features by us, the timing or manner of the adoption of our offerings by retailers and our competitors, changing consumer preferences, technological change, brand recognition, and growth or contraction in our markets. If we fail to achieve increased market acceptance of our offerings, our business could be seriously harmed.

Mergers or other strategic transactions by competitors or retailers could weaken our competitive position and adversely affect our business.

If one or more competitors or retailers were to merge, acquire, or partner with another competitor or retailer, the change in the competitive landscape could adversely affect our ability to compete effectively. Consolidation amongst major retail partners could impact contractual negotiations with such retail partners, result in lower utilization of our products, or lead ultimately to termination of existing retailer engagements. In addition, our competitors may also establish or strengthen cooperative relationships with current or future retailers, brands, and other parties with whom we have relationships, which could limit our ability to promote our offerings to those retailers and reduce our number of customers. As a result of these and future potential acquisitions or strategic partnerships, current and future retailers may begin working more closely, or on an exclusive basis, with other competitors with whom they have combined or otherwise established new relationships. Disruptions in our business caused by these events could adversely affect our business and results of operations.

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 forecast revenue and appropriately plan our expenses;
- macroeconomic uncertainty, including as a result of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies;
- the impact of prior or future public health threats on our business;
- revenue and fulfillment option mix shifts as we enhance Instacart with new offerings, use cases, and functionality, as well as changes in mix of revenue contribution from advertising contracts;
- timing of the recognition of our deferred revenue;
- timing of strategic investments and expenditures, including international expansion;
- fluctuations in operating expenses, including cost of revenue, as we seek to improve efficiencies, comply with changing regulatory requirements, and expand our business, offerings, and technologies;
- changes to financial accounting standards and the interpretation of those standards, which may affect the way we recognize and report our financial results;
- the effectiveness of our internal controls;
- the seasonality of our business, including as a result of inclement weather; and

- our ability to collect payments from retailers and brands on a timely basis.

The impact of one or more of the foregoing and other factors may cause our results of operations to vary significantly. In particular, we experienced substantial growth in prior periods and made significant changes to our business, including through scaling our operations to meet the increased demand and implementing new business and product initiatives, which impacted our expenses and margin. These historical shifts and trends are not necessarily indicative of our future performance and may obscure longer term trends in our business and results of operations. Relatedly, even as the circumstances that accelerated the growth and evolution of our business subside, we may experience sudden periods of high demand and related increased costs due to future public health outbreaks or macroeconomic conditions. As such, for these and other factors stated above, 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.

Our working capital and operating cash flows have fluctuated and may continue to fluctuate significantly from period to period as a result of new initiatives, the timing of payments made to and/or received from retailers, shoppers, and vendors, and certain transaction types, such as those involving EBT SNAP benefits and alcohol sales, which have a more significant impact on our working capital and operating cash flow due to the variability, magnitude, and timing of retailer reimbursements. Additionally, we make substantial weekly payments to shoppers on Tuesdays and Sundays for services delivered on Instacart, and therefore, we expect our reported cash and cash flows from operating activities to be impacted based on the day of the week of each reporting period. Additionally, due to the timing of funding to a certain payment card issuer, we may experience an increase in short-term liabilities based on the day of the week of the last day of each reporting period. Due to this timing, our cash flows from operating activities may not be directly comparable from period to period.

Seasonality may cause fluctuations in our sales and results of operations.

We experience seasonality in both the number of orders and GTV on Instacart, as well as in our advertising and other revenue. We typically see lower levels of order volume in the second and third quarter, resulting from lower usage of our offerings during the spring and summer months, followed by higher levels of order volume during the holiday season. In addition, during periods of inclement weather, the number of available shoppers generally decreases, while the number of orders from customers has typically increased, which may disrupt or obscure typical seasonal trends and make seasonal fluctuations difficult to detect. In addition, our advertising and other revenue has historically been seasonally high in the fourth quarter and seasonally low in the first quarter in a given year as a result of how advertisers deploy their budgets. Seasonality will likely cause fluctuations in our financial results on a quarterly basis. We expect these seasonal trends to become more pronounced over time if our growth slows, although growth in offerings, such as restaurants, acquisitions, and disruptive events, such as future public health outbreaks, may obscure future seasonality trends. Moreover, other seasonal trends may develop, including from new offerings, or these existing seasonal trends may become more extreme, and the existing seasonality and customer and shopper behavior that we experience may change or become more significant, which would contribute to fluctuations in our results of operations.

If we or the third parties we rely on experience a compromise to the confidentiality, integrity, or availability of our or their systems, or to data of our customers, shoppers, partners, employees, or Instacart, we may experience adverse consequences, including but not limited to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse consequences.

Operating our business and platform involves the collection, use, storage, transmission, and other processing of sensitive, proprietary, and confidential information, including personal information of customers, shoppers, and personnel, our proprietary and confidential information, and the confidential information of partners including retailers and brands. Security incidents compromising the confidentiality, integrity, or availability of this information or our IT systems or data (or those of third parties upon which we rely or otherwise engage with), or disrupting our ability (or that of third parties with whom we work) to provide our offerings, products, and/or services, could materially impact our business and results of operations. We face evolving cybersecurity threats and threat actors including but not limited to state-sponsored and advanced persistent threat actors, malicious code and malware (such as viruses, worms and ransomware), social engineering (including deep fakes, which may be increasingly difficult to identify as fake, phishing, and vishing), denial-of-service attacks, credential harvesting, credential stuffing, supply-chain attacks, server malfunctions, software or hardware failures, security bugs, vulnerabilities or misconfigurations in the software or systems on which we rely, loss of data or other information technology assets, adware, telecommunications failures, attacks enhanced or facilitated by AI, earthquakes, fires, floods, and other similar threats. In addition, malfeasance, error, theft, or misuse by our own personnel or the personnel of our strategic partners, our collaborators, or the third-party service providers with which we engage, of our intellectual property, financial data, or employee, retailer, customer, brand, or shopper data, could adversely affect our business and results of operations, particularly if such information is provided to or accessed by a competitor.

We rely on a number of third parties to operate our critical business systems and to process confidential and personal information, such as the payment processors that process customer credit card payments, cloud service providers, and employee and customer service centers, including those located in other countries. Our ability to require, monitor, and enforce these third parties' information security practices is limited. Because third parties provide operational support to our business and process confidential and personal information on our behalf, we could experience materially adverse consequences as a result of cyberattacks or incidents experienced by those third parties. Third-party and supply chain attacks have increased in frequency and severity and we cannot guarantee that the security of our service providers or any of their partners has not been materially compromised. We also cannot be certain that our contracts with these third parties will allow us to obtain indemnification or recovery from them for data security-related liability that they cause us to incur.

Threat actors, nation-states, and nation-state-supported actors now engage, and are expected to continue to engage, in cyber-attacks, including for geopolitical reasons and in connection with military conflicts and operations. Due to the current geopolitical environment, we and the third parties upon which we rely are at heightened risk of these attacks, including cyber-attacks that could materially disrupt our systems and operations, supply chain, and ability to maintain, sell, and distribute our offerings and services. In particular, severe ransomware and extortion attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm, and diversion of funds.

In addition, remote work poses risks to our information technology systems and data, as our employees utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit, and in public locations. For example, technologies in our employees' and service providers' homes are often not as robust as in our offices and could cause the networks, information systems, applications, and other tools available to employees and service providers to be more limited or less reliable than in our offices. Further, the security systems in place at our employees' and service providers' homes, or other remote work locations, may be less secure than those used in our offices. There is no guarantee that the privacy, data security, and data protection safeguards we or our service providers have put in place will be comprehensive, or completely implemented, complied with, or effective. Additionally, future and past business transactions with other parties (such as acquisitions, strategic partnerships, collaborations, or integrations) have exposed us to additional cybersecurity risks and vulnerabilities associated with those parties, such as security issues that were not identified during due diligence, and difficulty or incomplete integration of their systems into our information technology environment and security program.

We and our third-party providers regularly experience cyberattacks and other security incidents, and we expect such attacks and incidents to continue. For example, we regularly experience credential stuffing attacks in which malicious third parties use credentials compromised in data breaches suffered by other companies or otherwise improperly obtain credentials to access shopper or customer accounts on Instacart, as well as sophisticated social engineering attacks, which, if successful, could lead to the installation of malware on our network and unauthorized access to and acquisition of information. It is increasingly difficult and costly to detect, investigate, mitigate, contain, and remediate a security incident. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business, which presents additional opportunities for threat actors to gain access to other networks and systems. 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.

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). We are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited, resulting in a security incident.

While we have implemented security measures designed to protect against security incidents, we and our third-party providers cannot anticipate, or implement adequate preventative measures to address all cybercrime and hacking techniques (including the use of AI) used by threat actors, including those that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic artifacts. Any or all of the following could independently or in the aggregate cause a material adverse impact to our business, financial condition, and results of operations: loss of customer confidence in the security of Instacart and damage to our brand, reduced demand for our offerings, serious disruption of normal business operations, material diversion of resources to investigate and remediate incidents, exposure to legal liability, including through litigation (such as class actions), regulatory enforcement, and indemnity obligations. Further, applicable privacy, data security, and data protection obligations require us to notify relevant stakeholders of certain security incidents, including affected individuals, customers, regulators, and investors, or to take other actions, such as providing credit monitoring and identity theft protection services. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences, including potential statutory damages. We have expended and may in the future expend significant resources or modify our business activities to try to protect against security incidents. 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 information. These risks are expected to increase as we continue to grow and process, store, and transmit increasingly large amounts of data, including across different jurisdictions. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy, data security, and data protection obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy, data security, and data protection practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

Interruptions or performance problems, including failure to ensure accessibility, associated with our offerings and technology capabilities may adversely affect our business, financial condition, and results of operations.

Our business and future growth prospects depend in part on the ability of our existing and potential customers and shoppers to access our offerings and technology capabilities at any time and within an acceptable amount of time. Instacart is built upon a complex system composed of many interoperating components and incorporates software that is highly extensive. Our software, including open-source software that is incorporated into our code, may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors in our software code may only be discovered after the code has been released, and we have in the past released, and may in the future release, new software that inadvertently causes interruptions in the availability or functionality of Instacart. Bugs or errors in our software, including open-source software that is incorporated into our code, misconfigurations of our systems, and unintended interactions between systems have in the past and could in the future result in our failure to comply with certain federal, state, or foreign reporting obligations, cause downtime that would impact the availability of our service to retailers, customers, brands, or shoppers, cause incorrect calculations relating to the prices or discounts available to consumers, cause incorrect calculations relating to the payments we make to or fees we receive from or charge to retailers, customers, brands, or shoppers, or create vulnerabilities in our systems which bad actors may exploit to perpetrate fraud or otherwise harm our business. We have from time to time found defects or errors in our system and may discover additional defects or errors in the future that could result in platform unavailability or system disruption. In addition, we have experienced, and may in the future experience, disruptions, outages, operational errors, and other performance problems due to a variety of other factors, including infrastructure changes, introductions of new functionality, defects in third-party software, human errors, capacity constraints due to an overwhelming number of customers accessing our offerings and technology capabilities simultaneously, website hosting disruptions, cloud provider disruptions, interruptions to business and operations due to malicious actors utilizing bots or other automated means to access Instacart, denial of service attacks, or other security-related incidents. In addition, retailers have experienced these issues, which have impacted the ability of customers and shoppers to place and fulfill orders with those retailers. These events have resulted and may continue to result in losses in revenue including through increased fraud activity and issuing appeasement credits and refunds as well as incentives for future orders to impacted customers and losses of customers or retailers due to perceived weaknesses in our systems and protective measures. In addition, the affected party 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. Further, in some instances, we may not be able to identify the cause or causes of these performance problems or adequate remedies within an acceptable period of time. Moreover, some of our offerings rely on the software and technology capabilities of third parties, our strategic partners, or our collaborators, all of which are subject to the interruption and performance problem risks described above and which have required and will require third-party collaboration to detect and remediate.

It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our offerings and technology capabilities become more complex and customer traffic increases. When our offerings and technology capabilities are unavailable or customers or shoppers are unable to access our offerings and technology capabilities within a reasonable amount of time or at all, we have experienced and may in the future experience a loss of retailers, customers, brands, or shoppers, lost or delayed market acceptance of Instacart and our offerings, delays in payment to us by retailers, injury to our reputation and brand, regulatory inquiries, legal claims against us, and the diversion of our resources. In addition, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition, and results of operations may be adversely affected. We also rely on systems, including third-party systems, to deliver incentives and communications to customers and shoppers. Failure to properly configure these systems has previously had a negative impact on our business and may adversely impact our business in the future.

If we are not able to continue to introduce new features or offerings successfully and to make enhancements to existing offerings, our ability to grow and operate our business could be adversely affected.

Our ability to attract new retailers, customers, brands, and shoppers and increase revenue from existing retailers, customers, and brands depends in large part on our ability to enhance and improve our existing offerings and to introduce new features or offerings. To grow our business and be competitive, we must develop offerings, features, and functionality that reflect the constantly evolving nature of technology and the needs of retailers, consumers, brands, and shoppers. The success of these and any other enhancements or developments depend on several factors, including their timely introduction and completion, sufficient demand, and cost effectiveness. It is difficult to accurately predict retailer, consumer, brand, or shopper adoption of new features or offerings, and related shifts in consumer shopping behavior, as well as our limited experience in operating our business at its current scale, scope, and complexity. Such uncertainty limits our ability to predict our future results of operations and subjects us to a number of challenges, including our ability to plan for and model future growth. If we cannot navigate such uncertainties or are unable to successfully develop new features or offerings or to enhance our existing offerings or otherwise overcome technological or regulatory challenges and competing technologies to gain market acceptance, then our business and results of operations will be adversely affected.

Our ability to develop new offerings, features, and functionality to meet industry demands is important to our value proposition to retailers, consumers, brands, and shoppers, and if we fail to continue to successfully innovate, we could lose existing retailers, customers, brands, and shoppers, which could impact our growth and results of operations. We are building and improving machine learning models and other technological capabilities to drive improved customer and shopper experience, as well as efficiencies in our operations, such as optimized payment processing, customer service, shopper acquisition and onboarding, automated key support workflows, and batching, picking, and routing algorithms to help shoppers work more efficiently and with greater accuracy in fulfilling orders. While we expect these technologies to lead to improvements in the performance of our offerings and operations, including inventory prediction and customer traffic prediction and management, any flaws or failures of such technologies could cause interruptions or delays in our service, which may harm our business. For example, failure to accurately collect retailer catalog information, which drives item pricing and availability, or reflect changes to those files in our systems could result in significant losses of revenue. We are increasing our investment in product development and hiring and retaining highly skilled engineering personnel to support these efforts, but such investments may not be effective in maintaining or improving the experience for retailers, customers, or shoppers or provide a positive return on investment. Moreover, we may make these investments and other business decisions that reduce our short-term financial results if we believe that the decisions are consistent with our goals to improve our offerings, which we believe will improve our financial results over the long term. These decisions may not be consistent with the short-term expectations of our stockholders and research analysts covering us and may also not produce the long-term benefits that we expect, in which case our growth, business, financial condition, and results of operations could be adversely affected. In addition, technological innovation in the online grocery industry from our competitors or other third parties, such as automation or next-generation fulfillment, could render our offerings less desirable or obsolete.

Artificial intelligence and machine learning technologies, including our use of such technologies and use of such technologies by our competitors, could result in reputational harm, competitive harm, or legal liability, and could adversely affect our results of operations.

We have incorporated and may continue to incorporate additional AI (including machine learning) technologies into our platform, offerings, services, and features, including those based on large language models, and these applications have become more important to our operations and to our future growth over time. For example, we recently launched AI Solutions, a new collection of enterprise offerings that bring AI-powered capabilities to our retail partners. We intend to rely on AI and develop additional AI offerings, tools, and features to help drive future growth in our business and reduce costs. There can be no assurance that we will realize the desired or anticipated benefits from, adoption of, or reactions to AI Solutions, other AI offerings that we may develop, or AI technologies that we may use, integrate, or rely upon, and past results with respect to the foregoing may not reliably indicate future results. We may also fail to properly implement or market AI Solutions or other AI offerings or effectively manage the costs associated with developing and supporting such offerings, any of which could adversely affect our profitability, financial condition, and results of operations. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, our offerings based on AI or other uses or reliance upon AI tools in our business may expose us to lawsuits, regulatory investigations, and penalties, as well as subject us to legal liability and brand and reputational harm. For example, if the content, analyses, or recommendations that AI offerings or AI tools assist in producing are or are alleged to be deficient, inaccurate, misleading, deceptive, unfair, or biased, or infringe on third-party intellectual property rights, our business, financial condition, and results of operations may be adversely affected. Third-party AI technologies, including agent-based applications capable of performing online tasks on behalf of users, may change how consumers discover, access, and interact with our offerings, including our advertising offerings, or may divert consumers from engaging with our offerings altogether. For example, these technologies may, among other things, influence search results or the presentation of options in ways that could increase visibility for competing offerings or otherwise shape when and how consumers interact with our offerings. Failure to adapt our offerings to such technologies may in the future impact our financial performance and results of operations. Additionally, although we have invested in AI tools for internal use, there can be no assurances that we will successfully develop, employ, or manage the costs associated with such tools, or that our personnel will effectively adopt and leverage such tools, to improve productivity and operational efficiencies. Moreover, we rely on third-party providers for many of the AI technologies underlying our offerings and our internal AI tools. Such providers may increase pricing, alter or discontinue the terms on which they make their technology available to us, experience outages or security incidents, or otherwise fail to meet our requirements, and we may be unable to find suitable alternatives on commercially reasonable terms or at all. Additionally, such providers may develop their own features or tools that compete with our offerings. Any of the foregoing could disrupt our operations, increase our costs, or otherwise adversely affect our financial condition and results of operations.

A number of foreign, federal, state, and local regulators have adopted, or are in the process of adopting, comprehensive legal frameworks governing AI, machine learning, and automated decision-making systems. Additionally, certain privacy laws extend rights to consumers, such as the right to delete certain personal data and regulate automated decision making. These and any future laws and regulations may increase compliance costs and complexity and impact our ability to utilize AI or develop or deploy AI offerings, which could adversely affect our business, financial performance, and results of operations. Any failure or perceived failure by us to comply with such requirements may subject us to lawsuits or regulatory investigations, negatively impact our brand and reputation, result in fines and/or orders to disgorge data from AI offerings or AI tools, and have an adverse impact on our business. Our use of AI tools may also create additional confidentiality, security, and related risks. For instance, sensitive information (including confidential, competitive, proprietary, or personal data) that we input into or is otherwise accessible by a third-party AI tool could be leaked or disclosed to others, including if sensitive information is used to train a third party's AI model. Additionally, the use of AI applications has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal data of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm.

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

We have made substantial investments to expand our offerings and technologies to capitalize on new and unproven business opportunities, including new fulfillment options and use cases, international expansion, expansion into retail categories outside of grocery, the development of hardware products, and automated AI technologies. We intend to continue investing significant resources in developing these technologies, tools, initiatives, features, and offerings that we believe will enable our success in new markets or areas of business and/or strengthen our core business. For example, we launched AI Solutions, a new collection of enterprise offerings that bring AI-powered capabilities to our retail partners. If we do not spend our development budget efficiently or effectively on commercially successful and innovative technologies or ventures, or if we are unable to timely introduce and commercialize such offerings, we may not realize the expected benefits of our strategy. These initiatives also have a high degree of risk, as they involve nascent industries and unproven business strategies and technologies with which we have limited or no prior development or operating experience. Because these initiatives are new, they may involve claims and liabilities, expenses, regulatory challenges, and other risks, some of which we cannot currently anticipate. Certain initiatives may also involve committed incremental investments or payments over long periods of time before they become accretive to our revenue or margin, and if they never become accretive, we may be contractually obligated to make payments or incur expenses in connection with initiatives for an extended period without sufficient, or any, economic or financial benefit. Further, our development efforts with respect to new offerings and technologies could distract management from current operations and divert capital and other resources from our more established offerings and technologies.

Producing and offering hardware products will also involve new or heightened risks to our business, such as manufacturing and inventory risks resulting from supply chain disruptions, user safety risks and additional expenses resulting from product defects, import and export expenses, in particular, if such expenses increase as a result of trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, and other hardware-related costs. For example, any interruption to the manufacturing, inventory, or import and export of hardware products produced by Caper may negatively impact the development, deployment, and adoption of such products. Although we believe these investments will improve our financial results over the long term, they may negatively impact our short-term financial results, which may be inconsistent with the short-term expectations of our stockholders. Moreover, there can be no assurance that retailer, consumer, or brand demand for such initiatives will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. It is also possible that offerings developed by others will render any new offerings noncompetitive or obsolete. Even if we are successful in expanding our offerings or technologies to enter new markets or areas of business, regulatory authorities may subject us to new rules or restrictions, including in their interpretations of existing retailer or brand collective bargaining agreements, in response to our innovations that could increase our expenses or prevent us from successfully deriving value from these offerings or technologies. For example, our Instacart Health offering may subject us to rules governing the use and processing of health information, such as the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act (“HIPAA”), and regulatory requirements for interacting with health plans, government benefit programs, nonprofits, and other players in the healthcare space. If we do not realize the expected benefits of these investments, our business, financial condition, and results of operations may be harmed.

Our marketing efforts to help grow our business may not be effective, and failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase and engage our customer base and achieve broader market acceptance of our offerings.

Promoting awareness and driving adoption of our offerings is important to our ability to grow our business, and attracting and engaging new retailers, customers, brands, and shoppers can be costly. Our consumer marketing efforts currently include, without limitation, digital performance marketing that includes search, programmatic, and social; customer relationship management based marketing that includes push notifications, text messaging, email marketing, linear television, audio, and shopping ads; and co-marketing efforts with retailers, payment providers, brands, and other partners. Some of these marketing efforts rely on our ability to utilize third-party systems or platforms, which are subject to their own operational and regulatory risks. To drive existing customer reengagement, we also utilize targeted promotions including time-limited $0 delivery offers and coupons. We also provide incentives to brands to advertise on our platform, increase their engagement, and promote the launch of new advertising solutions. For shoppers, we reach them primarily through digital performance marketing and through in-app prompts. Our marketing initiatives may become increasingly expensive, and we may fail to generate a meaningful return on these initiatives, if at all. For example, we have incurred increased expenditures on our marketing and consumer incentive initiatives to accelerate the growth of our business, which have and may continue to have an effect on revenue and may harm our profitability in the near term. We also have limited experience conducting broad brand marketing campaigns and other marketing initiatives given the current scale, scope, and complexity of our business. Even if we successfully increase revenue as a result of consumer marketing efforts, it may not offset the additional marketing expenses we incur. Our marketing campaigns may also be long-term endeavors, and we may not be able to accurately assess the success of these campaigns for several periods. If our marketing efforts to help grow our business are not effective or if we reduce our marketing expenditures, we expect that our business, financial condition, and results of operations would be adversely affected.

If we fail to maintain and enhance our brand, our ability to engage or expand our base of retailers, customers, brands, and shoppers will be impaired and our business, financial condition, and results of operations may suffer.

Maintaining and enhancing our reputation as a differentiated and category-defining company is critical to attracting and expanding our relationships with retailers, customers, brands, and shoppers. The successful promotion of our brand and the market’s awareness of our offerings will depend on a number of factors, including our marketing efforts, ability to continue to develop our offerings, and ability to successfully differentiate our offerings from competitive offerings. 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. The strength of our brand will depend largely on our ability to provide quality services at competitive prices. Brand promotion activities may not yield increased GTV, orders, or revenue, and even if they do, the increases in GTV or orders may not persist and any increases in revenue may not offset the expenses we incur in promoting and maintaining our brand and reputation. In order to protect our brand, we also expend substantial resources to register and defend our trademarks and to prevent others from using the same or substantially similar marks. Despite these efforts, we may not always be successful in protecting our trademarks, and we may suffer dilution, loss of reputation, or other harm to our brand. 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 customers, partners, and employees may be adversely affected. Further, even if our brand recognition and customer loyalty increase, this may not yield increased revenue for us.

Unfavorable publicity regarding Instacart, shoppers, customer service, or privacy, data security, and data protection practices could also harm our reputation and diminish confidence in, and the use of, our services. Fear of loss of customers or lack of customer adoption due to poor service quality or negative customer or shopper reviews or press may make retailers reluctant to join or remain on Instacart. The same negative effects could occur as a result of trust and safety or fraud incidents. The loss of customers or retailers due to poor shopper performance or a trust and safety incident caused by a shopper, customer, or third party could harm our business. In addition, negative publicity related to strategic partners, marketing partners, or key brands that we have partnered with 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 retailers, customers, brands, and shoppers, 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 retailers, customers, brands, and shoppers, and our business, financial condition, and results of operations may suffer.

If we fail to offer high-quality support, our ability to attract and engage customers and shoppers could suffer.

Customers and shoppers rely on our and our partners' support personnel and technologies to resolve issues and realize the full benefits that Instacart provides. High-quality support to both customers and shoppers is also important for the expansion of Instacart's use by our existing customers. The importance of our support function will increase as we expand our business and pursue new customers. We rely in part on support personnel and contractors in countries outside of the United States, and government actions in those countries such as curfews have in the past and could in the future slow down our systems and ability to timely respond to customer and shopper issues. We also rely in part on support technologies, including self-service and AI tools. Those technologies have in the past and may in the future fail to perform as expected or fail to adequately address support issues resulting in customer and shopper dissatisfaction. If we do not help customers and shoppers quickly resolve issues and provide effective ongoing support, our ability to maintain and expand our revenue from existing and new customers could suffer, as well as our reputation with existing or potential customers.

Our pricing methodologies are impacted by a number of factors and ultimately may not be successful in attracting and engaging retailers, customers, brands, and shoppers. Future changes to our pricing model could adversely affect our business.

Demand for our offerings is highly sensitive to a range of factors, including our strategies relating to the amount of potential earnings required to attract shoppers, incentives paid to shoppers, and the fees we charge retailers, customers, and brands. Many factors, including operating costs, launching or scaling new strategic initiatives or use cases, legal and regulatory requirements, constraints, or changes, supply chain issues, the price sensitivity of consumers in different income groups or other demographics, inflation, and our current and future competitors' pricing and marketing strategies, have in the past significantly affected and may in the future significantly affect our pricing strategies. For example, certain of our competitors offer, or may in the future offer, lower-priced or a broader range of offerings, including subscription offerings for bundled services. Moreover, some jurisdictions in which we operate have established requirements to engage certain delivery workers, including around shopper pay and benefits, shopper access to our platform, and other types of regulations governing our engagement of shoppers, and we expect other such measures may be enacted in the future. Such competition, regulation, or other factors may cause us to change the fees we charge customers, increase the incentives we pay to shoppers who use Instacart, adjust the fees we charge retailers or brands, or increase our marketing and other expenses to attract and maintain or increase the engagement of retailers, customers, brands, and shoppers. We have launched, and may in the future launch, new or updated pricing strategies and initiatives, such as subscription offerings like Instacart+, and customer or shopper loyalty programs, or we may modify existing pricing methodologies or pricing models and fulfillment options. These new or updated pricing strategies and initiatives may not ultimately be successful in attracting and engaging retailers, customers, brands, or shoppers or may negatively impact growth rates, customer retention, and engagement as well as our financial results. We also offer brands and retailers tools and products, including through our Eversight business, to enable them to formulate their pricing and promotions strategies. If these solutions fail to generate improved results for brands and retailer sales, brands and retailers may choose to not use such solutions. To the extent these solutions result in negative publicity or consumer perception, our brand reputation and our ability to attract and retain customers could be harmed, and we have in the past decided, and may in the future decide, to cease offering certain tools and products as a result. In addition, government authorities and regulators have recently been increasingly focused on grocery prices and related pricing methodologies and practices, including through the passage of new laws and regulations, which may impact our ability to offer, or cause us to cease offering, certain tools and products. The increasing complexity of our pricing models and related expansion of our business may also require us to update our internal systems for invoicing retailers or brands or incur costs to remediate errors or disputes in existing invoices.

Further, consumers' price sensitivity may vary by geographic location, and as we expand, our current pricing methodologies may not enable us to compete effectively in these locations. In particular, as we continue expanding internationally, we may be required to change our pricing strategies and to adjust to different cultural norms, including with respect to consumer pricing and gratuities. While we do and will attempt to set prices for our services based on our prior operating experience and customer, retailer, brand, and shopper feedback and engagement levels, our assessments may not be accurate, our ability to assess or implement changes may be constrained, there may be errors in the technology used to price our services, and we could be underpricing or overpricing our services as a result. In particular, we have limited experience pricing our offerings in volatile macroeconomic environments and at the current scale, scope, and complexity of our business. As a result, our historical data and operating experience may be insufficient to adequately inform our future pricing strategies. In addition, we may need to revise our pricing methodologies as we continue to develop new offerings and features. Changes to any components of our pricing model may, among other things, result in customer dissatisfaction, lead to a loss of customers on Instacart, and seriously harm our business.

If retailers, customers, brands, shoppers, or other third parties using Instacart engage in, or are subject to, criminal, violent, inappropriate, or dangerous activity, it could have an adverse impact on our reputation, business, financial condition, and results of operations.

We are not able to control or predict the actions of retailers, customers, brands, shoppers, and other third parties, either during their use of Instacart or otherwise, and we may be unable to protect or provide a safe environment for constituents on Instacart as a result of criminal, violent, inappropriate, or dangerous actions by any such parties. Such actions have historically resulted, and may in the future result, in injuries, property damage, or loss of life for retailers, customers, brands, shoppers, and other third parties, as applicable, or business interruption, brand and reputational damage, or significant liabilities for us. Certain events, including incidents of criminal behavior, episodes of civil unrest, or the imposition of curfews, may impact retailers, which in turn may impact the ability of shoppers to provide services to customers through Instacart. With respect to shoppers, although we administer certain qualification processes for shoppers on Instacart, including one or more general identification, criminal background, department of motor vehicle, and/or motor vehicle record checks on shoppers through third-party service providers prior to engagement, these qualification processes and background checks may not expose all potentially relevant information and are limited in certain jurisdictions according to national and local laws and availability of records. Moreover, our third-party service providers may fail to conduct such background checks adequately or disclose information that could be relevant to a determination of eligibility. We have in the past received, and we expect to continue to receive, complaints from retailers, customers, shoppers, and other third parties, as well as actual or threatened legal action against us related to shopper, customer, retailer, and other third-party conduct. Public reporting or disclosure of reported safety information, including information about safety incidents reportedly occurring on or related to Instacart, whether generated by us or third parties, such as media or regulators, may adversely impact our business and financial results.

If shoppers or individuals impersonating shoppers or customers engage in criminal activity, fraud, including identity theft, use of stolen or fraudulent credit card data, misconduct, breach of our terms of service, or inappropriate conduct or use Instacart as a conduit for criminal activity, or we fail to identify or detect, or experience delays in identifying or detecting such activity or events, or if we are prevented from deactivating such individuals or otherwise taking action to stop such activity, including as a result of regulations, our financial results may be negatively impacted, our offerings may not be viewed as safe, reliable, or appealing, and we may receive negative press coverage as a result. Such negative public perception of our offerings or brand would adversely impact our brand, reputation, and business. We have in the past experienced, and may experience in the future, inappropriate conduct and criminal activity by certain shoppers or other bad actors, including fraudulent uses of credit cards, manipulation or falsification of data related to shopper activity, social engineering attacks to gain access to customer and shopper accounts, as well as fraudulent use of our payment card programs. This conduct has in the past involved, and may in the future involve, coordinated and complex fraud schemes that are difficult to detect and prevent. Given their complexity, such schemes have in the past persisted, and future schemes may also persist, for lengthy periods prior to detection. As a result of these fraudulent schemes, we have in the past been, and may in the future be, liable for orders facilitated on Instacart with fraudulent credit card transactions, even if the associated financial institution approved the credit card transaction. In addition, even if we are not contractually required to do so, we have historically provided retailers with business concessions for related losses in certain cases and may provide additional concessions as a result of future schemes. These retailer concessions and any liability we otherwise face from such inappropriate or fraudulent conduct negatively impact our revenue and financial results. In addition, the process for quantifying the amount of financial losses from these fraudulent schemes may be lengthy, in part due to their complexity and, in cases where the fraudulent activity occurs through systems controlled by our partners, we may be unable to remediate or prevent this activity in a timely manner or at all due to limitations in, or our ability to, interact with such systems. As a result, the impact of such schemes on our financial results may continue into future periods or have higher impacts to our financial results than we anticipate, even following their termination. Our failure to adequately detect, address, or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action, result in errors in our financial statements that could result in corrections to or restatements of our historical financial statements, cause delays in the preparation and filing of our periodic reports as well as failures to meet our reporting and other obligations as a public company, and lead to expenses that could adversely affect our business, financial condition, and results of operations. If other criminal, inappropriate, or other negative incidents occur due to the conduct of retailers, customers, brands, shoppers, or other third parties, our ability to attract retailers, customers, brands, and shoppers may be harmed, and our reputation, business, and financial results could be adversely affected.

Further, we are regularly subject to claims of significant liability based on traffic accidents, deaths, injuries, or other incidents that are caused by shoppers, customers, or third parties while using Instacart, or even when shoppers, customers, or third parties are not actively using Instacart. On a smaller scale, we regularly face litigation related to claims by shoppers for the actions of customers or third parties. We carry insurance for such incidents, including automobile liability and general liability insurance, although such policies do not cover all claims to which we are exposed and are not always adequate to indemnify us for all liability. Although shoppers are required to carry their own insurance policies, including automobile insurance, they may fail to acquire adequate coverage or any coverage at all. As a result, we may be subject to liability for incidents involving shoppers that our insurance policies may not cover or the cost of our policies may increase. These incidents may subject us to liability and negative publicity, which would increase our operating costs and adversely affect our business, financial condition, results of operations, and future prospects. Even if these claims do not result in liability, we will incur significant costs in investigating and defending against them and may suffer reputational harm regardless of legal outcomes. As we expand our products and offerings, this insurance risk will grow.

The impact of macroeconomic and geopolitical conditions, public health incidents, weather events, and natural catastrophes, including the resulting effect on consumer spending, may harm our business and results of operations.

Our results of operations may vary based on the impact of disruptive events or changes in our industry or the economy on us and retailers, consumers, brands, and shoppers.

For example, our business is impacted by the amount of disposable income that consumers have to spend on online grocery shopping. Actual or perceived risks of an economic recession, elevated interest rates, cessation of, interruptions to, or changes to government aid programs, tariffs or other trade restrictions enacted by the United States and responses by foreign governments to such policies, and inflationary pressures have in the past resulted and may in the future result in decreased customer retention and engagement as consumers may opt to purchase groceries or other consumer goods themselves, instead of through Instacart, or choose to purchase groceries from bargain or other lower-cost retailers that are not on Instacart, as well as reduced advertising spending by brands. We may not be able to fully offset higher costs through operational efficiencies and/or pricing strategies, and while certain of our new offerings are focused on value and affordability, these initiatives may not fully offset pricing challenges faced by customers. In addition, increases in food, labor, fuel, rent, energy, supply, and other costs, many of which are beyond the control of our retail partners, have increased retailers' operating costs and caused our retail partners to raise prices and may cause further price increases in the future. In many cases, these retailers may not be able to pass along these increased costs to consumers and, as a result, may reduce product offerings or cease operations. If spending at many of the retailers in our network declines, or if a significant number of these retailers goes out of business, consumers may be less likely to use our service, which could harm our business and results of operations. Reduced customer spending on Instacart could also cause our retail partners to reduce or cease engagement with Instacart. Further, increases in gas prices or other factors that increase the costs to operate motor vehicles could make it prohibitively expensive for shoppers to deliver to customers.

In addition, negative conditions in the general economy both in the United States and abroad resulting from disruptive events, including future public health threats, geopolitical conflicts, economic sanctions, bank failures, changes in international trade relations, political turmoil, weather events, and natural catastrophes, including warfare and terrorist attacks on the United States or elsewhere, could adversely affect our liquidity and financial condition as well as demand for our offerings and the growth of our business. In particular, we generate a significant proportion of our GTV from a limited number of geographical markets. If such negative conditions disproportionally affect these markets, the demand for our offerings and the growth of our business may be more severely impacted. In addition, future public health outbreaks could cause operational disruptions and incur additional expenses including expenses associated with health and safety protocols and processes, which could adversely affect our business and results of operations. Further, due to the size, scope, and nature of our operations, the expenses we may need to incur to protect the health and safety of shoppers and certain of our employees in the event of future public health outbreaks may be higher than similar expenses that companies in other industries may need to incur. In addition, these events and any impact of these events on critical infrastructure in the United States and elsewhere, have the potential to disrupt our business and the business of our partners, including supply chain disruptions, as well as the ability of shoppers using Instacart to complete deliveries. Such disruptions may create additional costs for us to maintain or resume operations and may also negatively affect the growth of our business.

Our operations have grown substantially in recent years, and we expect to continue expanding the scale of our operations. If we are unable to effectively manage that growth, our financial performance and future prospects will be adversely affected.

In recent years, we have experienced growth of our operations in the United States, Canada, and Europe. This expansion increased the complexity of our business and has placed, and will continue to place, significant strain on our management, personnel, operations, systems, technical performance, financial resources, and internal financial control and reporting functions. We may not be able to manage our growth effectively, which could damage our reputation and negatively affect our results of operations.

We may grow our number of employees in order to meet our business plans or comply with regulatory changes. Our organizational structure will continue to evolve as we add additional retailers, customers, brands, shoppers, employees, offerings, and technologies, improve upon our product infrastructure, and as we continue to expand further domestically and internationally. Properly managing our growth will require us to continue to retain or hire, train, and manage qualified employees and staff, including engineers, operations personnel, financial and accounting staff, and sales and marketing staff, and to improve and maintain our technology. If our new hires perform poorly, if we are unsuccessful in retaining, hiring, training, managing, and integrating these new employees and staff, or if we are not successful in retaining or increasing the productivity of our existing employees and staff, our business may be harmed. Additionally, certain units of employees may decide to unionize, in which case, we would be legally compelled to enter into good faith negotiations with the union representative over a collective bargaining agreement. Such negotiations or collective bargaining agreements may negatively impact our financial performance or results of operations. Furthermore, any workforce restructuring may result in increased attrition beyond our intended reduction, reduce employee morale, and may negatively impact employee recruiting and retention as well as our operations, our ability to grow our business, and our financial results. Properly managing our growth will require us to establish consistent policies across regions and functions, and a failure to do so could likewise harm our business. If we are unable to expand our operations, appropriately manage our headcount and retain and increase the productivity of our existing employees, or attract sufficient shoppers in an efficient manner, or if our operational technology is insufficient to reliably service customers, customer satisfaction will be adversely affected, and this may cause customers to switch to our competitors' platforms, which would adversely affect our business, financial condition, and results of operations.

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

We depend on highly skilled personnel to grow and operate our business, and if we are unable to hire, retain, and motivate our personnel, we may not be able to grow effectively.

Our success and future growth depend largely upon the continued services of our management team. From time to time, there have been and may continue to be changes in our executive management team resulting from the hiring or departure of these personnel, due to voluntary termination of employment, illness, death, disability, or otherwise. Our executive officers are employed on an at-will basis, which means they may terminate their employment with us at any time.

The loss of one or more of our executive officers, including due to a leave of absence for medical reasons or otherwise, or the failure by our executive team to effectively work together or with our employees and lead our company, could harm our business. We also are dependent on the continued service of our existing software engineers because of the complexity of our offering capabilities. We do not maintain key man life insurance with respect to any member of management or other employee.

In addition, our future success will depend, in part, upon our continued ability to identify and hire skilled personnel with the skills and technical knowledge that we require, including engineering, software design and programming, marketing, sales, and other key personnel, and our business plans and growth may depend on hiring a significant number of additional employees. Such efforts will require significant time, expense, and attention as there is intense competition for such individuals, and new hires require significant training and time before they achieve full productivity, particularly in new sales segments and territories. In addition to hiring new employees, we must continue to focus on developing, motivating, and retaining our best employees, most of whom are at-will employees. If we fail to identify, recruit, and integrate strategic personnel hires, our business, financial condition, and results of operations could be adversely affected. Additionally, the failure to continue hiring new, or the loss of any significant number of our existing engineering personnel could harm our business, financial condition, and results of operations. These risks pertaining to the recruitment, retention, development, motivation, and productivity of our employees may persist or be heightened as a result of any workforce restructuring, and as our workforce becomes increasingly distributed as a result of our Flex First workforce model. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached various legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines or experiences significant volatility (including as valuations of companies comparable to us decline due to overall market trends, inflation, and related market effects or otherwise), or increases such that prospective employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees or result in us granting additional equity awards, which would result in additional stock-based compensation expense and further dilution to our stockholders. If we are not able to effectively add and retain employees, our ability to achieve our strategic objectives will be adversely impacted, and our business and future growth prospects will be harmed.

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

We believe our culture has been a key contributor to our success to date and that the critical nature of the offerings that we provide promotes a sense of greater purpose and fulfillment in our employees. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our culture. In addition, we may find it difficult to maintain our company culture if our employees elect to work remotely as permitted by our Flex First workforce model. Remote work, as well as any workforce restructuring may negatively impact employee morale and productivity and may also harm collaboration and innovation. If we fail to maintain our company culture, our business and competitive position may be harmed.

We are exposed to collection and credit risks, which could impact our results of operations.

Our accounts receivable are subject to collection and credit risks, which could negatively impact our results of operations and affect our liquidity and our ability to fully fund our ongoing operations. Retailers are generally obligated to pay our fees within 45 days of invoicing, and brands are generally obligated to do so within 30 to 90 days. In times of economic recession or uncertainty or as a result of any disruptive event such as uncertainty in the political and regulatory environment and financial markets, trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, or future public health outbreaks, the number of retailers or brands that default on payments owed to us may increase. In addition, our results of operations may be impacted by significant bankruptcies among retailers or brands, which could negatively impact our revenue and cash flows. We cannot assure you that our processes to monitor and mitigate these risks will be effective. If we fail to adequately assess and monitor our collection and credit risks, we could experience longer payment cycles, increased collection costs, and higher bad debt expense, and our business, financial condition, and results of operations could be harmed.

The estimates of market opportunity and forecasts of market growth in our public disclosures may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at a similar rate, if at all.

The estimates of market opportunity and forecasts of market growth included in our public disclosures may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including as a result of any of the risks described herein in this Quarterly Report on Form 10-Q. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at a similar rate, if at all.

The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable retailers, consumers, or brands covered by our market opportunity estimates will purchase our offerings at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our offerings and those of our competitors. Accordingly, the forecasts of market growth included in our public disclosures should not be taken as indicative of our future growth.

Acquisitions, strategic investments, partnerships, collaborations, commercial arrangements, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations.

Our success will depend, in part, on our ability to expand our services and grow our business in response to changing technologies, consumer demands, and competitive pressures. In some circumstances, we may choose to expand our services and grow our business through the acquisition of complementary businesses and technologies rather than through internal development. For example, in April 2025, we acquired Marlin9 Holdings, Inc., which operates as Wynshop, a provider of ecommerce retail solutions for grocers and retailers, in April 2026, we acquired Instaleap, a global enablement and fulfillment solutions services platform for retailers, and in July 2026, we acquired Arpalus, a computer vision company for grocery retail. We have also entered in the past, and will continue to seek in the future, strategic partnerships, collaborations, commercial arrangements, or alliances with third parties, which we refer to collectively as collaborations. The identification of suitable acquisition candidates or collaborators can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions or collaborations, including as a result of regulatory inquiries or actions by antitrust authorities. In particular, our proposed or completed acquisitions or collaborations may be subject to investigations or enforcement actions by antitrust regulatory bodies in the countries in which we operate. For example, the Department of Justice, the Federal Trade Commission (“FTC”), and various other federal and state-level authorities have recently increased their scrutiny of merger or collaboration activity in the technology sector, including investigations of consumer-facing technology companies’ advertising, pricing, billing, cancellation, and subscription practices, among other areas of scrutiny. Any failure or perceived failure to comply with applicable laws and regulations could subject us to claims and other legal and regulatory proceedings, fines, or other penalties, criminal and civil proceedings, forfeiture of significant assets, and other enforcement actions, and could adversely affect our brand and reputation. In addition, once we have completed an acquisition, we may not be able to successfully integrate the acquired business.

Certain of our collaborations also are, and may in the future be, with third parties that are well-capitalized and have significant size, scale, geographic, and other advantages. As a result, certain of the terms in such arrangements may be less favorable to us. We will also have limited control over the amount and timing of resources that our collaborators dedicate to our arrangements. These arrangements may not lead to the business, growth, and financial outcomes that we expect, may raise new compliance-related obligations and challenges, and may also result in significantly higher costs for us or other negative impacts or impediments to our business, operations, regulatory posture, or strategy, which we may not anticipate or currently project, that result in a material adverse effect to our business, financial condition, and results of operations. In particular, these collaborations may span multiple years, include significant fees, and often require significant upfront costs. As a result, we may not be able to accurately assess the success of these collaborations for several periods and only after we have made substantial investments and expenditures. If any collaboration results in future material adverse effects to our business, financial condition, and results of operations, we may not be able to terminate such collaboration on a timely or cost-effective basis. In addition, we offer certain features or use cases to our customers, such as restaurants, through collaborations. If any such collaborations are terminated or any of our collaborators refuse to renew their agreements with us on commercially reasonable terms, we may need to find other partners to continue offering such features or use cases, and may not be able to secure similar terms or replace such partners in an acceptable time frame. Similarly, our ability to continue providing certain features or use cases could be negatively impacted if any such collaborators experience a disruption in their operations, the quality of their services decline, or they are otherwise unable to offer their services as customers expect. Certain of these third parties, such as retailers and brands, also engage with our business in other aspects, and any disagreements or disputes in connection with collaborations may result in the loss of these third parties as customers or partners in other areas of our business. We have issued in the past, and may in the future issue, new equity or equity-linked securities to partners, which may dilute our existing stockholders and include affirmative or restrictive covenants as well as redemption or repurchase provisions.

The risks we face in connection with acquisitions, strategic partnerships, or collaborations include:

- negative impacts to our financial results as a result of incurring charges or fees or assuming substantial debt or other liabilities, adverse tax consequences or unfavorable accounting treatment, exposure to claims and disputes by stockholders and third parties, including intellectual property claims and disputes, failing to generate sufficient financial return to offset additional costs and expenses related to the acquisition, partnership, or collaboration, or even significant negative impacts to our business, financial condition, and results of operations;
- regulatory inquiries or actions, including changes to applicable regulatory frameworks, changes to the interpretation, administration, or enforcement of such regulations, and/or remedies imposed by antitrust authorities such as divestitures, ownership or operational restrictions, or other structural or behavioral remedies, either as a condition to or following the completion of a transaction;
- difficulties or unforeseen expenditures in integrating the business, offerings, technologies, personnel, or operations of any company that we acquire or with which we collaborate, particularly if key personnel of an acquired company decide not to work for us, which may result in delays in integration or realization of anticipated synergies or other benefits and/or impede our ability to incorporate their results or contributions in our reported metrics;
- disruptions to our ongoing business, diversion of resources, increases to our expenses, and distraction of our management;
- potential delays or reductions of customer purchases for both us and the company we acquire or with which we collaborate due to customer uncertainty about continuity and effectiveness of service from either company or negative reputational impacts;
- potential for strategic partners or collaborators to establish or strengthen relationships with current or future retailers and customers, or other parties with whom we have relationships, which could limit our ability to promote our offerings to those parties and reduce our number of customers;
- difficulties in, or inability to, successfully sell any acquired products;
- our use of cash to pay for an acquisition limiting other potential uses of our cash;
- if we incur debt to fund an acquisition, such debt may subject us to material restrictions on our ability to conduct our business, as well as financial maintenance covenants; and
- if we issue a significant amount of equity or equity-linked securities in connection with future acquisitions, strategic partnerships, or collaborations, existing stockholders will be diluted and earnings per share may decrease, and we may face unfavorable tax treatment with respect to such securities.

The occurrence of any of these foregoing risks could adversely affect our business, financial condition, and results of operations and expose us to unknown risks or liabilities.

We track certain operational metrics with internal systems and tools and do not independently verify such metrics. Certain of our operational metrics are subject to inherent challenges in measurement, and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.

We track certain operational metrics, including customer, retailer, brand, and shopper counts and key business metrics such as orders and GTV, with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics or how we define such metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics as of or for the applicable period of measurement, there are inherent challenges in these measurements. We have also refined and may further refine in the future our methodology for tracking certain operational metrics from time to time, to the extent practicable, including to improve overall accuracy, as a result of business updates, and to align with management's view of business and operating performance. Any of these updates may result in changes in certain business and operating trends and may impact comparability of these metrics across periods. Further, the accuracy of our operating metrics could be impacted by fraudulent users of Instacart. As a result, our expectations of future trends may not be accurate or may be overstated. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our business, reputation, financial condition, and results of operations could be adversely affected.

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 cannot be certain if our operations will continue generating sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support the development of our offerings and will require additional funds for such development. We may need additional funding for marketing expenses and to develop and expand sales resources, develop new features, or enhance our offerings, improve our operating infrastructure, or acquire complementary businesses and technologies. We have also expended and may continue to expend substantial funds in connection with the tax withholding and remittance obligations that arise upon the vesting and/or settlement of certain of our RSUs. Accordingly, we might need or may want to engage in future equity or debt financings to secure additional funds. 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, financial condition, and results of operations. In particular, macroeconomic factors, including trade policies enacted or proposed by the United States, such as tariffs or other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, inflationary pressures, elevated interest rates, actual or perceived risks of an economic recession, and bank failures have caused disruption in the credit and financial markets in the United States and worldwide, which may reduce our ability to access capital and negatively affect our liquidity in the future. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to develop our offerings, support our business growth, and respond to business challenges could be significantly impaired, and our business may be adversely affected.

If we incur debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and any debt financing we secure may have higher interest rates and could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities 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. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

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

In May 2026, we entered into a credit agreement for a revolving credit facility providing the ability to borrow an aggregate principal amount of up to $500 million. The terms of our revolving credit facility include a number of covenants that limit our and certain of our subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, merge or consolidate with other companies or sell substantially all of our assets, pay dividends, make redemptions and repurchases of stock, make certain investments and loans, or engage in certain transactions with affiliates. The terms of our revolving credit facility may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

A failure by us to comply with the covenants or payment requirements specified in the credit agreement could result in an event of default under the credit agreement, which would give the lenders the right to terminate their commitments to provide additional loans under our revolving credit facility and to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. Upon such an event, even if we were able to obtain new financing or negotiate an amendment, waiver, or consent under the credit agreement, it may contain additional restrictions or not be on commercially reasonable terms or on terms that are acceptable to us.

Risks Related to Our Legal and Regulatory Environment

Our business is subject to various laws and regulations, which may change or increase over time and subject us to increased compliance costs and liabilities.

Our business is subject to complex and changing laws, rules, and regulations in the United States and other jurisdictions in which we operate, including, without limitation, those governing internet usage and access, text messaging, ecommerce, hardware devices, electronic payments, privacy, data security, data protection, data retention, AI, machine learning, automated decision-making, health information privacy and security, intellectual property, pay and fee transparency, pricing on our platform, consumer protection, marketing and advertising (including terms and conditions and disclosure), subscriptions and memberships, gift cards, consumer safety, bodily injury, property damage, food and product safety, product labeling and traceability, import and export, commerce and contracts, competition, zoning and permitting, sustainability, environmental, tax, insurance, transactions involving our securities, weights and measures, alcohol and other age-restricted products, labor and employment, anti-discrimination, collective bargaining, background checks, worker classification, and shopper rights and compensation (including minimum earnings, onboarding, deactivation, and safety).

Some of these laws were adopted prior to the advent of the internet and mobile and related technologies and, as a result, do not contemplate or address the unique issues of the internet and related technologies. New laws and regulations have been and may continue to be adopted, implemented, or interpreted to apply to us, and existing laws and regulations that we currently comply with and operate under may be interpreted differently in the future, including as a result of changes to our business and international expansion. Additionally, the scope and interpretation of these laws and regulations, and whether they are applicable to us, are often uncertain and may be conflicting, including varying standards and interpretations between U.S. law and the laws of other jurisdictions, between U.S. state and federal law, between individual states, and even at the city and municipality level. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies. Some of these laws and regulations will, or may in the future, require us to change our business and operations, pricing, or fee disclosures, which may be costly and harm our customer retention and engagement as well as our results of operations. Recent financial, political, and other events may increase the level of regulatory scrutiny on larger companies, technology companies in general, and in particular, companies in the “gig economy” that rely on the services of independent contractors.

For example, we have incurred, and we expect to continue to incur, significant costs and legal fees in defending the status of shoppers as independent contractors. In particular, we have been and may continue to be subject to administrative audits with various state and local enforcement agencies, including audits related to shopper classification, state statute and local ordinance requirements, and unemployment insurance and workers’ compensation contributions. Although we believe that we comply with applicable legal requirements and that shoppers are properly classified as independent contractors, we may be required to make significant payments, including through settlements, penalties, and interest as a result of these audits. A judgment, settlement, or order issued by a court or governmental body or otherwise in connection with any judicial, administrative, or legal proceeding that results in us being prohibited from continuing to use independent-contractor shoppers in the manner we currently do, may, among other things:

- require us to adopt novel or different delivery fulfillment strategies or introduce new shopper tasks that result in increased risk of litigation against our existing business model, or may increase risk of adverse determinations in our ongoing actions and proceedings;
- significantly increase our costs to serve customers due to potential changes in our business model and fulfillment strategies that would be required;
- impair or prevent the fulfillment of customer orders, cause disruption of service to customers, or cause a reduction in fulfillment options for customers;
- impair our ability to innovate upon and expand our offerings, pursue new business verticals, or innovate on our operational strategies;
- create challenges in recruiting and retaining adequate shopper supply due to potential necessary changes including restricting the flexibility of shoppers by instituting minimum, maximum, or set hours of work, or designated

locations for work, or controlling costs in other ways (such as limiting shopper access to Instacart or shopper incentives or eliminating tips), which could result in disruption to service and harm our business;

- incur significant expenses, which may be due to costs associated with existing employment-related laws, such as wage and hour laws, including minimum wage and overtime, liability for and withholding of employment taxes, and employee benefits, including medical insurance, workers compensation coverage, among others, as well as other related liabilities;
- lead us to increase customer fees or charges as a result of the increased costs resulting from shoppers being classified as employees or alternative fulfillment strategies we may implement, which may lead to customer dissatisfaction with such increased fees, which could result in significant decreases in orders, GTV, and revenue;
- expose us to significant retroactive liability, such as liability for meal breaks, overtime premiums, and statutory penalties;
- lead us to take additional actions that we determine are in the best interests of our business, customers, partners, and growth strategy, including potential cessation of operations in certain service areas;
- lead to significant operational disruptions and challenges that we do not have experience managing; and
- result in losses in excess of the accrued amounts in our reserve balances.

The impact of one or more of the foregoing would cause our results of operations to vary significantly and would materially impair our growth prospects, business, financial condition, and results of our operations and specifically impact our current financial statement presentation including revenue and cost of revenue.

Further, the state of the law regarding independent contractor status varies from jurisdiction to jurisdiction and among governmental agencies and is subject to change based on court decisions and regulation. For example, Proposition 22 provides more legal certainty over the status of independent workers offering delivery services in California. However, there may continue to be legal challenges, or legislative or other attempts to amend or otherwise invalidate the benefits, protections, or the independent worker status provided by Proposition 22. To date, no such challenges or attempts have been successful. Additionally, we may face allegations that certain of our business practices do not satisfy all the elements of Proposition 22.

Moreover, laws that provide greater certainty over the status of or otherwise regulate independent workers may also impose additional requirements related to the use of contractors. For example, Proposition 22 entitles shoppers in California to certain new pay standards and benefits, and imposes certain requirements, which increases costs for us in California, where a large number of shoppers who use Instacart are located. While we believe we properly provide all requisite pay standards and benefits under Proposition 22, we may nonetheless face various claims involving disputes over such pay standards and benefits. Additionally, in September 2025, the New York City Council passed legislation mandating certain minimum earnings standards and other protections for grocery delivery workers, as well as certain disclosure requirements. If similar minimum earnings standards and other regulations are enacted in other jurisdictions in which we operate, it will increase the cost and complexity of operating our business in those jurisdictions and may adversely affect our business. We expect continuing challenges to the independent contractor classification of shoppers who use Instacart and the imposition of additional requirements on the use of contractors. If legislation, regulations, or judicial decisions regarding contractors change adversely, including by imposing additional requirements to engage contractors, such changes would increase the already existing risk that shoppers could be construed as employees or increase our costs to use shoppers. Therefore, our ability to contract with independent contractors for order fulfillment in those jurisdictions would be significantly negatively impacted, and we may experience one or more of the impacts listed above, which would adversely affect our business, financial condition, and results of operations.

The cost of compliance with the evolving and ever-changing legal and regulatory environment may be significant and have in the past required, and may in the future require, us to modify our business and operations or pricing strategies. As our business matures and we expand geographically and into different retail categories or use cases, we may become subject to new laws and regulations in new jurisdictions. It is difficult to predict how existing and future laws will be applied to our business as it exists today and may exist in the future.

We have been, are currently, and may continue to be, subject to litigation, arbitration, audits, civil and criminal investigations, disputes, and other legal or regulatory proceedings as a result of our failure or perceived failure, or the failure of activities of our customers or partners on our platform, to comply with existing or future laws, rules, and regulations. Such matters have in the past and may in the future result in fines, monetary damages, civil or criminal liability, forfeiture of significant assets, mandatory injunctions, or consent orders that change or restrict how we operate or require cessation of operations. In addition, certain legal proceedings, governmental investigations, or regulatory actions brought against us or involving our partners, whether or not ultimately resolved in our favor, could cause significant harm to our reputation, erode customer, partner, and investor confidence, and adversely affect public perception of our business, which could, in turn, adversely affect the growth of our business and our financial condition and results of operations. Any costs incurred to prevent or mitigate this potential liability may adversely affect our business, financial condition, and results of operations.

Adverse litigation judgments or settlements resulting from legal proceedings in which we are or may be involved could expose us to monetary damages or reputational harm or limit our ability to operate our business.

We have in the past been, are currently, and may in the future become, involved in claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings relating to various matters, including internet usage and access, text messaging, ecommerce, hardware devices, electronic payments, privacy, data security, data protection, data retention, AI, machine learning, automated decision-making, health information privacy and security, intellectual property, pay and fee transparency, pricing on our platform, consumer protection, marketing and advertising (including terms and conditions and disclosure), subscriptions and memberships, gift cards, consumer safety, bodily injury, property damage, food and product safety, product labeling and traceability, import and export, commerce and contracts, competition, zoning and permitting, sustainability, environmental, tax, insurance, transactions involving our securities, weights and measures, alcohol and other age-restricted products, labor and employment, anti-discrimination, collective bargaining, background checks, worker classification, and shopper rights and compensation (including minimum earnings, onboarding, deactivation, and safety). Any such litigation, arbitration, investigations, and other legal and regulatory proceedings have in the past and may in the future result in fines, monetary damages, civil or criminal liability, forfeiture of significant assets, mandatory injunctions, or consent orders that change or restrict how we operate or require cessation of operations, all of which could have an adverse effect on our business, financial condition, and results of operations. In addition, certain legal proceedings, governmental investigations, or regulatory actions brought against us, whether or not ultimately resolved in our favor, have in the past resulted and may in the future result in significant harm to our reputation, erosion of customer, partner, and investor confidence, and negative public perception of our business, which could, in turn, adversely affect the growth of our business and our financial condition and results of operations. For example, we have received and may continue to receive inquiries from various agencies regarding pricing on our platform. See the information under the caption “Legal Matters” in Note 10 — Commitments and Contingencies to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

The results of any such litigation, arbitration, investigations, and other legal and regulatory proceedings are inherently unpredictable and expensive. The frequency of such claims could increase in proportion to the number of retailers, customers, brands, and shoppers that use Instacart. Any claims against us, whether meritorious or not, could be costly and harmful to our reputation, and could require significant amounts of management time and corporate resources. We have in the past entered and may in the future enter into settlement agreements to resolve such claims. For example, in December 2025, we entered into a consent order to conclude the FTC’s investigation relating to certain of our marketing and Instacart+ membership program practices. The consent order does not include any admission of liability and required us to pay $60 million to the FTC, which we paid in January 2026.

Moreover, we cannot be certain that our insurance coverage will be adequate for any claims or liabilities against us, that insurance will continue to be available to us on commercially reasonable terms or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition, and results of operations.

In addition, we regularly include arbitration provisions in our terms of service with customers and shoppers. These provisions are intended to streamline the litigation process for all parties involved, as arbitration can in some cases be faster and less costly than litigating disputes in state or federal court. However, arbitration may become more costly for us, or the volume of arbitrations may increase and become burdensome. Further, the use of arbitration provisions may subject us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. To minimize these risks, we may voluntarily limit our use of arbitration provisions, or we may be required to do so, in any legal or regulatory proceeding, either of which could increase our litigation costs and exposure in respect of such proceedings.

Further, with the potential for conflicting rules and new or upcoming rules or changes in the interpretation of such rules regarding the scope and enforceability of arbitration, some or all of our arbitration provisions could be subject to challenge or may need to be to exempt certain categories of protection. For example, some plaintiffs' attorneys have argued that certain shoppers are workers "in interstate commerce" and are thus exempt from the Federal Arbitration Act, and it remains possible that a court could find our agreements unenforceable against those shoppers. If our arbitration agreements were found to be unenforceable, in whole or in part, or specific claims were required to be exempted from arbitration, we could experience an increase in our litigation costs and the time involved in resolving such disputes, and we could face increased exposure to potentially costly lawsuits, each of which could adversely affect our business, financial condition, and results of operations.

We face potential liability, expenses for legal claims, and harm to our business based on the nature of our business and the content on Instacart.

We face potential liability, expenses for legal claims or appeasement credits or refunds, and harm to our reputation and business relating to the nature of on-demand delivery of food and other consumer goods, including potential claims related to food offerings, delivery, and quality. For example, third parties have asserted, and in the future could assert, legal claims against us in connection with personal injuries related to food poisoning, tampering, or accidents caused by our retail partners or shoppers while making a delivery to customers, defective products, or the sale, advertising, marketing, or consumption of alcoholic beverages, tobacco, or other regulated products by our retail partners to underage customers. In addition, we have in the past and may in the future also be subject to direct or indirect claims as a result of our relationships with, and services provided to, retailers, such as claims involving retailers' pricing on Instacart, infringement of intellectual property, California Proposition 65, product liability, and the Americans with Disabilities Act, among others. Our new or planned future offering enhancements may also subject us to new or unforeseen risks relating to on-demand food and consumer goods delivery. For example, we have added health attribute information, such as identifying products on Instacart as gluten- or dairy-free, and need to rely on third parties for the accuracy of such information. Erroneous reporting or omission, whether or not in our control, may result in claims against us alleging personal injuries, false advertising, and related legal claims, as well as harm to our brand and reputation.

Reports, whether true or not, of food-borne illnesses (such as caused by E. Coli, Norovirus, Hepatitis A, Campylobacter, Listeria, or Salmonella) and injuries caused by food tampering have severely injured the reputations of participants in the food business and could do so in the future as well. Further, if any such report were to affect one or more of the retailers or shoppers on Instacart, it could reduce customer confidence in and use of our offerings. The potential for acts of terrorism on food supply also exists, and if such an event occurs, it could harm our business and results of operations.

We are subject to rapidly changing and increasingly stringent laws, regulations, industry standards, contractual obligations, policies and other obligations relating to privacy, data security, data protection, artificial intelligence, machine learning, and automated decision-making. The obligations, restrictions, and costs imposed by these laws, or our actual or perceived failure to comply with them, could subject us to adverse business consequences and other liabilities that adversely affect our business, operations, and financial performance.

As part of our normal business activities, we collect, use, store, share, transmit, and otherwise process sensitive, proprietary, and confidential information, including personal information of retailers, customers, brands, shoppers, employees, and others. We are subject to a variety of federal, state, local, and foreign privacy, data security, data protection, AI, machine learning, and automated decision-making laws, regulations, regulatory guidance, industry standards, contractual obligations, and codes of conduct, many of which have become increasingly stringent in recent years and are complex, constantly evolving, impose heavy compliance burdens, and may have conflicting requirements. New laws and regulations that apply to our business are being introduced at every level of government in the United States, as well as internationally, which could further restrict certain uses of the personal information of retailers, customers, brands, shoppers, employees, and others.

In the United States, there are numerous federal and state privacy and data security laws, rules, and regulations governing the collection, use, storage, sharing, transmission, and other processing of personal information, including federal and state privacy laws, data security laws, data breach notification laws, consumer protection laws, and other similar laws (e.g., wiretapping laws). For example, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 and the Telephone Consumer Protection Act of 1991 impose specific requirements on communications with customers. There are also a growing number of laws and regulations governing the use of AI, machine learning, and automated decision-making systems, which may increase the cost and complexity of operating our business.

In addition, many state legislatures 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 data, such as the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights has and may continue to impact our business and ability to provide our offerings. For example, the California Consumer Privacy Act applies to personal data of consumers, business representatives, and employees 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. Some states also impose stricter requirements for processing certain categories of personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the Illinois Biometric Information Privacy Act regulates the collection, use, safeguarding, and storage of biometric information. These and other U.S. state privacy laws have and may continue to further complicate compliance efforts and increase our legal risk and compliance costs, including with respect to our marketing initiatives, Instacart Ads offerings, identity verification technologies, and AI offerings.

We are also subject to certain health information privacy and security laws. A number of state legislatures have adopted legislation that regulates how businesses may use consumers' health data. For example, the Washington My Health My Data Act creates restrictions on the use of consumer health data for purposes such as marketing and advertising. As a result, our marketing initiatives and Instacart Ads and Instacart Health offerings could be further limited and we have incurred and expect to continue incurring additional compliance expenses. We are also subject to HIPAA as a result of the limited amount of health information that we receive in connection with baskets containing prescriptions and certain of our Instacart Health initiatives. We maintain a HIPAA compliance program, but it is not always possible to identify and deter misuse by our employees, contractors, and other third parties, and the precautions we take to detect and prevent noncompliance may not be effective in preventing all misuse, breaches, or violations. Violations of HIPAA may result in significant administrative, civil, and criminal penalties. State attorneys general also have the right to prosecute HIPAA violations committed against residents of their states. While HIPAA does not create a private right of action that would allow individuals to sue in civil court for a HIPAA violation, its standards have been used as the basis for the duty of care in state civil suits, such as those for negligence or recklessness in misusing personal information. Many states in which we operate and in which our customers reside also have laws that protect the privacy and security of health information, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Failure to comply with such state laws may also subject us to significant penalties. Some U.S. states and the FTC have also adopted privacy laws or issued guidance limiting the collection and use of certain health information that may extend to our customers' interactions with certain over-the-counter health products.

As we continue to expand internationally, our efforts to comply with applicable foreign privacy laws may increase the costs and complexity of operating our business. In Canada, the Personal Information Protection and Electronic Documents Act and various provincial laws require that companies give detailed privacy notices to consumers, obtain consent to use personal information, with limited exceptions, allow individuals to access and correct their personal information, and report certain data breaches. In addition, Canada's Anti-Spam Legislation prohibits email marketing without the recipient's consent, with limited exceptions. Failure to comply with these or provincial privacy or data protection laws could result in significant fines and penalties or possible damage awards. The Canadian province of Quebec also passed a comprehensive privacy law that grants individuals extensive rights with respect to their personal information, including the right to consent to certain marketing and advertising practices. In addition, certain of our subsidiaries have immaterial operations in China, Australia, and Mexico and are subject to local laws that impose a number of requirements on our processing and handling of personal information and direct marketing activities that may increase our compliance costs and risk of facing regulatory enforcement action.

Certain of our subsidiaries are subject to the United Kingdom General Data Protection Regulation ("UK GDPR"), the European Union's General Data Protection Regulation ("GDPR"), the European Union's Artificial Intelligence Act, and various Member State laws and regulations governing data protection and AI. Further expansion of our business, operations, or service offerings to the European Economic Area ("EEA"), will increase our exposure to data protection laws in the region, including the GDPR. The GDPR and UK GDPR impose strict requirements for processing personal data of individuals, give individuals extensive rights with respect to their personal data, carry penalties and potential corrective action for violations, and provide for private litigation.

The United States, Europe, the United Kingdom, and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. We are subject to the U.S. Department of Justice's rule restricting certain transfers of sensitive personal data to designated countries of concern, which may increase compliance obligations and expose us to civil and criminal fines and penalties. The EEA and the United Kingdom have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws they believe are inadequate. Other jurisdictions have in the past and may continue to adopt similarly stringent data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and United Kingdom to the United States in compliance with law, such as the EEA's and UK's standard contractual clauses, certain of these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the United Kingdom, or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, injunctions against our processing or transferring personal data necessary to operate our business, the inability to transfer data and work with partners, vendors and other third parties, and our ability to expand our business to the EEA, United Kingdom, or other countries with similar cross-border data transfer restrictions may be limited. Additionally, companies that transfer personal data out of the EEA and United Kingdom to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

Other data protection laws in the EEA and the United Kingdom, such as those implementing the ePrivacy Directive, restrict the use of cookies and similar technologies on which our website, mobile app, and Instacart Ads offerings rely, including to facilitate online behavioral advertising. Regulators are increasingly focused on compliance with requirements in the online behavioral advertising ecosystem, and current national laws implementing the ePrivacy Directive are likely to be replaced in the European Union by a regulation known as the ePrivacy Regulation, which will significantly increase fines for non-compliance. Other countries outside of Europe increasingly emulate European data protection laws. As a result, operating our business or providing our offerings in Europe or other countries with similar data protection laws would subject us to substantial compliance costs and potential liability and may require changes to the ways we collect and use personal information. Governments and regulators in certain jurisdictions, including Europe, are increasingly seeking to regulate the use, transfer, and other processing of non-personal information (for example, under the European Union's Data Act). This means that, if and to the extent such regulations are relevant to our operations or those of our customers, certain of the risks and considerations outlined above may apply equally to our processing of both personal and non-personal data.

We also publish privacy policies and other statements regarding data privacy, AI, and security. Regulators in the United States have scrutinized and are increasingly scrutinizing these statements, and if these policies or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences.

In addition, major technology platforms on which we rely, privacy advocates, and industry groups have regularly proposed, and may propose in the future, platform requirements or self-regulatory standards by which we are legally or contractually bound. If we fail to comply with these contractual obligations or standards, we may lose access to technology platforms on which we rely and face substantial regulatory enforcement, liability, and fines. For example, Apple requires mobile applications using its operating system, iOS, to affirmatively obtain an end user's permission for cross-contextual advertising. Such restrictions could limit the efficacy of our marketing activities and our Instacart Ads offerings. In addition, certain legislative proposals and draft regulations seek to further regulate targeted advertising activities, and regulators are increasingly scrutinizing the use of online tracking tools and compliance with requirements related to the online behavioral advertising ecosystem. As a result, we may be required to develop alternative solutions to support our marketing initiatives and/or change the way we deliver our Instacart Ads offerings. In addition, consumer resistance to the collection and sharing of the data used to deliver targeted advertising, increased visibility of consent or requirements to respond to privacy preference mechanisms as a result of regulatory or legal developments, the adoption by consumers of browser settings or "ad-blocking" software, and the development and deployment of new technologies could materially impact our ability to collect and use data or reduce our ability to deliver relevant promotions or media, which could materially impair the results of our operations.

Apple and other technology platforms are considering similar and additional restrictions and obligations, including age verification and parental consent requirements, which may result in new platform-level policies or technical mandates that apply to all developers whose applications are distributed through those stores, which may increase our compliance burden and operational complexity.

Despite our efforts, we may not be successful in achieving compliance with the laws, regulations, and requirements discussed above. Any actual or perceived non-compliance, by us or the third parties upon whom we rely, could result in litigation and proceedings against us by governmental entities, customers, or others (including class action claims or mass arbitration demands), expenditure of time and resources to defend any claim or inquiry, fines and civil or criminal penalties, limited ability or inability to operate our business, offer services, or market our offerings in certain jurisdictions, negative publicity and harm to our brand and reputation, reduced overall demand for our offerings, or substantial changes to our business model or operations. Such occurrences could adversely affect our business, financial condition, and results of operations.

Our business could be adversely impacted by changes in the internet and mobile device accessibility of users. Companies and governmental agencies may restrict access to Instacart, our mobile apps, website, app stores, or the internet generally, which could negatively impact our operations.

Our business depends on customers and shoppers accessing Instacart via a mobile device or, with respect to customers, a personal computer or a Connected Stores device, and the internet. We may operate in jurisdictions that provide limited internet connectivity, particularly as we continue to expand internationally. Internet access and access to a mobile device or personal computer are frequently provided by companies with significant market power that could take actions that degrade, disrupt, or increase the cost of consumers' ability to access Instacart. In addition, the internet infrastructure that we and users of our offerings rely on in any particular geographic area may be unable to support the demands placed upon it and could interfere with the speed, quality, and availability of Instacart. Any such failure in internet or mobile device or computer accessibility, even for a short period of time, could adversely affect our results of operations.

Governmental agencies in any of the countries in which we or our customers are located could block access to or require a license for Instacart, our mobile apps, website, or the internet generally for a number of reasons, including security, confidentiality, regulatory concerns, or geopolitical reasons. In addition, companies may adopt policies that prohibit their employees from using Instacart. If companies or governmental entities block, limit, or otherwise restrict customers or shoppers from accessing Instacart, our business could be negatively impacted, the number of customers and shoppers using Instacart could decline or grow more slowly, and our results of operations could be adversely affected.

We could be required to collect additional taxes or be subject to other tax liabilities in various jurisdictions which could adversely affect our results of operations.

The application of indirect taxes, such as sales and use tax, value-added tax, goods and services tax, business and occupation tax, commercial activity tax, business license tax, digital advertising tax, and gross receipts tax, to our business is a complex and evolving issue. Significant judgment is required to evaluate applicable tax obligations, and, as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. States, localities, the U.S. federal government, and taxing authorities in other countries may seek to impose additional reporting, recordkeeping, and/or indirect tax collection obligations on our business that facilitate online commerce. For example, taxing authorities in the United States and other countries have required ecommerce platforms to calculate, collect, and remit indirect taxes for transactions taking place over the internet. A majority of U.S. state jurisdictions have enacted laws requiring marketplaces to collect and remit sales taxes on sales of their third-party sellers. Tax authorities have questioned our interpretation of taxability of our business operations, and various parties have from time to time filed, and may in the future file, complaints related to our current and historical approach to treatment of our sales tax obligations and service fee disclosures. If other agencies or parties challenge our approach to treatment of our sales tax obligations and service fee disclosures, or if such agencies and parties bring novel claims under existing laws relating to these categories of indirect taxes and service fee disclosures, we could face higher sales taxes or be subject to fines or penalties, any of which could adversely affect our business and results of operations. New legislation could also require us to incur substantial costs, including costs associated with tax calculation, collection, and remittance, and audit requirements, and could adversely affect our business and results of operations. Furthermore, if our employees elect to work remotely as a result of our Flex First workforce model, we may become subject to additional taxes and our compliance burdens with respect to the tax laws of additional jurisdictions may be increased.

We have been and may in the future also be subject to additional tax liabilities and related interest and penalties due to changes in U.S. federal, state, or international tax laws, administrative interpretations, decisions, policies, and positions, results of tax examinations, settlements, or judicial decisions, changes in accounting principles and changes to the business operations, as well as evaluation of new information that results in a change to a tax position taken in prior periods. For example, if we are treated as an agent for our retail partners under U.S. state tax law, we may be primarily responsible for collecting and remitting sales taxes directly to certain states. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so, or to collect additional taxes in a jurisdiction in which we currently collect taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest, and additional administrative expenses, which could materially harm our business. We are under audit by various state tax authorities with regard to sales tax and other indirect tax matters, primarily relating to the reporting of sales on behalf of our third-party sellers, or the tax treatment applied to the sale of our services in these jurisdictions. Although we have reserved for potential payments of possible past tax liabilities in our condensed consolidated financial statements, if these liabilities exceed such reserves, our financial condition will be harmed. In addition, governments are increasingly looking for ways to increase revenue, which has resulted in discussions about tax reform and other legislative action to increase tax revenue, including through indirect taxes. Such taxes could adversely affect our financial condition and results of operations.

In addition, federal tax rules generally require payors to report payments to unrelated parties to the Internal Revenue Service. Under certain circumstances, a failure to comply with such reporting obligations may cause us to become liable to withhold a percentage of the amounts paid to shoppers and remit such amounts to the taxing authorities. Due to the large number of shoppers, and the amounts paid to each, process failures with respect to these reporting obligations could result in financial liability and other consequences to us if we were unable to remedy such failures in a timely manner.

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

As of December 31, 2025, we had federal net operating loss carryforwards of $443 million. We generated $5 million of net operating loss carryforwards prior to 2018, which will begin to expire in 2037. The remaining $438 million will carryforward indefinitely. Furthermore, as of December 31, 2025, we had state net operating loss carryforwards of $679 million, an immaterial amount of which, if unused, will begin to expire in 2026. Portions of these net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under current law, U.S. federal net operating losses incurred in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited. It is uncertain whether various states will conform to federal tax laws. For state income tax purposes, there may be periods during which the use of net operating loss carryforwards is limited, which could accelerate or permanently increase state taxes owed. For example, California imposed limits on the usability of California state net operating losses to offset taxable income in tax years beginning after 2023 and before 2027.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (“Code”), and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We assessed whether we had an ownership change, as defined by Section 382 of the Code, from our formation through December 31, 2025. Based upon this assessment, reductions were made to our net operating loss and tax credit carryforwards under these rules for the acquisition of Marlin9 Holdings, Inc. We may experience ownership changes in the future, ownership changes as a result of shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs, including as a result of or with respect to any acquisitions we make, and our ability to use our net operating loss carryforwards (or net operating loss carryforwards that we acquire) is materially limited, it would harm our future results of operations by effectively increasing our future tax obligations.

Uncertainties in the interpretation and application of existing, new, and proposed tax laws and regulations could materially affect our tax obligations and effective tax rate.

The tax laws to which we are subject or under which we operate are unsettled and may be subject to significant change. The issuance of additional guidance related to existing or future tax laws, or changes to tax laws or regulations proposed or implemented by the current or a future U.S. presidential administration, Congress, or taxing authorities in other jurisdictions, including jurisdictions outside of the United States, could materially affect our tax obligations and effective tax rate. Such changes have had and, along with any related uncertainty generated by these changes, may in the future have adverse impacts on our business, financial condition, results of operations, and cash flows.

The amount of taxes we pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, tax rates, new or revised tax laws, or interpretations of tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. Similarly, a taxing authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

In addition, the Organisation for Economic Cooperation and Development has published proposals covering a number of issues, including minimum tax rules, country-by-country reporting, permanent establishment guidance, transfer pricing rules, tax treaties, and taxation of the digital economy. Several foreign jurisdictions, including some of those in which we operate, have formally adopted these proposals in their tax code, which could adversely affect our effective tax rate or result in higher cash tax liabilities in such jurisdictions.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition, and results of operations.

We are subject to the U.S. Foreign Corrupt Practices Act, U.S. domestic bribery laws, and other anti-corruption and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. As we increase our international sales and business, we may engage with business partners and third-party intermediaries to market our offerings and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We cannot assure you that all of our employees and agents will not take actions in violation of anti-corruption laws, for which we may be ultimately held responsible, or that we will be able to timely detect such actions. As we increase our international sales and business, our risks under these laws may increase.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, financial condition, and results of operations could be harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

We are subject to governmental export and import controls and sanctions laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws.

Instacart and our offerings are subject to import and export controls, including the U.S. Export Administration Regulations, and we incorporate encryption technology into certain of our offerings. These encryption products and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception, or other appropriate government authorizations, including the filing of an encryption classification request or self-classification report. In addition, we have immaterial operations in Asia relating to the design, engineering, and supply of Caper Carts to certain of our retail partners' stores, whose operations are subject to import and export controls. Any adverse changes in trade relations with countries where we have such operations, including trade policies enacted or proposed by the United States, such as tariff increases and other trade restrictions, uncertainty related thereto, and responses by foreign governments to such policies, and import and export licensing and control requirements, could interfere with the shipment of Caper Carts to our retail partners, which could have a negative impact on future development and adoption of Caper Carts and related prospects.

Furthermore, our activities are subject to U.S. economic sanctions laws and regulations administered by the Office of Foreign Assets Control of the U.S. Treasury Department which generally prohibit any transactions or dealings, including the provision of products and services, involving embargoed jurisdictions or sanctioned parties. Obtaining the necessary export license or other authorization for a particular transaction may be time-consuming and may result in the delay or loss of sales opportunities. Violations of U.S. sanctions or export control regulations can result in significant fines or penalties and possible incarceration for responsible employees and managers.

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

We have expanded and expect to continue to expand our presence internationally. We have operations in Canada and have acquired companies that have immaterial operations in certain other countries. We expect to continue to expand our international operations and are evaluating opportunities across the world. Operating outside of the United States may require significant management attention to oversee operations over a broad geographic area with varying cultural norms and customs, in addition to placing strain on our finance, analytics, compliance, legal, engineering, and operations teams. We may incur significant operating expenses and may not be successful in our international expansion for a variety of reasons, including:

- challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction;
- an inability to attract retailers, customers, brands, and shoppers;
- competition from local incumbents that better understand the local market, may market and operate more effectively, and may enjoy greater local affinity or awareness;
- differing demand dynamics, which may make our offerings less successful;
- differing and potentially more onerous employment and labor regulations including with respect to worker classification and collective bargaining, where employment and labor laws are generally more advantageous to workers or employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- complying with varying laws and regulatory standards, including with respect to privacy, data security, data protection and transfer restrictions, AI, safety, tax, and local regulatory restrictions;
- obtaining any required government approvals, licenses, or other authorizations;
- varying levels of internet and mobile technology adoption and infrastructure;
- currency exchange restrictions or costs and exchange rate fluctuations;
- operating in jurisdictions that do not protect intellectual property rights in the same manner or to the same extent as the United States;
- changing perceptions or reputation of U.S. products and services in non-U.S. markets;
- public health concerns or emergencies may occur in various parts of the world in which we operate or may operate in the future; and
- limitations on the repatriation and investment of funds, as well as foreign currency exchange restrictions.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake may not be successful. For example, the possibility of adverse changes in trade or political relations with countries where we have operations relating to the design, engineering, and supply of Caper Carts, political instability, or increases in labor costs could interfere with the manufacturing and/or shipment of Caper Carts. We also rely on contract and third-party manufacturers in Asia for Caper Carts and their components, which exposes us to risks such as historically lower protection of intellectual property rights, unexpected or unfavorable changes in regulatory requirements, including the imposition or proposed imposition by the United States of tariffs, economic sanctions, export controls, and other trade restrictions, laws, regulations, and executive orders affecting international trade, uncertainty related thereto, and responses by foreign governments to such policies, volatility in currency exchange rates, and difficulties associated with local legal systems. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected.

Risks Related to Our Dependence on Third Parties

We rely on third parties for elements of the payment processing infrastructure underlying Instacart. If these third-party elements become unavailable or unavailable on favorable terms, our business could be adversely affected.

The convenient payment mechanisms provided by Instacart are key factors contributing to the development of our business. We rely on third parties for elements of our payment processing infrastructure to accept payments from customers and remit payments to retailers and shoppers, including certain Instacart-branded programs. These third parties may refuse to renew our agreements with them on commercially reasonable terms or at all. If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted. For certain payment methods, including credit and debit cards, Android Pay™, and Apple Pay®, we generally pay interchange fees and other processing and gateway fees, and such fees result in significant costs. In addition, online payment providers are under continued pressure to pay increased fees to banks to process funds, and there is no assurance that such online payment providers will not pass any increased costs on to us. If these fees increase over time, our operating costs will increase, which could adversely affect our business, financial condition, and results of operations.

In addition, system failures have at times prevented us from making payments to shoppers in accordance with our typical timelines and processes, which caused substantial shopper dissatisfaction and generated a significant number of shopper complaints. Future failures of the payment processing infrastructure underlying Instacart could cause shoppers to lose trust in our payment operations and could cause them to instead use our competitors' platforms. If the quality or convenience of our payment processing infrastructure declines as a result of these limitations or for any other reason, the attractiveness of our business to retailers, consumers, and shoppers could be adversely affected. If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be as effective, efficient, or well-received by retailers, consumers, or shoppers.

Payments made on Instacart are subject to the Payment Card Industry ("PCI"), Data Security Standard. We rely on vendors to handle PCI matters and to ensure PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI Data Security Standard, based on past, present, and future business practices. In addition, payment card networks may adopt changes to the PCI Data Security Standard, or change their interpretations of such rules in a way that we or our processors might find it difficult or even impossible to follow, or costly to implement. If we violate the PCI Data Security Standard or other applicable rules, we may incur fines or restrictions on our ability to accept payment cards or suffer reputational harm, all of which could have an adverse impact on our business.

We rely on software and services from other parties. Defects in, or the loss of or disruption of access to, software or services from third parties could harm our business and adversely affect the quality of Instacart.

Our offerings incorporate certain third-party software obtained pursuant to licenses or service agreements from other companies, including but not limited to, software and services related to our background checks, data visualization, mapping, and database tools. Such third parties may discontinue their products or services, cease to provide their products or service to us, go out of business, or otherwise cease to provide support for such products or services in the future. Although we believe that there are commercially reasonable alternatives to the third-party software or services we currently license or receive, this may not always be the case, or it may be difficult or costly to replace existing third-party software or find a replacement third-party service. Our use of additional or alternative third-party software or services would require us to engage with third parties, and we may not be able to enter into agreements with such third parties on advantageous terms. In addition, integration of the software used in our offerings with new third-party software may require significant work and substantial investment of our time and resources. To the extent that our offerings depend upon the successful operation of third-party software, any undetected errors or defects in, or disruptions to the functionality of, such third-party software have in the past and could in the future prevent the deployment or impair the functionality of our offerings, delay new offering introductions, result in a failure of our offerings, and injure our reputation, which in each case could harm our financial condition and results of operations.

We currently rely on a small number of third-party service providers to host or support a significant portion of Instacart technology infrastructure and data, and any interruptions or delays in services from these third parties could impair the delivery of our offerings and harm our business.

We currently host Instacart technology infrastructure and data and support our operations using a combination of a small number of third-party service providers. We do not have control over the operations of the facilities of the hosting providers that we use, and these third-party operations and co-located data centers may experience break-ins, computer viruses, denial-of-service or other cyber-attacks or security incidents, sabotage, acts of vandalism, outages, disruptions, and other misconduct or incidents that impact the services provided to us. These facilities may also be vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events. We have experienced, and expect that in the future we will experience, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, website hosting disruptions, and capacity constraints. Any such limitation on the capacity of our third-party service providers could impede our ability to provide services to our customers and retail and brand partners, onboard new customers, expand the usage of our existing customers, or effectively detect or respond to other issues with our services, which could adversely affect our business, financial condition, and results of operations. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. A prolonged service disruption affecting our service for any of the foregoing reasons would negatively impact our ability to serve our customers and could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the third-party service providers we use.

In addition, any changes in our hosting provider's service levels may adversely affect our ability to meet the expectations of retailers, customers, brands, and shoppers. Our systems do not provide complete redundancy of data storage or processing, and as a result, the occurrence of any such event, a decision by our third-party service providers to close our co-located data centers without adequate notice, or other unanticipated problems may result in our inability to serve data reliably or require us to migrate our data to either a new on-premise data center or public cloud computing service. This could be time-consuming and costly and may result in the loss of data, any of which could significantly interrupt the provision of our offerings and harm our reputation and brand. We may not be able to easily switch to another public cloud or data center provider in the event of any disruptions or interference to the services we use, and even if we do, other public cloud and data center providers are subject to the same risks. Additionally, our co-located data center facility agreements are of limited durations, and providers of our co-located data center facilities have no obligation to renew their agreements with us on commercially reasonable terms or at all. If we are unable to renew our agreements with these facilities on commercially reasonable terms, we may experience delays in the provision of our offerings until an agreement with another co-located data center is arranged, and any business interruptions that impact the delivery of our offerings as a result of these delays may reduce our revenue, cause retailers and shoppers to stop offering their services through Instacart, and reduce use of our offerings by customers. In addition, if we are unable to scale our data storage and computational capacity sufficiently or on commercially reasonable terms, our ability to innovate and introduce new offerings on Instacart may be delayed or compromised, which would have an adverse effect on our growth and business.

We rely on mobile operating systems and app marketplaces to make portions of Instacart available to retailers, customers, brands, and shoppers, and if we do not effectively operate with such app marketplaces, our usage or brand recognition could decline and our business, financial condition, and results of operations could be adversely affected.

We depend in part on mobile operating systems, such as Android and iOS, and their respective app marketplaces to make Instacart available to retailers, customers, brands, and shoppers. Any changes in such systems and app marketplaces that degrade the functionality of our apps or give preferential treatment to our competitors' apps could adversely affect Instacart's usage on mobile devices. If such mobile operating systems or app marketplaces limit or prohibit us from making our apps available to retailers, customers, brands, or shoppers, make changes that degrade the functionality of our apps, change the way we collect or use data, increase the cost of using our apps, impose terms of use unsatisfactory to us, alter how we collect fees, increase our compliance costs, impair or inhibit our ability to enter into partnerships or effectively market partnerships, or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' app marketplace is more prominent than the placement of our apps, our growth could slow. Our apps have experienced fluctuations in placement in the past, and we anticipate similar fluctuations in the future. Additionally, we are subject to requirements imposed by app marketplaces such as those operated by Apple and Google, who have and may further change their technical requirements or policies in a manner that adversely impacts the way in which we collect, use and share data from users. For example, Apple requires mobile applications using its iOS mobile operating system to obtain a user's permission to track them or access their device's advertising identifier for certain purposes. The long-term impact of these and any other changes remains uncertain. If we do not comply with applicable requirements imposed by app marketplaces, we could lose access to the app marketplaces and users, and our business would be harmed. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our apps or that we can effectively roll out updates to our app. Additionally, in order to deliver high-quality apps, we need to ensure that Instacart is designed to work effectively with a range of mobile technologies, systems, networks, and standards. If retailers, customers, brands, or shoppers that utilize Instacart encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, we expect that our growth and engagement would be adversely affected.

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

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

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

We establish insurance reserves for claims incurred but not yet paid and claims incurred but not yet reported and any related estimable expenses, and we periodically evaluate and, as necessary, adjust our actuarial assumptions and insurance reserves as our experience develops or if we receive new information. We employ various predictive modeling and actuarial techniques and make numerous assumptions based on historical claim and loss experience and industry statistics to estimate our insurance reserves. Estimating the number and severity of claims, as well as related judgment or settlement amounts, is inherently difficult, subjective, and speculative. Additionally, actuarial projections make no provision for the extraordinary future emergence of losses or types of losses not sufficiently represented in the historical data or which are not yet quantifiable. While an independent actuarial firm periodically reviews our reserves for appropriateness and provides claims reserve valuations, a number of external factors can affect the actual losses incurred for any given claim, including but not limited to the length of time the claim remains open, increases in healthcare costs, increases in automotive costs, legislative and regulatory developments, judicial developments and unexpected events such as natural or human-made catastrophic disasters. Such factors can also impact our insurance reserves and any related estimable expenses for current and historical periods. For any of the foregoing reasons, our actual losses for claims and related expenses may deviate, individually or in the aggregate, from the insurance reserves reflected in our condensed consolidated financial statements.

If we determine that our estimated insurance reserves are inadequate, we may be required to increase such reserves at the time of the determination, which could negatively impact our financial condition, and results of operations.

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

Risks Related to Our Intellectual Property

Failure to adequately maintain and protect our intellectual property and proprietary rights could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively.

Our success depends to a significant degree on our ability to obtain, maintain, protect, and enforce our intellectual property rights, including our proprietary technology, know-how, and our brand. To protect our rights to our intellectual property, we rely on a combination of patent, trademark, copyright, and trade secret laws, domain name registrations, confidentiality agreements, and other contractual arrangements with our employees, affiliates, clients, strategic partners, and others. However, the protective steps we have taken and plan to take may be inadequate to deter infringement, misappropriation, dilution or other violations of our intellectual property rights. We make business decisions about when and where to seek patent protection for a particular technology and when to rely upon copyright or trade secret protection, and the approach we select may ultimately prove to be inadequate. Even in cases where we seek patent protection, there is no assurance that our applications for patents will be granted, and even if they are, that the resulting patents will be of sufficient scope to provide meaningful protection. Further, even if we obtain adequate protection, we may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our patents and other intellectual property rights. Effective patent, trademark, copyright, and trade secret protection may not be available to us or in every jurisdiction in which we offer or intend to offer our services and, in addition, the output of AI tools we utilize may not be eligible for copyright protection. Failure to adequately protect our intellectual property could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively. Further, third parties may challenge the validity, enforceability, registration, ownership or scope of our intellectual property rights, and defending against any such claims could result in the expenditure of significant financial and managerial resources, which could adversely affect our business, results of operations, and financial condition.

If we fail to protect our intellectual property rights adequately, our competitors may gain access to our intellectual property and proprietary technology and develop and commercialize substantially identical offerings or technologies. In addition, defending our intellectual property rights might entail significant expense. Any patents, trademarks, copyrights, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative process, including re-examination, inter partes review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings), or litigation. Despite our pending U.S. patent applications, there can be no assurance that our patent applications will result in issued patents, or even if issued, that such patents would be of sufficient scope to provide meaningful protection. Even if we continue to seek patent protection in the future, we may be unable to obtain or maintain patent protection for our technology. In addition, any patents we have or may obtain, or that are licensed to us now or in the future, may not provide us with competitive advantages or may be successfully challenged by third parties. Further, the laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. Moreover, policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive, and time-consuming. Despite our precautions, it may be possible for unauthorized third parties to copy our offerings and technology capabilities and use information that we regard as proprietary to create offerings that compete with ours. The value of our trademarks could be diminished if others assert rights in or ownership of our trademarks, or if they use and assert rights in trademarks that are similar to our trademarks. In some cases, litigation or other actions may be necessary to protect or enforce our trademarks and other intellectual property rights. We may be unable to successfully resolve these types of conflicts to our satisfaction.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties, including suppliers and other partners. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how, and trade secrets. Moreover, no assurance can be given that these agreements will be effective in controlling access to our proprietary information or the distribution, use, misuse, misappropriation, reverse engineering, or disclosure of our proprietary information, know-how, and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our offerings and technology capabilities. These agreements may be breached, and we may not have adequate remedies for any such breach.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor for infringement and to enforce our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, 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, and if such defenses, counterclaims, or countersuits are successful, we could lose valuable intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our offerings and technology capabilities, impair the functionality of our offerings and technology capabilities, delay introductions of new offerings, result in our substituting inferior or more costly technologies into our offerings, or injure our reputation.

We may not be able to successfully halt the operations of copycat websites or the infringement or misappropriation of intellectual property rights in Instacart, or elements or functionality embodied therein, including, but not limited to, our digital catalog. From time to time, third parties, including with the use of AI, have in the past accessed, and may in the future access, Instacart's servers without authorization and misappropriated our digital catalog through website scraping, "bots," web crawlers, or other tools or means. In addition, copycat websites have imitated or attempted to imitate elements or functionality of Instacart. As a result, we have employed technological and legal measures, including initiating lawsuits, in an attempt to halt such infringement or misappropriation. We expect such activities to continue to occur. However, we may not be able to detect all such activities in a timely manner and, even if we do, we cannot guarantee that our efforts to protect and enforce our intellectual property rights will be successful. Regardless of whether we can successfully enforce our rights against these websites or third parties, any measures that we may take could require us to expend significant financial or other resources.

We are currently, and may in the future become, party to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

We have in the past been, are currently in, and may in the future become subject to intellectual property disputes. Our success depends, in part, on our ability to develop and commercialize our offerings without infringing, misappropriating, or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our offerings are infringing, misappropriating, or otherwise violating third-party intellectual property rights, and such third parties may bring claims alleging such infringement, misappropriation, or violation. For example, we rely on a combination of third-party intellectual property licenses and the fair use doctrine when we refer to third-party intellectual property, such as brand names and product images, on Instacart. Third parties may dispute the scope of those rights or the applicability of the fair-use doctrine or otherwise challenge our ability to reference their intellectual property in the course of our business. From time to time, we are contacted by companies controlling brands of products that are sold by retailers, demanding that we cease referencing those brands or take down product images on Instacart. Additionally, companies in the internet and technology industries, and other patent holders, including "non-practicing entities," seeking to profit from royalties in connection with grants of licenses or seeking to obtain injunctions, own large numbers of patents and other intellectual property and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. To reduce the risk of adverse outcomes in intellectual property disputes, we may need to establish new intellectual property agreements or renew existing licenses. However, this strategy of cross-licensing our patent portfolio with third parties in order to settle infringement claims brought against us may not be appropriate in the future and is not effective against certain patent owners, such as non-practicing entities.

Other parties have asserted, and in the future may assert, that we have infringed their intellectual property rights. Any claims of intellectual property infringement, even those without merit, could be time consuming and costly to defend, cause us to cease using or incorporating the asserted intellectual property rights, divert management's attention and resources, and expose us to other legal liabilities, such as indemnification obligations. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing or be required to enter into royalty or licensing agreements to obtain the right to use a third party's intellectual property. Any such royalty or licensing agreements may not be available to us on acceptable terms or at all. Additionally, a successful claim of infringement against us could result in us being required to pay significant damages or enter into costly license or royalty agreements, either of which could have an adverse impact on our business. The technology industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the technology industry are often required to defend against litigation claims based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims against their use. In addition, some companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Relative to certain of our competitors, we do not currently have a large patent portfolio, and our relative patent portfolio size may reduce the deterrence value of our portfolio against patent infringement claims brought by competitors or other entities with larger portfolios. Our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any potentially infringing aspect of our business, we could be forced to rebrand our offerings, limit, or stop sales of our offerings and technology capabilities, or cease business activities related to such intellectual property. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition, or results of operations. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease selling or using offerings that incorporate the intellectual property rights that we allegedly infringe, misappropriate, or violate;
- make substantial payments for legal fees, settlement payments, or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or
- redesign the allegedly infringing offerings to avoid infringement, misappropriation, or violation, which could be costly, time-consuming, or impossible.

Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and results of operations. Moreover, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. We expect that the occurrence of infringement claims is likely to grow as the market for Instacart and our offerings grows. Accordingly, our exposure to damages resulting from infringement claims could increase, and this could further exhaust our financial and management resources.

Our use of third-party open-source software could adversely affect our ability to offer Instacart and our offerings and subjects us to possible litigation.

We use third-party open-source software in connection with the operation, development, and deployment of Instacart and our offerings. From time to time, companies that use third-party open-source software have faced claims challenging the use of such open-source software and their compliance with the terms of the applicable open-source license. We may be subject to suits by parties claiming ownership of what we believe to be open-source software or claiming non-compliance with the applicable open-source licensing terms. Some open-source licenses require end-users who distribute or make available across a network software and services that include open-source software to make available the source code of all or part of such software, which in some circumstances could include valuable proprietary code, and also prohibit the charging of fees to licensees for use of such code. While we employ practices designed to monitor our compliance with the licenses of third-party open-source software and to shield our valuable proprietary source code from these open-source license requirements, we have not run a complete open-source license review and may inadvertently use third-party open-source software in a manner that exposes us to claims of non-compliance with the applicable terms of such license, that could require us to disclose source code of our proprietary software, prohibit us from charging fees for use of our proprietary software, or render our software temporarily unavailable. Furthermore, there is an increasing number of open-source software license types, many of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. If we were to receive a claim of non-compliance with the terms of any of our open-source licenses, we may be required to publicly release certain portions of our proprietary source code, expend substantial time and resources to re-engineer some or all of our software, or temporarily disable one or more features of our platform. Further, our use of any AI-assisted coding tools that use or are based on any open source software may heighten the foregoing risks.

In addition, the use of third-party open-source software typically exposes us to greater risks than the use of third-party commercial software because open-source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open-source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise Instacart. Additionally, because any software source code that we contribute to open-source projects becomes publicly available, our ability to protect our intellectual property rights in such software source code may be limited or lost entirely, and we would be unable to prevent our competitors or others from using such contributed software source code. Any of the foregoing could be harmful to our business, financial condition, or results of operations and could help our competitors develop offerings that are similar to or better than ours.

Risks Related to Ownership of Our Common Stock

The trading price of our common stock may be volatile and could decline significantly and rapidly.

The trading price of our common stock could be subject to wide fluctuations in response to numerous factors in addition to the ones described in this “Risk Factors” section many of which are beyond our control, including:

- actual or anticipated fluctuations in our results of operations and growth rates;
- the number of shares of our common stock made available for trading;
- overall performance of the equity markets and the economy as a whole;
- changes in the financial projections we may provide to the public and/or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- changes in the pricing of our offerings;
- actual or anticipated changes in our growth rate relative to that of our competitors;
- changes in the anticipated future size or growth rate of our addressable markets;
- announcements of new products, or of acquisitions, strategic partnerships, joint ventures, or capital-raising activities or commitments, by us or by our competitors;
- repurchases or expectations with respect to repurchases of our common stock by us;
- additions or departures of board members, management, or key personnel;
- rumors and market speculation involving us or other companies in our industry;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business, including those related to consumer protection, privacy, data security, data protection, and cyber security in the United States or globally;
- administrative actions, government investigations, lawsuits, and other legal and regulatory proceedings threatened or initiated against us;
- other events or geopolitical factors, including those resulting from war, incidents of terrorism, tariffs or other trade restrictions enacted or proposed to be enacted, or responses to these events;
- health epidemics, such as influenza, and other highly infectious diseases;
- the inclusion, exclusion, or deletion of our stock from any trading indices, including the S&P 400 Index; and
- sales or expectations with respect to sales of shares of our capital stock by us or our security holders.

In addition, stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated or disproportionate to the operating performance of those companies. In the past, companies that have experienced volatility in the trading price for their stock have been subject to securities class action litigation. For example, we were subject to a class action lawsuit in federal court alleging federal securities law violations in connection with our

IPO, which was dismissed with prejudice on May 30, 2025 without plaintiffs receiving any compensation. Any securities litigation that may be instituted against us in the future could result in substantial costs and a diversion of our management's attention and resources and adversely affect our business, results of operations, and financial condition.

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

Sales, directly or indirectly, of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our 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, 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 common stock.

Further, certain holders of our capital stock have rights, subject to certain 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 not realize the anticipated long-term stockholder value of our share repurchase program, and any failure to repurchase our common stock after we have announced our intention to do so may negatively impact our stock price.

Our board of directors has authorized a share repurchase program, under which repurchases may be made from time to time through open market purchases, accelerated share repurchase programs, privately negotiated transactions, or any other transactions in accordance with applicable federal securities laws, subject to market conditions, applicable legal requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Exchange Act. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of our common stock under this authorization.

The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities. The program does not obligate us to acquire any particular amount of common stock and may be suspended or discontinued at any time at our discretion. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation, investor confidence in us, or our stock price.

The existence of our share repurchase program could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock, and any announcement of a termination of this program may result in a decrease in our stock price. Although our share repurchase program is intended to enhance long-term stockholder value, there is no assurance that it will do so because the market price of our common stock may decline below the levels at which we repurchase shares, and short-term stock price fluctuations could reduce the effectiveness of the program. Repurchasing our common stock reduces the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or investments, other business opportunities, and other general corporate projects, as well as to invest in securities to generate returns on our cash balance. We also may fail to realize the anticipated long-term stockholder value of any share repurchase program.

In addition, as part of the Inflation Reduction Act of 2022, the United States implemented a 1% excise tax on the value of certain stock repurchases by publicly traded companies. This tax has in the past increased and may in the future increase the costs to us of any share repurchases.

Our executive officers, directors, and principal stockholders, if they choose to act together, continue to have the ability to control or significantly influence all matters submitted to stockholders for approval. Furthermore, certain of our current directors were initially appointed by our principal stockholders.

Our executive officers, directors, and greater than 5% stockholders, in the aggregate, beneficially own a significant portion of our outstanding common stock. Furthermore, certain of our current directors were initially appointed by our principal stockholders. As a result, such persons or their appointees to our board of directors, acting together, will have the ability to control or significantly influence all matters submitted to our board of directors or stockholders for approval, including the appointment of our management, the election and removal of directors, and approval of any significant transaction, as well as our management and business affairs. This concentration of ownership may have the effect of delaying, deferring, or preventing a change in control, impeding a merger, consolidation, takeover, or other business combination involving us, or discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders.

Our business and financial performance may differ from any projections that we disclose or any information that may be attributed to us by third parties.

From time to time, we may provide guidance via public disclosures regarding our projected business or financial performance. However, any such projections involve risks, assumptions, and uncertainties, and our actual results could differ materially from such projections. Factors that could cause or contribute to such differences include, but are not limited to, those identified in this "Risk Factors" section, some or all of which are not predictable or within our control. Other unknown or unpredictable factors also could adversely impact our performance, and we undertake no obligation to update or revise any projections, whether as a result of new information, future events, or otherwise, except as may be required by law. In addition, various news sources, bloggers, market research firms, and other publishers often make statements regarding our historical or projected business or financial performance, and we cannot assure you of the reliability of any such information even if it is attributed directly or indirectly to us.

We could experience volatility in our trading price and trading volume if securities or industry analysts cease to publish research about our business, or if they publish inaccurate or unfavorable research.

We do not have any control over the content and opinions included in reports published by equity research analysts, and we cannot assure you that any equity research analysts will continue to adequately provide research coverage of our common stock. A lack of adequate research coverage at any time may harm the liquidity and trading price of our common stock. The trading price of our common stock could decline if one or more equity research analysts downgrade our stock or publish inaccurate or unfavorable commentary or research. If one or more equity research analysts cease coverage of our company, or fail to regularly publish reports on us, the demand for our common stock could decrease, which in turn could cause our trading price to decline and/or trading volumes to fluctuate.

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

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. We expect to retain future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our capital stock will be at the discretion of our board of directors. In addition, our ability to pay dividends on our capital stock is limited by the terms of our Series A redeemable convertible preferred stock ("Series A Preferred Stock") and may be further restricted under future contractual arrangements. Accordingly, you must rely on the sale of your common stock after price appreciation, which may never occur, as the only way to realize any future gain on your investment.

Additional stock issuances could result in significant dilution to our stockholders.

We may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments, or otherwise. Additional issuances of our capital stock will result in dilution to existing stockholders. Also, to the extent outstanding stock options to purchase our stock are exercised, RSUs settle, or our Series A Preferred Stock is converted, there will be further dilution. The amount of dilution could be substantial depending upon the size of the issuance. Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

Our Series A Preferred Stock ranks senior to our common stock, impacts our ability to pay dividends, and may result in significant dilution.

Our Series A Preferred Stock ranks senior to our common stock. Accordingly, in the event of our liquidation or dissolution in bankruptcy or otherwise, the holders of our Series A Preferred Stock would receive their liquidation preference prior to any distribution being available to holders of our common stock. The terms of our Series A Preferred Stock also require us to obtain approval from the holders of the outstanding shares of our Series A Preferred Stock for any cash dividends on our common stock in excess of a 5.0% annual dividend yield. Any dividend payment on our common stock will also result in adjustments to the conversion price of our Series A Preferred Stock. In addition, upon a conversion of our Series A Preferred Stock, your percentage ownership in us will be diluted.

Certain provisions in our corporate charter documents and under Delaware law may prevent or hinder attempts by our stockholders to change our management or to acquire a controlling interest in us, or bring a lawsuit against us or our directors and officers, and the trading price of our common stock may be lower as a result.

There are provisions in our amended and restated certificate of incorporation and amended and restated bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control were considered favorable by our stockholders. These anti-takeover provisions include:

- a classified board of directors so that not all members of our board of directors are elected at one time;
- the ability of our board of directors to determine the number of directors and to fill any vacancies and newly created directorships;
- a requirement that our directors may only be removed for cause;
- a prohibition on cumulative voting for directors;
- the requirement of a super-majority to amend some provisions in our restated certificate of incorporation and restated bylaws;
- authorization of the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan; and
- an inability of our stockholders to call special meetings of stockholders; and a prohibition on stockholder actions by written consent, thereby requiring that all stockholder actions be taken at a meeting of our stockholders.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibit a person who owns 15% or more of our outstanding voting stock from merging or combining with us for a three-year period beginning on the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our amended and restated certificate of incorporation, our amended and restated bylaws, or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

In addition, the limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America are the exclusive forums for substantially all disputes between us and our stockholders, which may limit our stockholders' ability to obtain a favorable 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 is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws;
- any action seeking to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws;
- any action as to which Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act of 1933, as amended (the “Securities Act”), creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. 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 further provides that the federal district courts of the United States of America are the exclusive forums for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid and several state trial courts have enforced such provisions and required that suits asserting Securities Act claims be filed in federal court, there is no guarantee that courts of appeal will affirm the enforceability of such provisions, and a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such an 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 there can be no assurance 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 litigating Securities Act claims in state court, or both state and federal court, which could seriously harm our business, financial condition, results of operations, and prospects. These exclusive 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, which may discourage lawsuits against us and our directors, officers, and other employees.

General Risk Factors

The requirements of being a public company may strain our resources, divert management’s attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of the Nasdaq Global Select Market, and other applicable securities rules and regulations. Complying with these complex and evolving rules and regulations has increased and may continue to increase our legal, accounting, and financial compliance costs and the demand on our systems and resources, as well as divert management’s time and attention from other business concerns, which could harm our business, results of operations, and financial condition. Several members of our management team do not have prior experience in running a public company. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. Additionally, as a result of the disclosure obligations required of a public company, our business and financial condition are more visible, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, results of operations, and financial condition would be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, would divert the resources of our management and harm our business, results of operations, and financial condition. Furthermore, as a public company, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management and impact the manner in which we operate our business in ways we cannot currently anticipate.

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 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 as of the end of each fiscal year. This assessment includes disclosure of any material weaknesses in our internal control over financial reporting identified by our management. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

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 cannot assure you that there will not be material weaknesses 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 we or our independent registered public accounting firm determines we have a material weakness 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 common stock could decline, and we could be subject to sanctions or investigations by the Nasdaq Global Select Market, 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.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

U.S. generally accepted accounting principles (“GAAP”), are subject to interpretation by the Financial Accounting Standards Board, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. The accounting for our business is complex, particularly in the area of revenue recognition, and is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations, and changes in SEC or other agency policies, rules, regulations, and interpretations of accounting regulations. Changes to our business model and accounting methods, principles, or interpretations could result in changes to our financial statements, including changes in revenue and expenses in any period, or in certain categories of revenue and expenses moving to different periods, may result in materially different financial results, and may require that we change how we process, analyze, and report financial information and our financial reporting controls.

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

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes included elsewhere in this Quarterly Report on Form 10-Q. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses. Significant estimates and judgments involve: revenue recognition, including revenue-related reserves; legal and loss contingencies; and income taxes. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock. Additionally, incorrect judgments may cause errors in our financial statements that could result in corrections to or restatements of our historical financial statements, cause delays in the preparation and filing of our periodic reports as well as failures to meet our reporting and other obligations as a public company, and lead to expenses that could adversely affect our business, financial condition, and results of operations.

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

Issuer Purchases of Equity Securities

The following table sets forth information relating to repurchases of our equity securities for the three months ended June 30, 2026:

	Total Number of Shares Purchased [1]	Average Price Paid Per Share [2]	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program
	(in thousands)		(in thousands)	(in millions)
April 1, 2026 to April 30, 2026	1,684	$ 41.56	1,684	$ 1,253
May 1, 2026 to May 31, 2026	4,201	$ 40.46	4,201	$ 1,083
June 1, 2026 to June 30, 2026	1,939	$ 43.83	1,939	$ 998
Total	7,825		7,825	

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[1] In June 2024, our board of directors authorized a $500 million share repurchase program, which was subsequently increased to $750 million, $1 billion, $2.5 billion, and $3.5 billion in November 2024, May 2025, November 2025, and April 2026, respectively. The share repurchase program has no expiration date. In determining the authorization of each share repurchase program, including the amount authorized, our board of directors considered the trading price levels of our common stock, including relative to that of comparable companies, our cash position, and other relevant business, tax, and legal factors. Our board of directors also considered our profitability and positive operating cash flow in recent periods, which enable us to both engage in capital return and reinvest in our talent, technology, and long-term endeavors to drive more profitable growth and help our partners navigate the digital transformations of their businesses. As such, our board of directors believes that these factors will allow us to generate more value for our stockholders over the long term. For more information regarding the risks associated with our share repurchase program, see the section titled "Risk Factors—Risks Related to Ownership of Our Common Stock—We may not realize the anticipated long-term stockholder value of our share repurchase program, and any failure to repurchase our common stock after we have announced our intention to do so may negatively impact our stock price."
[2] Excludes costs associated with the repurchases and the 1% excise tax accrued on our share repurchases as a result of the Inflation Reduction Act of 2022.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On May 8, 2026, Emily Reuter, our Chief Financial Officer, adopted a trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). Ms. Reuter's trading arrangement provides for the sale through August 13, 2027 of up to 120,000 shares of our common stock subject to RSUs previously awarded to Ms. Reuter that have vested or may vest and be released to her on or prior to August 13, 2027.

Item 6. Exhibits

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q, or are incorporated herein by reference, in each case as indicated below:

Exhibit Number	Description of Exhibit	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of Maplebear Inc.	8-K	001-41805	3.1	9/22/2023	
3.2	Certificate of Designation of Series A Convertible Preferred Stock.	8-K	001-41805	3.2	9/22/2023	
3.3	Amended and Restated Bylaws of Maplebear Inc.	S-1/A	333-274213	3.4	9/11/2023	
10.1+	Revolving Credit Agreement among the Company, the lenders party thereto, the issuing banks party thereto, and Morgan Stanley Senior Funding, Inc., dated May 1, 2026.	8-K	001-41805	10.1	5/6/2026	
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 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 Rule 13a-14(a) and Rule 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*	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).					X

+ The exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K under the Securities Act. The Company agrees to furnish supplementally a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon request.

* The certifications furnished herewith are deemed to accompany this Quarterly Report on Form 10-Q and are not deemed to be “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 (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Signatures

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

MAPLEBEAR INC.

Date:	August 6, 2026	By:	/s/ Chris Rogers
			Chris Rogers Chief Executive Officer *(Principal Executive Officer)*
Date:	August 6, 2026	By:	/s/ Emily Reuter
			Emily Reuter Chief Financial Officer *(Principal Financial Officer)*
Date:	August 6, 2026	By:	/s/ Lisa Blackwood-Kapral
			Lisa Blackwood-Kapral Chief Accounting Officer *(Principal Accounting Officer)*

Exhibit 31.1

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

I, Chris Rogers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Maplebear Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

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

Date: August 6, 2026

/s/ Chris Rogers
Chris Rogers
Chief Executive Officer

Exhibit 31.2

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

I, Emily Reuter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Maplebear Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

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

Date: August 6, 2026

/s/ Emily Reuter
Emily Reuter
Chief Financial Officer

Exhibit 32.1

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

Pursuant to the requirement set forth in Rule 13(a)-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Chris Rogers, Chief Executive Officer of Maplebear Inc. (the “Company”), and Emily Reuter, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of August 6, 2026.

/s/ Chris Rogers	/s/ Emily Reuter
Chris Rogers	Emily Reuter
Chief Executive Officer	Chief Financial Officer