

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

FORM 10-K

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

For the fiscal year ended December 31, 2025

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 001-37468

**AppFolio, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State of incorporation or organization)

70 Castilian Drive  
Santa Barbara, California  
(Address of principal executive offices)

26-0359894  
(I.R.S. Employer Identification No.)

93117  
(Zip Code)

(805) 364-6093

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Class A common stock, par value \$0.0001 per share	APPF	The NASDAQ Stock Market LLC

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

None

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of the registrant's common stock on June 30, 2025 (the last business day of the registrant's mostly recently completed second fiscal quarter), as reported on the NASDAQ Global Market on such date, was approximately \$8.256 billion.

At January 29, 2026, the number of shares of the registrant's Class A common stock outstanding was 24,334,816 and the number of shares of the registrant's Class B common stock outstanding was 11,655,112.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2026 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed with the Securities and Exchange Commission (the "SEC") pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K (this "Annual Report"), are incorporated by reference in Part III, Items 10-14 of this Annual Report. Except for the portions of the Proxy Statement specifically incorporated by reference in this Annual Report, the Proxy Statement shall not be deemed to be filed as part hereof.

\_\_\_\_\_

APPFOLIO, INC.  
ANNUAL REPORT ON FORM 10-K  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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## PART I

### FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (this "Annual Report") contains forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), which statements involve substantial risks and uncertainties. The forward-looking statements made in this Annual Report are intended to qualify for the protection of the safe harbor provided by the PSLRA and are based primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results, cash flows and/or prospects. Forward-looking statements include all statements that are not statements of historical fact. Forward-looking statements can also be identified by words such as "may," "will," "should," "might," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "future," or "continue," or the negative of these words or other similar terms or expressions. Examples of forward-looking statements include, among others, statements regarding changes in the competitive environment, responding to customer needs, research and product development plans, future products and services, growth in the size of our business and number of customers, strategic plans and objectives, business forecasts and plans, our future or assumed financial condition, results of operations and liquidity, trends affecting our business and industry, capital needs and financing plans, capital resource allocation plans, share repurchase plans, and commitments and contingencies, including with respect to the outcome of legal proceedings or regulatory matters. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those risks, uncertainties and other factors described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report, as well as in the other reports we file with the Securities and Exchange Commission (the "SEC"). You should read this Annual Report, and the other documents we file with the SEC, with the understanding that our actual future results may be materially different from the results expressed or implied by these forward-looking statements. As such, you should not rely upon forward-looking statements as predictions of future events. Any forward-looking statement made by us in this Annual Report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law.

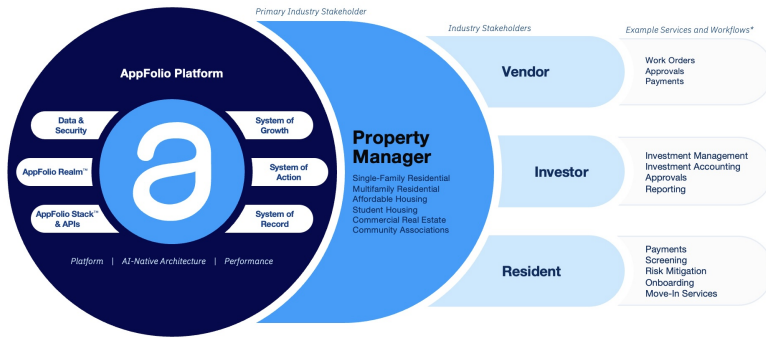
#### ITEM 1. BUSINESS

*Unless otherwise stated in this Annual Report, references to "AppFolio," "we," "us," and "our" refer to AppFolio, Inc. and its consolidated subsidiaries.*

##### Overview

Founded in 2006, AppFolio is a technology leader powering the future of real estate. We provide a cloud-based platform, the AppFolio Platform, on which our customers operate their businesses. Our primary customers are property management companies who manage a variety of property types, including single family, multifamily, affordable, commercial, student, and community associations. We help our customers navigate an increasingly interconnected and growing network of stakeholders in their business ecosystems, including property managers, property investors, potential residents, residents, and vendors. We also provide key functionality related to critical transactions across the real estate lifecycle, including screening potential residents, sending and receiving payments, and providing insurance-related risk mitigation services. Our services enable our customers to connect communities, increase operational efficiency, deliver exceptional customer experiences, and improve financial and operational performance. We believe our customer-centric culture leads to long-term customer retention and, ultimately, our long-term success.

# The platform where real estate comes to do business



\*Note: Services and Workflows shown are illustrative and do not represent a comprehensive list of all offerings.

## Our Platform

Our mission is to build the platform where real estate comes to do business. The AppFolio Platform is designed to deliver value to industry stakeholders throughout the property management ecosystem. These stakeholders include property managers, property owners and investors, residents, and vendors. Our performance-driven platform is (i) a system of record to centralize and store all critical operating information, (ii) a system of action to automate complex workflows while delivering improved outcomes, and (iii) a system of growth to drive value and revenue for the entire ecosystem.

The AppFolio Platform is built upon a unified architecture designed to serve as a single secure system of record for our customers' operational and financial data. This platform foundation provides real-time business intelligence and accounting functionality while maintaining data integrity. Building upon this foundation, AppFolio Realm integrates artificial intelligence, or AI, directly into the platform's workflows. Through features such as Realm, the platform is capable of automating repetitive, high-volume tasks and promoting operational efficiency. To further enhance the platform's versatility, the AppFolio Stack™ marketplace utilizes application programming interfaces, or APIs, to facilitate our customers' ability to integrate specialized, third-party technology and services. This extensible ecosystem allows customers and partners to customize their workflows and incorporate specialized external solutions into the unified AppFolio environment.

We categorize our products and services into two categories, Subscription Services and Value Added Services. Utilization and adoption of our Subscription Services and Value Added Services is typically higher for residential properties than community association or commercial properties because of the unique and complex needs of the residential rental lifecycle.

### Subscription Plans and Services

The AppFolio Platform is primarily offered via three Subscription Plans: Core, Plus, and Max.

- **AppFolio Property Manager Core.** AppFolio Property Manager Core is generally suited for small property management companies, serving as the basic, comprehensive, all-in-one system of record centered on accounting functionality, and includes access to a limited set of Stack™ integrations.
- **AppFolio Property Manager Plus.** AppFolio Property Manager Plus is designed for more complex, growing property management businesses, expanding on the Core plan functionality by adding capabilities for affordable housing and student housing, advanced accounting, advanced data analysis, and read-only API access, along with access to all Stack™ integrations.
- **AppFolio Property Manager Max.** AppFolio Property Manager Max includes the functionality of Plus and adds functionality designed for our largest operators, offering tools such as end-to-end leasing support with built-in leasing customer relationship management, or CRM, and leasing signals, and provides full database access through a read/write API.

The Subscription Services AppFolio offers are provided through the Core, Plus, and Max Subscription Plans or can be added as ancillary functionality. Key services offered include:

- **Accounting and Reporting.** AppFolio provides property management accounting software that acts as a single system of record, capturing every transaction in one centralized database. The software utilizes AI-powered features, such as Smart Budgeting, Bank Feed, Bill Approval Flows, and Smart Bill Entry to reduce manual data entry and increase reporting accuracy. Performance Insights dashboards enables data-driven strategic decision-making and efficient financial management.
- **Marketing and Leasing.** The marketing and leasing tools are designed to help customers maximize occupancy, maintain a leasing pipeline, and manage the fully integrated lead-to-lease process. Our Realm Leasing Performer leverages AI to automate prospect engagement, including lead qualification, data capture, and tour scheduling. These capabilities are integrated with our Leasing CRM, which provides centralized end-to-end leasing management and conversion tracking. For portfolio optimization, our Leasing Signals supports customers' pricing decisions using their own unique pricing strategies and provides explainable pricing suggestions based on public data.
- **Maintenance.** The platform provides property maintenance tools through automation and online maintenance workflows. Our Realm Maintenance Performer utilizes AI to automate service request intake and triage. The tool facilitates real-time, multi-lingual communication with residents and automatically generates prioritized work orders. This automation is designed to reduce response times and streamline the resolution of maintenance issues. Our Unit Turn Board allows customers to track and manage the tasks required to prepare a unit for new occupancy, with the goal of minimizing vacancy periods and optimizing rental income.
- **Communication and Service.** AppFolio provides modern communication tools to streamline customer service, maintain operations, and create seamless experiences for residents, property owners, and investors. Our Realm Messages integrates text and email communications into a centralized inbox. This feature allows customers to manage resident correspondence within the platform's core workflow, which is designed to improve record-keeping and response efficiency.

#### **Value Added Services**

AppFolio also offers Value Added Services that supplement our Subscription Services and are designed to enhance, automate, and streamline business-critical processes and workflows. Our Value Added Services generally fall into the categories of electronic payment services, tenant screening, risk mitigation, maintenance, and business optimization. We strive to provide a seamless experience for our customers that increases their efficiency without sacrificing ease of use.

We empower our customers and their industry stakeholders with a wide variety of Value Added Services, most significantly with:

- **Electronic Payment Services.** Our electronic payment services allow property managers to streamline their receivables and payables through a variety of online payment options. Property managers can collect funds through our secure online portal and mobile application, and/or via electronic cash payments from various stakeholders, including applicants, residents, vendors, and property owners. The types of funds that may be collected include tenant charges, such as rental application fees, security deposits, and rent payments; contributions from property owners; and periodic dues from those living in community associations. Our customers can also electronically send funds to various stakeholders, including property investors and vendors.
- **Tenant Screening.** Our tenant screening services, delivered through our FolioScreen™ Trusted Renter product suite, include credit checks, criminal history, landlord-tenant history, income verification, employment verification, and identity verification for use in connection with the rental application process.
- **Risk Mitigation.** Through our FolioGuard™ offerings, we offer risk mitigation products for property managers and residents. FolioGuard Smart Ensure is a software tool that allows property managers to enforce insurance coverage requirements within their leases by tracking coverage of their units and adding uncovered units to a qualifying liability to landlord insurance policy via a licensed insurance broker. FolioGuard Renters Insurance, provided by our wholly-owned subsidiary AppFolio Insurance Services, Inc., protects the personal belongings of renters, as well as the property itself, from certain unexpected damages.
- **Resident Services.** AppFolio provides services intended to enhance the resident experience, leveraging modern communication software and mobile portals. The resident journey is enhanced with features, such as a personalized onboarding experience that integrates with third-party partners to facilitate the offering of resident services.

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information regarding the seasonality of our Value Added Services revenue.

### **Our Business and Growth Strategy**

Our growth strategy is centered on delivering value to all industry stakeholders in the property management ecosystem, including, but not limited to, property managers, residents, vendors, and investors. We believe adding value to each of these industry stakeholders improves retention and expansion opportunities for existing customers and creates a differentiated product experience to attract new customers. Our strategy is anchored on the following three strategic pillars that are designed to facilitate the expansion and retention of our customer base.

#### ***Differentiate to Win***

We strive to continually create differentiated product experiences that solve customer needs and create new revenue streams for AppFolio and our customers. Advanced technologies, such as Realm and its AI capabilities, including our Performers product, are designed to unlock increased productivity and efficiency gains for customers through generative messaging capabilities, customizable workflow automation, and an interactive AI-powered assistant. Our data platform and APIs extend our capabilities and enable third-party integrations through our Stack™ marketplace. Continued innovation in onboarding tools, processes, and workflows are designed to remove barriers for customers to switch to AppFolio, while accelerating use and adoption of our services. Through new, innovative product features, our goal is to provide differentiated product experiences that extend value throughout the property technology ecosystem, for property managers, investors, vendors, and residents.

We continue to focus on attracting larger property management customers with complex and diversified property portfolios who derive value from managing their entire portfolio on a single platform. Ongoing innovations for investor and resident stakeholders are intended to redefine how property managers connect with these critical stakeholders and create additional value for all groups through the use of our performance-driven platform.

#### ***Deliver Performance Efficiently***

As our customer base grows, we strive to provide a scalable client service experience that is accessible and easy to use. This includes utilizing AI capabilities, technology systems, and third party partners. The efforts of our customer-facing teams are focused on driving use and adoption of our services and helping customers achieve success on our platform. We expect to continue to gain leverage in our service experience through self-service and automation, as well as through our third-party solution partners that enable us to quickly expand our service offerings. Additionally, we empower our customers and their networks of stakeholders through the continued development and adoption of our Subscription Services and Value Added Services. We believe our customer-centric culture drives a focus on customer satisfaction that leads to long-term retention and, ultimately, to our long-term success.

We strive to operate with high efficiency and are continually evaluating opportunities to gain leverage across all aspects of our business. We plan to continue our efforts to efficiently and effectively scale our capabilities, processes, and systems to adapt and grow with our business, and align the value of our offerings to the size, scale, and complexity of our customers, while upholding a rigorous standard of privacy, protection, compliance, and ethics.

#### ***Great People and Culture***

We believe fostering a connected and inclusive workplace is fundamental to AppFolio's success. We empower AppFolio employees to deliver exceptional value for our customers and stockholders through continuous innovation, excellence, and meaningful work. We routinely evaluate and, when appropriate, invest in our people processes, programs, and systems to fuel high performance.

### **Our Customers**

We define customers as those contracted for a Property Manager Subscription Services Plan. As of December 31, 2025, we had 22,096 property management customers.

## **Customer Service**

We believe our success is tied to long-term customer relationships, not a one-time sale. Our team is structured to deliver continuous service. This includes live and on-demand training, a library of resources, and personalized account management. We regularly measure our Net Promoter Score and Customer Satisfaction Score, and solicit customer feedback in a variety of ways in an effort to continue to improve and better serve our customers. We utilize a tiered engagement model to align the value we deliver with the value we capture from our customers, including add-on offerings such as tailored training and certification programs, and professional services delivered by our network of solution partners.

We have dedicated onboarding teams that work to ensure that customers are prepared to run their businesses on our platform, as well as self-service tools that reduce customers' time and rate of effort to achieve success with our products and services. As a result of our assistance with customer data migration matters, we are able to provide valuable insights into data integrity and work with our customers to help resolve issues in their underlying business processes. We also assist our customers with the configuration of our products for particular property types. We dedicate resources to guide our customers through the adoption and utilization of our Subscription Services and Value Added Services.

## **Sales and Marketing**

We leverage a modern and scalable marketing approach along with marketing automation technology to attract and engage prospects and build brand recognition as an industry leader. We use a variety of inbound and outbound marketing techniques to promote our products and services, and we participate in industry thought leadership and education. We also host our own annual industry conference, FUTURE, where leaders, innovators, and experts come together to explore, teach, and discuss technology, tools, and trends. We encourage our existing and prospective customers to attend FUTURE to learn more about us and how our platform and services can help their businesses.

Our business development team acts in partnership with our marketing and sales teams to reach potential customers, generate sales opportunities, and accelerate the time from evaluation to close. Our sales representatives assist prospective customers as they evaluate our products. Our interactive sales methodology allows our sales team to quickly build relationships, assess prospective customers' business challenges, and demonstrate the benefits of our platform.

## **Technology and Operations**

Our products are powered by a highly scalable computing platform and are designed with a focus on data security and availability. We take great care to keep our application framework and the rest of our software stack current to mitigate known vulnerabilities. Our computing platform and cloud infrastructure are primarily powered by third-party service providers. To help ensure that data is not lost and that customer requests can be satisfied, production assets are securely replicated and regularly backed up to an additional geographic region.

We monitor our production infrastructure to ensure high performance and availability, and our architecture provides us significant flexibility in achieving these goals.

We work to ensure that our customers and their communities are confident in our data practices. Sensitive data in our systems is encrypted during transmission and before being written to disk. We regularly evaluate our product and infrastructure security, including through third-party penetration testing. In addition, our products allow our customers to define roles that provide different levels of access to users, allowing them to view and modify specific items depending on their role. Supervisors can distribute work to staff in a secure and controlled environment, while leadership retains visibility across the entire system. Some sensitive customer actions require secondary verification via two-factor authentication, and any customer can enable two-factor authentication for logging into their account.

## **Research and Product Development**

We rely heavily on input from our customers and prospective customers to develop products that meet their needs and anticipate developments in their businesses. We perform research and market validation efforts to guide our product roadmap. Our platform is frequently updated to provide new innovations and respond to market trends and customer needs. In addition, we believe that it is easier for our customers to adjust to frequent platform updates that incrementally change and improve their user experience than to adapt to infrequent, but more drastic, updates.

## **Competition**

The overall market for business management solutions in the real estate industry is global, highly competitive, and continually evolving to respond to changes in technology, including AI, operational requirements, and laws and regulations. We believe our competitors primarily fall into the following categories:

- Vertical real estate business management service providers that serve companies of all sizes in our markets; and

- Horizontal business management service providers that offer broad solutions across multiple industries.

We also experience competition from numerous technology providers that focus almost exclusively on one or more point solutions in the real estate industry or in other industries.

We believe we are well positioned to compete against both vertical and horizontal competitors because of our innovative platform that can scale and extend through AppFolio Stack™ and our Value Added Services, which can meet the needs of all property management stakeholders across our growing addressable market. However, some of our competitors may have greater financial, technical and other resources, greater name recognition and larger sales and marketing budgets; therefore, we may not always compare favorably with respect to some or all of the foregoing factors. Further, the barrier to entry for competition in one or more areas we serve may be low, which could lead to competition from new entrants who solve similar problems in different ways.

#### **Intellectual Property**

We rely on a combination of patents, copyrights, trademarks, trade secrets, confidentiality procedures and contractual restrictions to establish and protect our proprietary rights in our services. We may pursue additional patent protection to the extent we believe it would be beneficial and cost-effective.

We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with third parties. We also limit access to certain confidential information or trade secret information, including our source code, to those who have a need for such access. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create products and services that compete with ours.

#### **Government Regulation**

Our business activities are subject to various federal, state and local laws and regulations. In addition, certain of our services (such as our tenant screening and risk mitigation services) are highly regulated or intended to be used in connection with other highly regulated activities. Some of the federal laws and regulations to which our products and services are subject include, without limitation:

- the Fair Housing Act;
- the Fair Credit Reporting Act (the "FCRA");
- the Americans with Disabilities Act;
- the Electronic Signatures in Global and National Commerce Act; and
- the Federal Trade Commission Act.

State law equivalents of the foregoing, plus various state regulations related to insurance licensing and solicitation and privacy also apply to certain of our services. In addition, our services are subject to changing federal and state laws and regulations, the application or interpretation of which is not clear in some jurisdictions. Moreover, federal and state legislatures and regulatory agencies have indicated they are focused on protecting tenants. This focus may result in the introduction of new laws and regulations that are directly applicable to our business. We have implemented various programs, processes and controls focused on compliance with applicable laws and regulations throughout our business; however, there is no guarantee that we will not be subject to fines, penalties or other regulatory actions in one or more jurisdictions, or be required to adjust our business practices to accommodate future regulatory requirements.

See Item 1A, "*Risk Factors*" for additional details regarding risks related to government regulations.

#### **Human Capital**

We believe our people and culture are at the heart of our success. We drive our success by investing in our people, and cultivating an exceptional work destination where they want to be and stay. Our company culture, driven by the following six core values, fuels our purpose and results:

- Great people make a great company.
- Listening to customers is in our DNA.
- Innovation powers success.
- Simpler is better.
- Do the right thing; it's good for business.

- Build trust every day.

As of December 31, 2025, we had 1,702 employees. We routinely engage temporary employees and consultants. We consider our relationships with our employees and consultants to be strong. To maintain this strong relationship and attract new talent, our human capital management efforts focus on the following initiatives:

**An Inclusive Workplace.** Our commitment to an inclusive workplace starts at the leadership level and cascades to our talented employees. We believe that reflecting the diversity of our customers and communities is essential to driving innovation, performance, and long-term success. We foster a culture of belonging through employee-led resource groups, open communication, and regular listening forums, where every voice is valued and contributes to shaping our workplace. At the same time, we are committed to empowering all employees to do their best work, grow their careers, and deliver results. By prioritizing performance, transparency, and engagement, we create a culture where diverse perspectives fuel better innovation and stronger outcomes.

**Employee Development.** We invest significant resources to develop the talent needed to remain at the forefront of innovation, making us an employer of choice. Our learning and development offerings are aligned with the needs of our business and tailored for individual growth. We conduct in-person trainings and make available on-demand programming that covers a wide range of topics from professional development to real estate industry acumen. Our quarterly engagement survey provides a platform for employees to provide anonymous feedback directly to their managers and our executives.

**Societal Impact.** We create a culture of impact by being a force for good for our customers, our communities, and each other. We empower employee volunteerism through our employee-led Give Back Committee and company-wide benefit of eight hours of paid volunteer time off annually. Our corporate philanthropy program, “AppFolio Gives Back”, supports housing availability, an ongoing challenge in the real estate industry, through a combination of employee fundraising, team volunteering, and a corporate matching gift program.

**Environmental Stewardship.** We believe in a culture of environmental stewardship and strive to create environmentally friendly workplaces. We maintain sustainability requirements that all contractors who work in our buildings or on our grounds are required to follow. Examples of these requirements include recycling of all demolished or removed materials whenever possible, installation of energy efficient HVAC units, low power LED lighting and fixtures, and native, drought resistant landscaping.

**Compensation and Benefits.** We maintain a culture of high performance that recognizes and rewards those who deliver meaningful results, as well as how those results were achieved. Our compensation and benefits programs support the well-being of our employees and their families enabling them to live their best lives both at work and at home. Our competitive compensation packages may include base salary, commission or annual performance-based bonuses, and stock-based compensation. We also offer a flexible paid time off policy, paid parental leave, paid sabbaticals, paid leave to care for family members, and access to fertility networks and discounts on fertility care. We review our programs periodically to ensure they remain competitive to retain, motivate, and reward current employees and attract new employees.

**Health, Safety, and Wellness.** We are committed to providing a safe workplace for our employees and assisting them in maintaining a healthy work-life balance. We regularly solicit feedback to assess the well-being and needs of our employees and offer resources focused on mental health and physical wellness. Our office locations are intentional spaces where we fuel connection, innovation, collaboration, and celebrate successes together. We have embraced a work model where many of our employees work out of one of our offices several days a week and others work remotely.

#### **Available Information**

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and file annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public on the SEC’s website at [www.sec.gov](http://www.sec.gov).

Our website address is [www.appfolio.com](http://www.appfolio.com). We make available, free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The contents of our website are not incorporated by reference in, or otherwise made a part of, this Annual Report.

## ITEM 1A. RISK FACTORS

Investing in our securities involves risks. You should consider carefully the risks described below, together with all of the other information included in this Annual Report, as well as in our other filings with the SEC, in evaluating our business and/or an investment in our Class A common stock. If any of the following risks actually occur, our business, financial condition, operating results, cash flows and prospects could be materially and adversely affected. In that case, the trading price of our Class A common stock may decline and you might lose all or part of your investment. The risks described below are not the only risks we face. Additional risks that we currently do not know about or that we currently believe to be immaterial may also impair our business, financial condition, operating results, cash flows, and prospects.

### Risks Related to Our Products and Services

*If we are found to be in violation of the legal requirements applicable to our products and services, our business and operating results may be adversely affected.*

Our business activities are subject to various federal, state and local laws and regulations. In addition, certain of our services, such as our tenant screening and risk mitigation services, are highly regulated or intended to be used in connection with other highly regulated activities. Unfavorable laws, regulations, and administrative or judicial decisions interpreting or applying laws and regulations could subject us to litigation or governmental investigation and increase our cost of doing business, any of which may adversely affect our operating results. Further, the evolution and expansion of our products and services may subject us to additional regulatory risks and requirements. For example, as our electronic payments services business evolves, we may become directly subject to laws governing money transmission and anti-money laundering. Regulatory requirements vary throughout the markets in which we operate, and have increased over time as the scope and complexity of our products and services have expanded. Moreover, federal and state legislatures and regulatory agencies have indicated they are focused on protecting tenants. This focus may result in the introduction of new laws and regulations that are directly applicable to our business. There is no guarantee that we will not be subject to fines, criminal and civil lawsuits or other regulatory enforcement actions in one or more jurisdictions or be required to adjust business practices to accommodate regulatory requirements.

New and evolving regulatory requirements may also impact our customers and their ability or willingness to utilize our products and services. For instance, we consistently monitor regulatory activity by the Federal Trade Commission (the "FTC"), by the Consumer Financial Protection Bureau ("CFPB"), and by various state regulatory bodies applicable to tenant screening. New or uncertain regulatory requirements may impact our ability to offer or our customers' ability and willingness to utilize certain of our services, which may impact our operating results.

We periodically undergo examinations, audits, and investigations by regulatory authorities related to our services, including those related to the affairs of insurance companies and agencies and electronic payment services providers. Such examining, auditing, and investigating regulatory authorities are generally vested with relatively broad discretion to grant, renew and revoke licenses and approvals, to implement and interpret rules and regulations, levy fines and penalties, and bring enforcement actions. While we have implemented various programs, processes and controls focused on compliance with applicable laws and regulations throughout our business, there is no guarantee that we will not be subject to fines, penalties or other regulatory actions in one or more jurisdictions, or be required to adjust our business practices to accommodate future regulatory requirements. In the event that we are found to be in violation of our legal or regulatory requirements, we may be subject to monetary fines or penalties, cease-and-desist orders, mandatory product changes, or other liabilities that could have an adverse effect on our business (including damage to our reputation) and operating results.

*We face risks in our electronic payment services business that could adversely affect our business and/or results of operations.*

Our electronic payment services business facilitates the processing of inbound and outbound payments for our customers. These payments are settled through our sponsoring clearing bank, licensed money transmitters, card payment processors and other third-party electronic payment services providers that we contract with from time to time. With respect to these service providers, we have significantly less control over the systems and processes than if we were to maintain and operate those systems and processes ourselves. In some cases, functions necessary to our business are performed on proprietary third-party systems and software to which we have no access. We also generally do not have long-term contracts with these service providers. Moreover, we rely on a limited number of third-party electronic payment services providers and, in some instances, do not have a backup provider in place for a specific service. Accordingly, the failure of these service providers to renew their contracts with us or to fulfill their contractual obligations and perform satisfactorily could result in significant disruptions to our operations and adversely affect our operating results.

We are, and will continue to be, subject to risks arising from or related to the settlement of payment transactions, including with respect to prefunding and chargeback requests as well as human or processing errors. Users are ultimately responsible for fulfilling their obligations to fund transactions; however, in instances where there are returns or chargebacks, we

attempt to collect these funds from our customers. If we are unable to collect such amounts from our customers, we bear the risk of loss for the amount of the return or chargeback. While we have not experienced material losses resulting from payment returns or chargebacks in the past, there can be no assurance that we will not experience significant losses in the future. Any increase in returns or chargebacks that we are not able to recover from our customers may adversely affect our business, financial condition and results of operations. In addition, if transactions or settlement reconciliations are not performed timely or are inaccurate due to human or processing errors, we could experience significant financial loss that could have an adverse effect on our business, financial condition, and operating results.

Our electronic payment services business also exposes us to risk in connection with theft, fraud and other malicious activity by our employees, our third-party service providers' employees, or third-parties who improperly gain access to our systems, our customers' systems, or our third-party providers' systems. In the event of such activity, we may incur liability to compensate our customers, our customers' stakeholders, or third-party electronic payment service providers for losses incurred. In the past, third-party bad actors have gained improper access to our systems, our customers' systems, and our third-party providers' systems, and we experienced financial loss as a result. While we continually seek to improve the measures we take to secure our systems and payments infrastructure, it is not possible to entirely eliminate the risk of intentional wrongdoing. If third-party bad actors again gain access to any of these systems, or our employees or third-party service providers' employees misuse our payment systems for malicious purposes, we could experience material financial loss that may adversely affect our operating results.

***Changes to payment card networks or bank fees, rules, or practices could harm our business.***

We do not directly access the payment card networks, such as Visa and MasterCard, that enable our acceptance of credit cards and debit cards, including some types of prepaid cards. Accordingly, we must rely on banks or other card payment processors to process transactions and pay fees for their services. From time to time, payment card networks have increased, and may increase in the future, the interchange fees and assessments that they charge for each transaction which accesses their networks. Our card payment processors may have the right to pass any increases in interchange fees and assessments on to us and increase their own fees for processing. Any changes in interchange fees and assessments could increase our operating costs and reduce our operating income. In the past, federal regulators have required Visa and MasterCard to reduce interchange fees. Any material change in credit or debit card interchange rates, including changes in interchange fee limitations, could significantly reduce our Value Added Services revenue and have an adverse effect on our business and operating results.

Our card payment processors require us to comply with payment card network operating rules, including special operating rules for electronic payment service providers to merchants. We have agreed to reimburse our processors for any fees or fines they are assessed by payment card networks as a result of any rule violations by us or our merchants. The payment card networks set and interpret the card operating rules. From time to time, the networks have alleged that various aspects of our business model violate these operating rules. In the past, all such allegations have been resolved favorably. If, however, such allegations are not resolved favorably in the future, they may result in material fines and penalties or require changes in our business practices that may be costly. In addition, the payment card networks could adopt new operating rules or interpret or re-interpret existing rules that we or our processors might find difficult or even impossible to follow, or costly to implement. As a result, we could lose our ability to give customers and their residents the option of using payment cards to fund their payments. If we are unable to accept payment cards or are meaningfully limited in our ability to do so, our business and operating results would be adversely affected.

***We face risks in our tenant screening services business that could adversely affect our business and/or operating results.***

Our tenant screening services business is subject to a number of complex laws that are subject to varying interpretations, including the FCRA, the Fair Housing Act, and related federal and state regulations. The FCRA continues to be the subject of multiple class-based litigation proceedings, as well as numerous regulatory inquiries and enforcement actions. In addition, entities such as the FTC and the CFPB have the authority to promulgate rules and regulations that may impact our customers and our business and have made various public statements that tenant screening is an area of focus for such agencies. While we believe that our tenant screening services comply with relevant laws and regulations, we have been, and may in the future be, accused of not complying with such laws and regulations, and have been, and may in the future be, found to be in violation of them. In addition, we have been, and expect in the future to be, subject to routine regulatory inquiries, enforcement actions, class-based litigation and/or indemnity demands.

As previously disclosed, in January 2021, we entered into a settlement agreement with the FTC to resolve allegations that we failed to comply with certain sections of the FCRA. In connection with the settlement, we paid a fine and agreed to ongoing compliance and reporting obligations. Our failure to comply with these obligations could result in material additional penalties or other actions by the FTC or other agencies, including enjoining our ability to provide tenant screening services.

Our potential liability in any enforcement action, class action lawsuit, or significant single plaintiff lawsuit could have a material impact on our business, especially given that certain applicable laws and regulations provide for fines or penalties on a per occurrence basis and we participate in a large number of tenant screening transactions. The existence of any such proceeding, whether meritorious or not, may adversely affect our ability to attract customers, result in the loss of existing customers, harm our reputation and cause us to incur defense costs or other expenses.

***Our resident-focused offerings, such as Resident Onboarding and Resident Onboarding Lift, subject us and our customers to increased regulatory scrutiny and legal requirements.***

While our primary customers are property management companies, we offer (either directly or indirectly via third-party partnerships) various resident-focused products and services that are utilized by residents, including resident concierge services and resident benefit packages. These offerings subject us to additional regulatory risks and evolving legal requirements, particularly regarding fee transparency and disclosure. Federal and state regulatory agencies, including the FTC and the CFPB, have increasingly focused on the rental housing industry, specifically regarding the clarity of fees associated with residential tenancies. If our products are deemed to lack adequate transparency or disclosure, or if the mandatory nature of certain services is found to violate consumer protection laws, we or our customers could be subject to litigation or governmental investigation.

Furthermore, regulatory requirements vary throughout the markets in which we operate, and new or updated state and local landlord-tenant laws may regulate the types of fees and services that property managers can require residents to purchase. Unfavorable administrative or judicial decisions interpreting these laws could impact our customers' ability or willingness to utilize these services, which may adversely impact our operating results. Our resident-focused concierge services also rely on third-party service providers to fulfill specific functionality, such as utility connections, internet connections, or moving services. We have significantly less control over the systems and processes of these providers, and any failure by these third parties to perform satisfactorily or to protect resident data could result in significant disruption to our operations, reputational harm, or potential liability. Because these services are ultimately utilized by residents, we may face an increased risk of class-based litigation or regulatory inquiries arising from resident disputes over service delivery, billing or alleged violations of consumer protection laws. There is no guarantee that we will not be required to adjust our business practices to accommodate future regulatory requirements, or that these offerings will not result in material financial loss.

***We could face antitrust challenges, which could harm our business and operating results.***

Algorithmic pricing tools in our industry have been subject to antitrust challenges in the form of criminal and civil investigations, regulatory enforcement actions, and private class actions. Although we believe our services are compliant with antitrust laws, we may face similar challenges, which regardless of merit, could cause us to incur significant expenses, distract management, damage our reputation, and result in substantial fines, damages, and/or settlement costs, all of which could adversely affect our business and operating results.

***Errors, defects or other disruptions in our products, or the products of our third-party service providers upon which certain of our products are dependent, could harm our reputation, cause us to lose customers, and result in significant expenditures to correct the problem.***

Our customers use our products to manage critical aspects of their businesses. Any errors, defects or other disruptions in our products, or the products of our third-party service providers upon which certain of our products are dependent, may result in loss of or damage to our customers' data and disruption to our customers' businesses, which could harm our reputation and subject us to potential liability. Such product problems could be caused by a variety of factors, including infrastructure changes, power or network outages, fire, flood or other natural disasters, human or software errors, viruses, security breaches, fraud or other malicious activity, spikes in customer usage or distributed denial of service attacks. In addition, we provide continuous updates to our products and these updates may contain undetected errors, defects or other disruptions when first introduced. In the past, we have discovered errors, defects, or other disruptions in our updates after they have been released, and similar problems may arise in the future. Real or perceived errors, defects, or other disruptions in our products or the products of our third-party service providers upon which certain of our products are dependent, could result in negative publicity, reputational harm, loss of customers, delay in market acceptance of our products and services, loss of competitive position, withholding or delay of payment to us, claims by customers for losses sustained by them and potential litigation or regulatory action. In any such event, we may be required to expend additional resources to correct the problem or we may choose to expend additional resources to take corrective action even when not required. The costs incurred in correcting any material errors, defects or other disruptions could be substantial. In addition, we may not carry insurance sufficient to offset any losses that may result from claims arising from such errors, defects or other disruptions.

***If we are unable to deliver effective customer service, it could harm our relationships with our existing customers and adversely affect our ability to attract new customers and our operating results.***

Our business depends, in part, on our ability to satisfy our customers by providing a consistently high level of onboarding services and ongoing customer service. Once our services are deployed, our customers depend on our customer service organization to resolve technical issues relating to their use of the services. Increased demand for our support services may increase our costs without corresponding revenue, which could adversely affect our operating results. Further, our sales process is highly dependent on the ease of use of our products and services, our reputation and positive recommendations from our existing customers. Any failure to maintain high-quality and responsive customer service, or a market perception that we do not maintain high-quality and responsive customer service, could harm our reputation, cause us to lose customers and adversely impact our ability to sell our products and services to prospective customers.

***If our property management customers stop requiring insurance coverage for their units, our operating results could be harmed.***

Some of our property management customers require their renters to maintain certain insurance coverage requirements. Through wholly owned and licensed subsidiaries, we make renters insurance policies available to these renters and, if our customers so elect, add uncovered units to a qualifying liability to landlord insurance policy via a licensed insurance broker. If our property management customers stop requiring renters to maintain insurance coverage because of regulatory or competitive pressures, demand for our insurance-related risk mitigation products may decline and our revenues and operating results could be adversely affected.

***If we fail to maintain relationships with third-party service providers that enable certain functionality within our products and services or provide our customers with specialized technology and services, our business and operating results may be harmed.***

Certain functionality of our services is provided, supported or enhanced by third-party service providers, including without limitation functions related to CRM, cloud computing, texting, emailing, electronic payments, tenant screening, and insurance related offerings. Our customers are also able to integrate specialized, third-party technology and services through AppFolio Stack™. If our third-party service providers cease providing their products or making them available through AppFolio Stack™, our products and services and the demand for them could be adversely impacted and our business and operating results could be harmed. In addition, our competitors may be more successful than us in building cost-effective relationships with third parties that enhance their products and services, allow them to provide more competitive pricing, or offer other benefits to their customers. Acquisitions of our third-party service providers by our competitors or others could result in a decrease in the number of current and potential strategic partners willing to establish or maintain relationships with us, and could increase the price at which products or services are available to us. If we are unsuccessful in establishing or maintaining our relationships with third-party service providers, our ability to compete in the marketplace or to grow our customer base and revenue could be impaired, which could negatively impact our operating results.

***The development and incorporation of AI in our services may result in reputational harm or liability, which could adversely affect our business and operating results.***

We employ machine learning and AI technologies, including generative and agentic AI, in our product and service offerings. Research into, and continued development of, such technologies remains ongoing. As AI represents a rapidly evolving field, it inherently carries a spectrum of risks typical of emerging technologies. We anticipate the enactment of new laws and regulations pertaining to AI use, potentially placing us under increased regulatory oversight, escalating litigation risks, and augmenting our existing obligations regarding confidentiality and privacy. Such developments could negatively impact our business operations. Moreover, AI technologies introduce heightened cybersecurity risks and ethical considerations, potentially affecting our reputation and operational performance. Threat actors are increasingly using AI to develop sophisticated cyberattacks, including deepfakes and social engineering. Should we introduce products or services that generate content that is misleading, inaccurate, biased, harmful or controversial due to perceived or actual societal impact, we may face potential harm to our brand and reputation, competitive disadvantages, and legal liabilities. AI algorithms and training methodologies may be flawed, ineffective or inadequate. AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals or society. Further, the legal landscape regarding intellectual property rights in AI technologies remains unsettled in the United States, both in legislation and judicial precedent. Consequently, our use of AI technologies and features might lead to allegations of infringement or misappropriation of third-party intellectual property rights. This risk is intensified by the current trend of entities swiftly seeking patents and other intellectual property protections in AI to gain a competitive edge. Additionally, generative and agentic AI has the capacity to yield inaccurate or misleading results, promote discriminatory outcomes, or perpetuate unintended biases, which risks are exacerbated by the speed and scale of adoption and utilization of AI across our customer base. Despite our efforts to implement measures and develop our AI tools in a manner that enhances accuracy, security and fairness, these issues may arise due to the direct interaction of users with generative and agentic AI models and the inherent unpredictability and power of these

technologies. Litigation or government regulation related to the use of AI may also adversely impact our ability to develop and offer AI-based products, as well as increase the cost and complexity of doing so. Failure to properly remediate AI use or ethical issues may undermine public confidence in AI. Such outcomes could result in reputational damage and adverse effects on our operational results.

***If we are unable to ensure that our products and services keep pace with other technology, we may become less competitive and our operating results may be harmed.***

To remain competitive, we must continue to develop new product offerings, applications, features, and enhancements to our products. Maintaining adequate resources to meet the demands of our customers and the market is essential. If we are unable to develop our products and services, including through the development of emerging technologies, such as AI, we may miss market opportunities and our products may become less attractive to users. Our competitors may have or expend a greater amount of resources on improvement of technology, and our failure to maintain adequate development programs or compete effectively could adversely affect our business.

***If we are unable to ensure that our products and services interoperate with other technology, we may become less competitive and our operating results may be harmed.***

We depend on the interoperability of our platform with web browsers, and in the case of our mobile applications, operating systems that we do not control. Any changes in such web browsers or systems that degrade the functionality of our products and services or give preferential treatment to competitive services could adversely affect the adoption and use of our offerings. In addition, to deliver high quality products and services, we will need to continuously enhance and modify our functionality to keep pace with technical, contractual, and other changes in Internet-related hardware, mobile operating systems such as iOS and Android, browsers, communication, network and database technologies. We may not be successful in developing enhancements and modifications that operate effectively with these devices, operating systems, web browsers or other technologies or in bringing them to market in a timely manner. Furthermore, uncertainties regarding the timing or nature of new network platforms or technologies, and modifications to existing platforms or technologies, could increase our research and product development expenses. In the event that it is difficult for our customers to access and use our products and services, our offerings may become less competitive, and our operating results could be adversely affected.

***We rely upon third-party service providers to host our platform and any disruption of such third-party services would impact our operations and our business could be adversely impacted.***

Third-party service providers provide the cloud computing infrastructure we use to host our platform. Any significant disruption of, limitation of our access to or other interference with our use of such third-party services would negatively impact our platform and operations and our business could be harmed. External factors impacting our third-party service providers could affect the availability or speed of our services. If our customers are unable to access our platform or encounter difficulties in doing so, we may lose customers, which could harm our business and results of operations.

#### **Risks Related to Cybersecurity and Data Privacy**

***Security vulnerabilities in our products, human error, or a breach of our security controls could result in the loss, theft, misuse, unauthorized disclosure, or unauthorized access to customer or employee data, or other confidential or sensitive information, which could harm our customer and/or employee relationships, competitiveness and reputation, and expose us to litigation, fines, or penalties.***

Our business involves the storage, processing and transmission of sensitive and proprietary data and personal information collected by or on behalf of our customers, the personal information of our employees, customers, and prospective customers and our proprietary financial, operational and strategic information. Cyber attacks, malicious internet-based activity, online and offline fraud, and other similar activities may threaten the confidentiality, integrity, and availability of our information technology systems, or those of the third parties upon which we rely, along with the proprietary, confidential, and sensitive data stored in or processed by such systems. As our business grows, the number of individuals using our products, as well as the amount of information we collect, store, process, and transmit is increasing, and our brands are becoming more widely recognized, which makes us a greater target for malicious activity. We have incurred, and expect to continue to incur, significant expenses in connection with our efforts to keep our systems, products and networks protected and up to date. However, there can be no assurance that the security measures we employ will prevent malicious or unauthorized access to our systems or information. Furthermore, no security program can entirely eliminate the risk of human error, such as an employee's or contractor's failure to follow one or more security protocols, which has previously occurred and we expect will occur again despite our efforts to train our employees and contractors on cybersecurity issues and enforce our security protocols. Additionally, with many of our employees continuing to work remotely, we face an increased risk of attempted security breaches and incidents. Therefore, despite our significant efforts to keep our systems, products and networks protected and up to date, we may be unable to anticipate new modes for cyber attacks, detect security incidents or react to them in a timely

manner, or implement adequate preventive measures, any of which may expose us to a risk of loss, harm to our reputation, litigation, fines, penalties, and potential liability.

Computer malware, ransomware, viruses, social engineering (deepfakes, phishing, smishing and vishing attacks), denial of service or other attacks, employee theft or misuse, and increasingly sophisticated network attacks have become more prevalent in our industry, particularly against cloud service providers. The sophistication of these malicious attacks has also increased, and it appears that cyber crimes and cyber criminal networks, some of which may be state-supported, have substantial resources and may target U.S. enterprises or our customers and their use of our products. Furthermore, the risk of state-supported and geopolitical-related cyber attacks may increase in connection with ongoing global geopolitical tensions. In the past, we have had to take corrective action against cyber attackers to protect our cloud environment. If our security measures are, or are believed to have been breached or otherwise to have failed as a result of third-party action, employee error, malfeasance or otherwise, our reputation could be damaged, our business may suffer, and we could incur significant liability.

In addition, some of our third-party service providers also collect, store, process, and transmit our sensitive information and our customers' data on our behalf. These service providers have experienced cybersecurity incidents in the past involving such information and data, and we expect they will continue to be subject to threats of cyber attacks and other malicious internet-based activities in the future. Our contracts with these third parties may not provide us with adequate remedies in the event of such an incident, which could also expose us to risk of loss, litigation, fines, penalties, and potential liability as well as reputational damage.

If our security measures, or the security measures of our third-party service providers, are breached as a result of wrongdoing or malicious activity on the part of our employees, our third-party service providers' employees, our customers' employees, or any third party, or as a result of any human error or neglect, product defect or otherwise, and this results in the loss, theft, misuse, unauthorized disclosure, or unauthorized access to personal data or other sensitive information, we could incur liability to our customers, employees, and to individuals or organizations whose information was being stored by us or our customers, as well as be subject to fines, penalties, or actions from payment processing networks or by governmental bodies. If we experience a widespread security breach, our insurance coverage may not offset liabilities actually incurred and insurance may not continue to be available to us on reasonable terms, or at all. In addition, security breaches could result in reputational damage, adversely affect our ability to attract new customers and cause existing customers to reduce or discontinue the use of our products and services. Furthermore, the perception by our current or potential customers that our products could be vulnerable to exploitation or that our security measures are inadequate, even in the absence of a particular problem or threat, could reduce market acceptance of our products and services and cause us to lose customers.

***Privacy laws and regulations could impose additional costs and reduce demand for our services.***

We collect, store, process, and transmit personal information relating to our employees, customers, prospective customers, and other individuals. Our customers use our platform to store and transmit a significant amount of personal information relating to their customers, vendors, employees and other industry participants. Federal and state government bodies and agencies have adopted, and are increasingly adopting, laws and regulations regarding the collection, storage, use, processing, security and transmission of personal information. For example, the California Consumer Privacy Act ("CCPA") requires certain privacy related disclosures and provides California consumers rights with respect to their personal information, including the right to request deletion of their personal information, receive the personal information on record for them, know what categories of personal information generally are maintained about them, and opt-out of certain sales and sharing of personal information for certain advertising purposes. The CCPA also granted a new state agency, the California Privacy Protection Agency, powers to adopt and enforce regulations interpreting the CCPA. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation.

In addition to California, we are currently subject to comprehensive privacy laws across multiple states, and in 2026, will be subject to new comprehensive privacy laws in Indiana, Kentucky, and Rhode Island. These new and existing privacy laws and regulations impose increasingly complex operational requirements and will likely increase the cost of compliance to support the delivery our services. We have incurred, and may in the future incur, substantial costs and expenses related to an increased exposure to regulatory enforcement and/or litigation. Despite our efforts, we cannot guarantee that we will be able to maintain full compliance with constantly evolving, and sometimes conflicting, data privacy laws in the jurisdictions in which we operate. If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to claims, legal proceedings or other actions by individuals or governmental authorities based on privacy or data protection regulations and our privacy commitments to customers or others.

Privacy advocates and industry groups may also propose various self-regulatory standards that may legally or contractually apply to our business. As new laws, regulations and industry standards take effect and we offer new services, we will need to understand and comply with various new requirements, which may impede our plans for growth or result in significant additional costs. These laws, regulations and industry standards have had, and will likely continue to have, negative effects on our business, including by increasing our costs and operating expenses, and/or delaying or impeding our deployment of new or existing core functionality or Value Added Services. Failure to comply with these laws, regulations and industry standards could result in negative publicity, subject us to fines or penalties, expose us to litigation, or result in demands that we modify or cease existing business practices. Furthermore, privacy concerns may cause residents, vendors, employees and other industry participants to resist providing the personal information necessary to allow our customers to use our applications effectively, which could reduce overall demand for our services. Any of these outcomes could adversely affect our business and operating results.

#### **Risks Related to Attracting and Retaining Talent**

*We depend on highly skilled personnel and, if we are unable to retain or hire additional qualified personnel or if we lose key members of our management team, we may not be able to achieve our strategic objectives and our business may be harmed.*

Our success and future growth depend, in part, upon the continued services of our executive officers and other key employees. To execute our growth plan and achieve our strategic objectives, we must continue to retain and hire highly qualified and motivated personnel across our organization. In particular, to continue to enhance our products and services, add new and innovative core functionality and/or Value Added Services, as well as develop new products, it will be critical for us to maintain and, over time, grow the current skill set and abilities of our research and product development organization. Further, for us to achieve broader market acceptance of our products and services, grow our customer base, and pursue new markets consistent with our strategic plan, we will need to maintain and, over time, grow the current skill set and abilities of all of our employees, including but not limited to those in our research and product development, sales, marketing, and customer service and support organizations. Competition for personnel is intense within our industry and there continues to be upward pressure on the compensation paid, particularly with respect to personnel with backgrounds in AI and cybersecurity. Retaining, identifying, recruiting, and training qualified personnel is difficult and requires a significant investment of time and resources.

Many of the companies with which we compete for personnel have greater name recognition and financial resources and may also employ a different compensation philosophy. As a result, we may experience greater challenges retaining and hiring skilled personnel than our competitors. In addition, existing and prospective 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, we are unable to offer equity awards in competitive amounts, or the price of our Class A common stock experiences volatility, this may adversely affect our ability to retain and recruit highly skilled employees. If we are unable to retain and attract the personnel necessary to execute our growth plan, we may be unable to achieve our strategic objectives and our operating results may suffer. In addition, from time-to-time there may be changes in our management team that may be disruptive to our business.

*Our corporate culture has contributed to our success and, if we cannot continue to preserve this culture, we could lose the passion, creativity, teamwork, focus and innovation fostered by our culture.*

We believe that our corporate culture has been and will continue to be a key contributor to our success. If we do not continue to preserve our corporate culture or maintain our core values as we grow and evolve, we may be unable to foster the passion, creativity, teamwork, focus and innovation we believe we need to support our growth. Any failure to preserve our culture could also negatively affect our ability to recruit and retain personnel and to effectively focus on and pursue our strategic objectives. As we grow, we may find it difficult to maintain our corporate culture.

## **Risks Related to Our Industry**

*All of our revenues are presently generated by sales to customers in the real estate industry, and factors that adversely affect that industry, or our customers within it, could also adversely affect us.*

We expect that our real estate industry customers will continue to account for a significant portion, or all, of our revenues for the foreseeable future. Demand for our products and services could be affected by factors that are unique to and adversely affect the real estate industry and our customers within it. If the real estate industry declines, our customers may decide not to renew their subscriptions or they may cease using our Value Added Services to reduce costs to remain competitive. Higher interest rates may make it difficult or impossible for our customers to obtain financing and increase their cost of capital, which could negatively impact the demand for our products and services, increase customer attrition, and impact our operating results. In addition, we could lose real estate customers as a result of acquisitions or consolidations, bankruptcies or other financial difficulties facing our real estate customers, new or enhanced legal or regulatory regimes that negatively impact the real estate industry, or conditions or trends specific to the real estate industry, such as the economic factors that impact the rental market and rental occupancy rates.

*Our estimates of market opportunity are subject to significant uncertainty.*

We determine the level of our investment in various aspects of our business, in part, based on our market opportunity estimates. Market opportunity estimates are subject to significant uncertainty, especially in a volatile economic environment, and are based on assumptions, including our internal analysis and industry experience. Assessing markets for cloud-based business management solutions in the real estate industry is particularly difficult due to a number of factors, including limited available information and rapid evolution of the industry and markets therein. If we do not accurately estimate our opportunities, we may fail to realize a return on our investment in various aspects of our business, which could lead to a failure to gain market share and negatively impact our long-term growth prospects.

## **Risks Related to Growing Our Business**

*Our inability to effectively maintain and enhance our brands could adversely affect our ability to attract new customers and negatively affect our business and operating results.*

Maintaining and enhancing our brands is critical to achieving widespread awareness and acceptance of our products and services as well as maintaining and expanding our customer base, which is a key component of our strategy. We expect the importance of brand recognition will increase as competition for our products and services increases. If we do not continue to build awareness of our brands, we will be at a competitive disadvantage compared to companies whose brands are, or become, more recognizable than ours. Maintaining and enhancing our brands requires us to make substantial investments, and these investments may not result in commensurate increases in our revenue. In addition, new and existing technologies, industry trends, and laws that restrict online advertising or that affect our ability to customize and target advertising may require us to significantly increase our marketing costs to generate and capture demand and maintain our brand awareness, level of sales, and operating results. Moreover, our efforts to maintain and enhance our brands could be impacted by negative publicity or reputational harm from adverse events, such as lawsuits, customer or third-party-service provider disputes, or cybersecurity incidents. If we fail to successfully maintain and enhance our brands, or if we make investments that are not offset by increased revenue, our operating results could be adversely affected.

*If we fail to manage our growth effectively, our costs and operating expenses may increase without corresponding increases in revenue, which would adversely affect our operating results.*

We have experienced, and anticipate that we will continue to experience, significant growth in the size, complexity, and diversity of our business. This growth has placed, and we expect that it will continue to place, a significant strain on our administrative, operational, financial and accounting resources. Our future success depends, in part, on our ability to manage this growth effectively. For example, to grow our customer base and facilitate the continuous launch and refinement of our products and services, we invest significantly in our sales, marketing, research and product development organizations, as well as software and systems to support the efficient operation of such organizations. There is no guarantee that these or similar investments to support our growth will be successful. If we are unable to manage our growth successfully and efficiently, it could result in increased costs and operating expenses without corresponding increases in revenue, which would adversely affect our operating results.

*If we do not accurately predict and respond promptly to rapidly evolving technological developments and customer needs, the demand for our products and our business and operating results may be harmed.*

Customer demands are constantly changing in response to new technology and other market factors. To compete effectively, we must identify and innovate in the right technologies, accurately predict our customers' evolving needs, and continually improve our own technology platform. If we fail to execute against any of the foregoing, our business, financial condition and operating results may be harmed. In addition, the widespread adoption of quickly evolving disruptive technology

products, such as generative and agentic AI, may significantly impact the real estate industry, even if such products are not specifically designed to apply directly to the real estate industry. While we have introduced new generative and agentic AI products and are focused on enhancing the AI capabilities of our products and services and incorporating AI across existing products and services, there can be no assurance that our new or enhanced products and AI innovations will be successful, adopted or monetizable, or that we will innovate effectively to keep pace with the rapid evolution of AI across our offerings. The adoption of such new technologies could significantly reduce the number or demand of our customers, thereby reducing our revenue, which could adversely impact our business, financial condition and operating results.

***We participate in an intensely competitive market and our business could be harmed if we do not compete effectively.***

The market for cloud-based business management solutions has relatively low barriers to entry and is global, highly competitive and continually evolving in response to a number of factors, including changes in technology, operational requirements, and laws and regulations. We compete with both other real estate industry cloud-based solution providers and providers of broad cloud-based solutions across multiple industries. We also face competition from numerous cloud-based solution providers that focus almost exclusively on one or more point solutions. Our competitors include established vendors, as well as newer entrants in the market. Our established competitors may have greater name recognition, longer operating histories, and significantly greater resources, which may allow them to respond more quickly and effectively to new or changing opportunities or challenges, technologies, operational requirements and industry standards. Our competitors who are new entrants to the market, and generally smaller, may have more nimble operations due to having fewer products and less overhead and may be willing to take legal and operational risks, which may allow them to launch products and meet customer demand more quickly and efficiently. Regardless of size, our current and potential competitors may develop, market and sell new technologies with comparable functionality to our products and services, which could cause us to lose customers, slow the rate of growth of new customers and/or cause us to decrease our prices to remain competitive. If we are unable to differentiate ourselves from our competitors and drive value for our customers or otherwise compete effectively against any of these competitive threats, our business, financial condition and results of operations could be harmed.

Further, we expect to face more competition as AI continues to advance and be integrated into the markets in which we compete. Our competitors or other third parties may incorporate AI into their offerings more successfully and efficiently, and achieve greater and faster adoption, which could impair our ability to compete effectively and adversely affect our business and financial results. Other companies may obtain proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our AI offerings.

In addition, we have introduced, and expect to continue to introduce, variations to our pricing model that are intended to provide broader usage and better align the cost of our services to the value they provide our customers. Although we believe that these pricing changes will increase customer adoption and revenue, it is possible that they will not and may make our services less appealing, cause adoption friction, or that we could experience competitive pressure to adjust our pricing, which could negatively impact our business, revenue, and operating results.

***If we are unable to successfully expand sales of our products and services to new markets, our business, financial condition, and operating results may suffer.***

Our growth strategy requires expanding sales of our products and services to new markets within the real estate space. These new markets include larger and mixed-use customers. Acceptance of our current and future products and services in new markets will depend on numerous factors, including our ability to provide more sophisticated functionality and features, the pricing of our products and services relative to competitors, perceptions about the security, privacy and availability of our offerings relative to competitive products and services, and the time-to-market of updates and enhancements to our offerings. There is no guarantee we will be successful in achieving all or any of the foregoing. Additionally, sales to new markets will involve risks that are not present, or are present to a lesser extent, in sales to the markets we currently serve. Such risks may include new regulatory regimes, longer sale cycles, increased chance of litigation with customers, increased risk and impact of reputational harm, and increased competition. We may not be able to sufficiently mitigate such risks, which would impact our ability to successfully expand our business. If we are unable to successfully expand sales of our products and services to new markets, our revenue may increase at a slower rate than we expect and may even decline, which could adversely affect our business, financial condition and operating results.

***Our business depends substantially on existing customers renewing their subscriptions with us and expanding their use of our Value Added Services, and a decline in either could adversely affect our operating results.***

For us to maintain or increase our revenue and improve our operating results, it is important that our existing customers continue to use our Subscription Services, as well as continue to use and increase their adoption and utilization of our Value Added Services. Our customers may not renew their subscriptions with us, continue to expand their adoption and utilization of our Value Added Services, or use our Value Added Services at all for a variety of reasons, including macroeconomic pressures on the real estate market, competitive displacement, customer satisfaction or service, or reputational harm. If our existing customers do not renew their subscriptions and increase their adoption and utilization of our existing or newly developed Value Added Services, our revenue may increase at a slower rate than we expect and may even decline, which could adversely affect our financial condition and operating results. A reduction in the number of our existing customers, even if offset by an increase in new customers, could reduce our revenue and operating margins.

***We manage our business to achieve long-term growth, which may not be consistent with the short-term expectations of some investors.***

We make product decisions and pursue opportunities that are consistent with our strategic objective to achieve long-term growth. These decisions and opportunities may not be consistent with the short-term expectations of some investors, and may cause significant fluctuations in our results of operations and our stock price from period to period. In addition, notwithstanding our intention to make strategic decisions and pursue opportunities that positively impact long-term value, the decisions we make and opportunities we pursue may not produce the long-term benefits we expect, which could materially affect our business, financial condition and results of operation.

***Our acquisition of other companies or technologies may subject us to risks.***

We have acquired, and may in the future acquire, other companies (such as our acquisition of Move EZ, Inc. in 2024) or technologies to complement or expand our products and services, optimize our technical capabilities, enhance our ability to compete, or otherwise advance our strategic objectives. We have limited experience and success in acquiring other businesses and we may not be able to effectively integrate acquired assets, technologies, personnel and operations or achieve the anticipated synergies or other benefits from the acquisition due to the inherent risks associated with acquisitions. If an acquisition fails to meet our expectations in terms of its contribution to our overall business strategy or results of operations, or if the costs of acquiring or integrating the acquired business exceed our estimates, our business, results of operations, strategic objectives, and financial condition may suffer. An acquisition may also divert the attention of management and disrupt our ongoing business operations.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets. We are required to test goodwill and any other intangible assets with an indefinite life for possible impairment on an annual basis, or more frequently, when circumstances indicate that impairment may have occurred. We are also required to evaluate amortizable intangible assets and fixed assets for impairment if there are indicators of a possible impairment. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could adversely affect our results of operations.

***We are subject to risks associated with our strategic investments, including partial or complete loss of invested capital. Changes in the fair value of our strategic investments could negatively impact our business, financial condition and results of operations.***

Our strategic investments consist of non-marketable equity investments in privately-held companies in which we do not have a controlling interest or significant influence. We make these investments to further our strategic objectives and support key business initiatives. However, these investments are inherently risky, and there can be no assurance that we will achieve the anticipated benefits of these investments or realize a return on them, or be able to dispose of them on favorable terms or at all. Consequently, we could lose all or part of our invested capital.

We record these strategic investments as long-term investments in our Consolidated Balance Sheets. We have elected to apply the measurement alternative for equity investments in privately-held companies that do not have readily determinable fair values, measuring them at cost, less any impairment, plus or minus adjustments resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. An impairment loss is recorded when an event or circumstance indicates a decline in value has occurred.

In determining the estimated fair value of these strategic investments, we use the most recent and available data. Valuations of privately held securities are inherently complex due to the lack of readily available market data and require the use of judgment. The determination of whether an orderly transaction is for an identical or similar investment requires use of significant judgment. In our evaluation, we consider factors such as differences in the rights and preferences of the investments and the extent to which those differences would affect the fair values of those investments. Our impairment analysis encompasses an assessment of both qualitative and quantitative factors, including the investee's financial metrics, market

acceptance of the investee's product or technology, general market conditions and liquidity considerations. We record all fair value adjustments of these strategic investments through our Consolidated Statement of Operations. As a result, we may experience additional volatility to our statement of operations due to the valuation and timing of observable price changes or impairments of our strategic investments.

Changes in the fair value of these strategic investments or partial or complete loss of our invested capital could be material to our financial statements and negatively impact our business, financial condition and results of operations.

#### **Risks Related to Intellectual Property Matters**

***Failure to protect our intellectual property rights, including our code, proprietary technology and brands, could impair our competitive position and harm our business.***

We currently rely on patent, trademark, copyright and trade secret laws, trade secret protection, and confidentiality, invention assignment, license and other agreements with our employees, customers, third-party service providers and others to protect our intellectual property rights, which are important to our future success. In addition, we utilize third-party platforms to host our code for version control and collaboration and rely on the security features made available by such platforms to prevent unauthorized access to our code. Our success and ability to compete depend, in part, on our ability to continue to protect our intellectual property, including our code, proprietary technology and brands. Despite our efforts, protecting our intellectual property rights and preventing infringement and unauthorized use of our intellectual property are inherently uncertain. If we are unable to adequately protect our intellectual property rights or the security controls made available by our code hosting partners are compromised and our code is improperly accessed, which has previously occurred and could occur again in the future, our competitors could use the intellectual property we have developed to enhance their own products and services, which could harm our business. In addition, third parties may independently develop technologies or products that compete with ours, and we may be unable to prevent such competition. We cannot be certain that our means of protecting our intellectual property rights will be adequate or that our competitors will not independently develop similar technologies or products. To monitor and protect our intellectual property rights, we may be required to expend significant resources. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management, and result in the impairment or loss of portions of our intellectual property or require us to pay costly royalties. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our business, financial condition and operating results.

***We may be sued by third parties for alleged infringement of their intellectual property rights, which could cause us to incur significant expenses and require us to pay substantial damages.***

Our success depends, in part, on us refraining from infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, may legally own or claim to own intellectual property relating to our technology or products and services, including without limitation technology we develop and build internally and/or acquire. From time to time, our competitors or other third parties may claim that we are infringing upon their intellectual property rights. Any claims or litigation, regardless of merit, could cause us to incur significant expenses, distract management, and, if successfully asserted against us, could require that we pay substantial damages, settlement costs or ongoing royalty payments, require that we comply with unfavorable license and other terms, or prevent us from offering our products and services in their current form, including due to the unavailability of commercially reasonable licensing terms.

***Our products and services contain open source and third-party software, which may pose risks to our proprietary source code and/or introduce security vulnerabilities, and could have an adverse impact on our business and operating results.***

We use, and expect to continue to use, open source software in our products and services. The terms of many open source licenses to which we are subject have not been interpreted by United States or foreign courts, and there is a risk that these open source licenses could be construed in a manner that imposes unanticipated conditions, restrictions or costs on our ability to provide or distribute our products and services. Additionally, we may from time to time face claims from third parties alleging ownership of, or demanding release of, the open source software or of derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license in a manner that would harm our business or competitive position. These claims could result in litigation, which could be costly for us to defend, and require us to make our source code freely available, purchase a costly license or cease offering the implicated functionality unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and product development resources, and we may not be able to complete it successfully or in a timely manner. Use of certain open source software can also lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. We also use, and expect to continue to use, third-party commercial software in our products and services. Third-party commercial software and open source software are developed outside of our direct control and may introduce security vulnerabilities that may be difficult to anticipate or mitigate. Further, there is no guarantee that third-party software developers or open source software providers will continue to maintain and update their software that we use. Should development of in-use third-party

software or open source software cease, significant engineering effort may be required to create an in-house solution. These risks could be difficult to eliminate or manage and have an adverse impact on our business and operating results.

#### **Risks Related to Our Financial Results**

*As our business grows, we expect our revenue growth rate to decline over the long term.*

You should not rely on our prior revenue growth as an indication of our future revenue growth. While we have experienced significant revenue growth in prior periods, we expect our revenue growth rate to decline over the long term due to increasing competition, a decrease in the growth rate of our overall market, the maturation of our business, and other reasons.

*We expect to make substantial investments across our organization to grow our business, which may impact profitability.*

To implement our business and growth strategy, we have made and will continue to make substantial investments across our organization and, as a result, our expenses may increase significantly impacting profitability. For example, we intend to continue to make substantial investments in, among other things: our research and product development organization to both enhance the ease of use and functionality of and develop new products and services; our sales and marketing organization, including expansion of our sales and marketing programs, to increase the size of our customer base and increase adoption and utilization of new and existing Value Added Services by our new and existing customers; and maintaining and expanding our technology infrastructure and operational support to promote the security and availability of our products and services. Even if we are successful in growing our customer base and increasing revenue from new and existing customers, we may not be able to generate additional revenue in an amount that is sufficient to keep pace with our expenses.

*Our quarterly results may fluctuate significantly and period-to-period comparisons of our results may not be meaningful.*

Our quarterly results, including the levels of our revenue, costs, operating expenses, and operating margins, may fluctuate significantly in the future, and period-to-period comparisons of our results may not be meaningful. The other risks discussed in this "Risk Factors" section may contribute to the variability of our quarterly results. Additionally, we typically experience seasonality in our Value Added Services revenue due to seasonally higher leasing activities in the second quarter, which results in a sequential increase in revenue in the first, second, and third quarters and a sequential decline in revenue in the fourth quarter. Accordingly, the results of any one quarter should not be relied upon as an indication of our future performance. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional details regarding the seasonality of our revenue.

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

Under Section 382 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income and taxes may be limited. In general, an "ownership change" occurs if there is a cumulative change in our ownership by "5% shareholders" that exceeds 50% over a rolling three-year period. Similar rules may apply under state tax laws. It is possible that our existing net operating loss and/or credit carryforwards may be subject to limitations arising from ownership changes. There is also a risk that due to legislative changes, such as suspensions on the use of net operating loss carryforwards, or other unforeseen reasons, our existing net operating loss carryforwards could expire or otherwise be unavailable to offset future income tax liabilities.

#### **Risks Related to Indebtedness**

*Our revolving Credit Facility contains covenants which may limit our operational flexibility and otherwise adversely affect our financial condition and/or results of operations, and provides the lender with a first-priority security interest in substantially all of our and our subsidiary guarantors' personal property.*

On September 30, 2025, we entered into a credit agreement, by and among AppFolio, Inc., certain of our subsidiaries as guarantors, the lender(s) party thereto, and PNC Bank, National Association, in its capacity as Administrative Agent, Swingline Loan Lender and Issuing Lender (the "Credit Facility") which provides for a \$150 million senior secured revolving credit facility, including sublimits of \$25 million for letters of credit and \$25 million for swingline loans.

The Credit Facility contains a number of covenants that restrict our and our subsidiaries' ability to, among other things, incur indebtedness and liens, make investments, pay dividends or distributions or repurchase equity interests, merge, consolidate or otherwise dispose of assets, enter into transactions with affiliates, and prepay, redeem, purchase, or otherwise retire junior indebtedness, all subject to certain exceptions. We are also required to maintain a Consolidated Net Leverage Ratio (as defined in the Credit Facility) not greater than a specified level. These covenants could limit our operational flexibility and ability to exploit business opportunities.

A failure by us to comply with the covenants or payment requirements, or the occurrence of other events specified in the Credit Facility, could result in an event of default under the Credit Facility, which would give the lender(s) the right to

terminate the commitments to provide loans and extensions of credit and to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. In addition, the lender would have the right to proceed against the collateral in which we granted a security interest to the lender, which consists of substantially all of our and our subsidiary guarantors' personal property.

#### **Risks Related to Our Common Stock**

***The market price of our Class A common stock may be volatile or decline regardless of our operating performance, which could result in substantial losses for our stockholders.***

The market price of our Class A common stock has been, and may continue to be volatile. Fluctuations in the price of our Class A common stock could cause our stockholders to lose all or part of their investments. The market price of our Class A common stock could be subject to fluctuations in response to many of the risks discussed in the "Risk Factors" section in this Annual Report and other factors beyond our control, including without limitation:

- actual or anticipated fluctuations in our financial condition or results of operations;
- changes in the estimates of our operating results;
- changes in recommendations by securities analysts or the failure of securities analysts to maintain coverage of us;
- announcements of new products, services, technologies, or pricing;
- fluctuations in our valuation or the valuation of similarly situated companies;
- changes to our management team;
- trading activity by insiders or the market's perception that insiders intend to sell their shares;
- actual or perceived privacy or data security breaches or other similar incidents;
- the trading volume of our Class A common stock, including sales upon exercise of outstanding options or vesting of equity awards; and
- the overall performance of the equity markets as well as general economic and market conditions.

Such factors could cause the market price of our Class A common stock to decline or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate.

In addition, the stock market for technology companies has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our Class A common stock, regardless of our actual operating performance.

***The dual class structure of our common stock concentrates voting control with a limited number of stockholders, including certain of our directors and principal stockholders, effectively limiting other stockholders' ability to influence corporate matters.***

Our Class B common stock has ten votes per share, and our Class A common stock has one vote per share. As of December 31, 2025, the holders of the outstanding shares of our Class B common stock, including certain of our directors and principal stockholders, collectively held approximately 83% of the combined voting power of our outstanding capital stock. Because of the 10-to-1 voting ratio between our Class B common stock and Class A common stock, the holders of our Class B common stock collectively control a majority of the combined voting power of our outstanding capital stock and therefore control the election of a majority of our directors and thereby have the power to control our affairs and policies, including the appointment of management and strategic decisions, as well as matters that are submitted to a vote by the holders of our common stock. The interests of the holders of our Class B common stock may be inconsistent with or adverse to those of the holders of our Class A common stock. This concentrated control may also have the effect of delaying, deterring or preventing a change-in-control transaction, depriving our stockholders of an opportunity to receive a premium for their capital stock or negatively affecting the market price of our Class A common stock. In addition, transfers by holders of our Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions. The conversion of our Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of the holders of our Class B common stock who retain their shares over the long term.

***We cannot predict the impact that our capital structure may have on our stock price.***

Several shareholder advisory firms are opposed to the use of multiple class structures such as ours. As a result, shareholder advisory firms may publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock. In addition, certain institutional investors and investment funds may be prohibited from investing in, or reluctant or unwilling to invest in entities with multiple class structures due to a lack of ability to meaningfully influence corporate affairs and policies through voting. Such prohibitions, reluctance and unwillingness may make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.

***We do not expect to pay any dividends in the foreseeable future.***

We have never declared or paid, and we do not anticipate declaring or paying, any cash dividends to holders of our Class A common stock in the foreseeable future. Consequently, investors may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

***Anti-takeover provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.***

Our Amended and Restated Certificate of Incorporation (our "Certificate") and our Amended and Restated Bylaws (our "Bylaws") contain provisions that could have the effect of rendering more difficult hostile takeovers, change-in-control transactions or changes in our Board of Directors or management. Among other things, these provisions authorize the issuance of preferred stock with powers, preferences and rights that may be senior to our common stock, provide for a staggered three-class Board of Directors, prohibit our stockholders from filling vacancies on our Board of Directors or calling special stockholder meetings, require the affirmative vote of (1) at least 66 2/3% of the combined voting power of our outstanding capital stock to approve certain amendments to our Certificate, (2) at least 80% of the combined voting power of our outstanding capital stock to approve amendments by our stockholders to our Bylaws, and (3) at least a majority of the outstanding shares of our Class B common stock voting as a separate class prior to consummating a change-in-control transaction. As a Delaware corporation, we are also subject to the provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which may delay, deter or prevent a change-in-control transaction. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock. Any provision of Delaware law, our Certificate or our Bylaws that has the effect of rendering more difficult, delaying, deterring or preventing a change-in-control transaction could limit the opportunity for our stockholders to receive a premium for their shares and affect the price that some investors are willing to pay for our Class A common stock.

***Share repurchases could increase the volatility of the trading price of our Class A common stock and diminish our cash reserves, and we cannot guarantee that our share repurchase program will enhance long-term stockholder value.***

On April 23, 2025, our Board of Directors authorized the repurchase of up to \$300.0 million of our Class A common stock from time to time in open market purchases or privately negotiated transactions (the "2025 Stock Repurchase Program"). The 2025 Stock Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares, has no expiration date, and can be modified, terminated or suspended at any time. Repurchases of shares of our Class A common stock could affect the trading price of our Class A common stock and could increase volatility of securities. Similarly, the future announcement of the modification, termination, or suspension of the 2025 Stock Repurchase Program, or our decision not to utilize the full authorized repurchase amount under the 2025 Stock Repurchase Program, could result in a decrease in the trading price of our Class A common stock. In addition, the 2025 Stock Repurchase Program could have the impact of reducing our cash reserves, which may impact our ability to finance our growth, fund working capital, strategic acquisitions or business opportunities, and other general corporate purposes and execute our strategic plan. Although the 2025 Stock Repurchase Program is intended to enhance long-term stockholder value, there can be no assurance that it will do so because the trading price of our Class A common stock may decline below the levels at which we repurchased our shares and short-term stock price fluctuations could reduce the effectiveness of the 2025 Stock Repurchase Program.

#### **Risks Related to Macroeconomic Conditions**

***Global and regional economic conditions could harm our business.***

Adverse global and regional economic conditions, including, but not limited to, recessionary or inflationary pressures, tightening in the credit markets, extreme volatility or distress in the financial markets, supply chain issues, fluctuations in rental occupancy rates, reduced consumer confidence or economic activity, government fiscal and tax policies, geopolitical events, and other negative financial news or macroeconomic developments could have an adverse impact on the demand for our products and services or cause us to experience increased costs that could negatively affect our operating results.

*Laws and regulations are continuously evolving and unfavorable changes could adversely affect our operating results, subject us to litigation or governmental investigation, or otherwise harm our business.*

In addition to laws and regulations directly applicable to our products and services, we are subject to general business laws and regulations. Unfavorable laws, regulations and administrative or judicial decisions interpreting or applying laws and regulations applicable to our business could subject us to litigation or governmental investigation and increase our cost of doing business, any of which may adversely affect our operating results. In addition, the application of federal, state and local tax laws to services provided electronically is continuously evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted or amended at any time (possibly with retroactive effect), and be applied solely or disproportionately to services provided over the Internet. These enactments or amendments could adversely affect our sales activity due to the inherent cost increase such taxes would represent and ultimately result in a negative impact on our operating results. Existing tax laws, statutes, rules, regulations or ordinances could also be interpreted, modified or applied adversely to us (possibly with retroactive effect), which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines or penalties, as well as interest on past amounts. If we are unsuccessful in collecting such taxes due from our customers, we could be held liable for such costs, thereby adversely impacting our operating results.

*Audits and reviews by tax authorities may prove costly and a distraction to management.*

Our tax filings are subject to reviews and audits in various jurisdictions and the positions or assumptions we take may be challenged. Although we believe our tax positions are reasonable, it is possible that tax authorities may disagree with certain positions we have taken and an adverse outcome of such a review or audit could result in additional tax, interest and penalties, which could have a negative effect on our financial condition and operating results. In addition, defending our tax positions may be costly and a distraction to management, which may affect our operating results.

*Natural disasters, health epidemics, or other catastrophic events may cause damage or disruption to our operations, commerce and the global economy, and have a negative effect on our business and operations.*

Our business operations are subject to interruption by natural disasters, flooding, fire, power shortages, health epidemics, terrorism, political unrest, telecommunications failure, vandalism, cyber-attacks, geopolitical instability, war, the effects of climate change (such as drought, wildfires, hurricanes, and increased storm severity) and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers, decrease demand for our services, and cause us to incur substantial expense. Our insurance may not be sufficient to cover losses or additional expenses that we may sustain. The majority of our research and development activities, offices, information technology systems, and other critical business operations are located near major seismic faults in California. Customer data could be lost, significant recovery time could be required to resume operations and our financial condition and operating results could be adversely affected in the event of a major natural disaster or catastrophic event. In addition, the impacts of climate change on the global economy and our industry are rapidly evolving. We may be subject to increased regulations, reporting requirements, standards or expectations regarding the environmental impacts of our business.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 1C. CYBERSECURITY**

##### **Cybersecurity and Risk Management Strategy**

Our business involves the collection, storage, processing and transmission of a significant amount of confidential and sensitive information. As a result, we take the confidentiality, integrity, and availability of such information seriously and invest significant time, effort, and resources into protecting such information. Our cybersecurity risk management strategy is designed with the foregoing principles in mind and prioritizes detecting and responding to threats and effective management of security risks.

To implement our cybersecurity risk management strategy, we maintain comprehensive processes and safeguards to secure the data we hold and to assess, identify and manage material risks from cybersecurity threats, including:

- encrypting sensitive data;
- utilizing a robust 24/7/365 security monitoring system;
- regularly assessing product features for security vulnerabilities;
- periodically conducting both internal and third-party penetration tests; and

- providing our customers with multi-factor authentication options to help them effectively protect their information.

We also maintain data and cybersecurity protection and control policies to facilitate a secure environment for sensitive information and to ensure the availability of critical data and systems. We have processes in place to assess, identify and manage vendor cybersecurity risks, which include initial and periodic security program reviews and, in cases where personal information is shared, ongoing cybersecurity and privacy obligations that are documented in data processing agreements. Our cybersecurity policies, standards, and processes are informed by a variety of industry standards and best practices, including the NIST Cybersecurity Framework and ISO 27001.

We engage independent third parties to audit our adherence to our cybersecurity policies and conduct infrastructure and application security assessments and penetration testing. These third parties help us assess our internal preparedness, adherence to best practices and industry standards, and compliance with applicable laws and regulations as well as help us to identify areas for continued focus and improvement. We also conduct annual information security awareness training for all employees. In addition, we carry insurance that provides certain, limited protection against potential losses arising from a cybersecurity incident.

#### **Cybersecurity Governance**

The Risk and Compliance Oversight Committee of our Board of Directors (the "RCOC") is responsible for overseeing and reviewing AppFolio's cybersecurity program and cybersecurity risk exposure and the steps taken to monitor and mitigate such exposure. The RCOC updates the full Board of Directors on cybersecurity matters as appropriate.

Our information security team is led by our Chief Information Security Officer ("CISO"), who has served in the role since 2015 and has experience in application security, intrusion detection, penetration testing, complex threat modeling, and unconventional cyber-attack vectors. The CISO oversees a team of information security professionals who are devoted full time to assessing, identifying and managing cybersecurity threats on a day-to-day basis. The CISO attends each quarterly meeting of the RCOC to brief members on information security matters and discuss cybersecurity risks generally.

In addition, our management team has established an Enterprise Risk Management Program (the "ERM Program"), which includes processes designed to assess, identify, manage, categorize, and monitor key current and evolving risks facing AppFolio, including cybersecurity risks. Management is made aware of current and evolving cybersecurity risks through ERM Program reporting and periodic updates at weekly executive leadership team meetings. In the event of a material or potentially material cybersecurity incident, senior members of management are promptly informed of such incident and oversee response and disclosure efforts pursuant to the terms of a documented incident response plan.

Notwithstanding the foregoing efforts, there can be no assurance that our cybersecurity risk management program will entirely eliminate all risks from cybersecurity threats or incidents. Like many other businesses, we have experienced cybersecurity threats and incidents in the past, and expect to continue to experience cybersecurity threats and potentially cybersecurity incidents in the future. While the risks from previous cybersecurity threats and incidents have not materially affected, and, in our belief, are not reasonably likely to materially affect, us, including our business strategy, results of operations or financial condition, future cybersecurity threats and incidences may materially affect us, including our business strategy, results of operations, or financial condition. See Item 1A., "*Risk Factors*" for additional details regarding cybersecurity risks.

#### **ITEM 2. PROPERTIES**

Our corporate headquarters is located in Santa Barbara, California, where we lease approximately 86,000 square feet of space. We also lease office space in several other U.S. cities. We do not own any real estate.

We believe our current facilities are adequate for our current needs and that, should it be needed, suitable additional or alternative space will be available to us to accommodate any such expansion of our operations.

#### **ITEM 3. LEGAL PROCEEDINGS**

From time to time, we are involved in various investigative inquiries, legal proceedings and disputes arising from or related to matters incident to the ordinary course of our business activities, including actions with respect to intellectual property, employment, labor, regulatory and contractual matters. Although the ultimate outcome of such investigative inquiries, legal proceedings and other disputes cannot be predicted with certainty, we do not believe that any such pending investigative inquiries, legal proceedings and other disputes, if determined adversely to us, would, individually or taken together, have a material adverse effect on our business, operating results, financial condition or cash flows.

For additional information regarding legal proceedings, refer to Note 11, *Commitments and Contingencies* of our Consolidated Financial Statements.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

***Market for our Common Stock***

Our Class A common stock is listed on the NASDAQ Global Market under the symbol "APPF".

Our Class B common stock is not listed or traded on any stock exchange.

***Holders of Record***

At January 29, 2026, there were 18 holders of record of our Class A common stock and 45 holders of record of our Class B common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

***Dividend Policy***

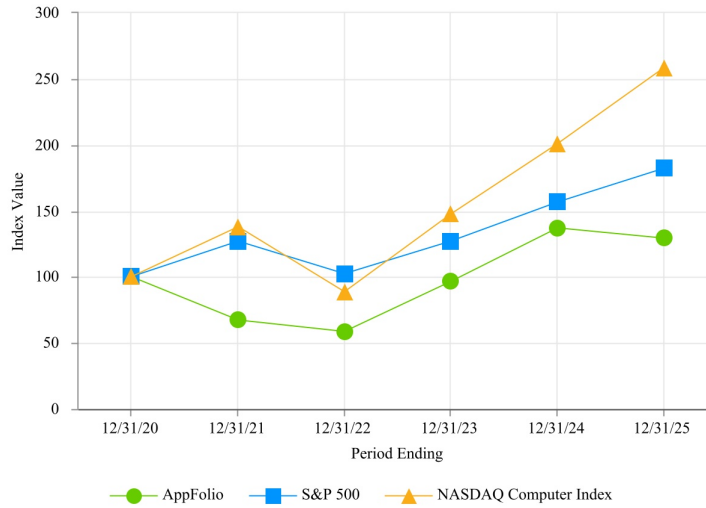
We have never declared or paid any cash dividends on our capital stock. We do not anticipate declaring or paying any cash dividends to holders of our capital stock in the foreseeable future.

***Stock Performance Graph***

The following performance graph compares the cumulative total return on our Class A common stock with that of the S&P 500 Index and the NASDAQ Computer Index. This graph assumes that, at the close of market on December 31, 2020, \$100 was invested in our Class A common stock, the S&P 500 Index and the NASDAQ Computer Index, and assumes the reinvestment of any dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.

### Total Return Performance



This performance graph shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or incorporated by reference into any of our other filings under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

#### Unregistered Sales of Equity Securities and Purchases of Equity Securities

None.

#### ITEM 6. [RESERVED]

#### ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition, results of operations and liquidity should be read together with our Consolidated Financial Statements and the related notes included elsewhere in this Annual Report.

The following discussion and analysis of our financial condition and results of operations includes 2025 and 2024 items and year-over-year comparisons between 2025 and 2024. For discussion of 2023 items and year-over-year comparisons between 2024 and 2023, refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2024. Our Consolidated Financial Statements are prepared and presented in accordance with accounting principles generally accepted in the United States (“GAAP”). This Annual Report also contains information regarding our non-GAAP income from operations (“Non-GAAP operating income”) and non-GAAP operating margin (“Non-GAAP Operating Margin”), each of which constitutes a non-GAAP financial measure. We use these non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. For more information regarding these non-GAAP financial measures, refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures” below.

## Overview

We are a technology leader powering the future of real estate. We provide a cloud-based platform on which our customers operate their businesses. We help our customers navigate an increasingly interconnected and growing network of stakeholders in their business ecosystems, including property managers, property investors, potential residents, residents, and vendors. We also provide key functionality related to critical transactions across the real estate lifecycle, including screening potential residents, sending and receiving payments, and providing insurance-related risk mitigation services. Our services enable our customers to connect communities, increase operational efficiency, deliver exceptional customer experiences, and improve financial and operational performance.

### *Financial Highlights for the Fiscal Year 2025*

- Total property management units under management grew 8% year-over-year to 9.4 million.
- Revenue grew 20% year-over-year to \$950.8 million.
- GAAP operating income was \$152.9 million, or 16.1% of revenue, compared to GAAP operating income of \$135.6 million, or 17.1% of revenue in 2024.
- Non-GAAP operating income was \$234.9 million, or 24.7% of revenue, compared to non-GAAP operating income of \$199.8 million, or 25.2% of revenue, in 2024.
- Net cash provided by operating activities was \$242.1 million, or 25.5% of revenue, compared to \$188.2 million, or 23.7% of revenue, in 2024.

## Key Business Metric

We monitor the key business metric set forth below to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions.

**Property management units under management.** We believe that our ability to increase the number of property management units under management is an indicator of our market penetration, growth, and potential future business opportunities. We define property management units under management as active or committed units under management at the period end date. We had 9.4 million and 8.7 million property management units under management, as of December 31, 2025 and 2024, respectively.

## Seasonality

We have historically experienced seasonality in our Value Added Services revenue due to seasonally higher leasing activities in the second quarter. Specifically, higher tenant applications in the second quarter typically result in increased use by our property management customers of our tenant screening services and, in the third quarter once resident move-ins have occurred, higher demand for our risk mitigation services. Because of the seasonality in our Value Added Services, we typically experience a sequential increase in revenue in the first, second, and third quarters and a sequential decline in revenue in the fourth quarter. Moreover, if macroeconomic factors in a given fiscal year impact tenant behavior, our product portfolio mix, or the adoption rate of our other less seasonally impacted Value Added Services, the effect that seasonal factors have on our revenue may be exacerbated. Although these seasonal factors are common in the real estate industry, historical patterns should not be considered a reliable indicator of our future sales activity or performance.

## Key Components of Results of Operations

### **Revenue**

Our Subscription Services and certain of our Value Added Services are offered on a subscription basis. The subscription fees for our Subscription Services vary by property type and are designed to scale with the size of our customers' businesses. We recognize revenue for subscription-based services on a straight-line basis over the contract term beginning on the date that our service is made available. We generally invoice monthly or, to a lesser extent, annually in advance of a subscription period.

We also offer certain Value Added Services, which are not covered by our subscription fees, on a per-use basis. Usage-based fees are charged either as a percentage of the transaction amount (e.g., for certain of our electronic payment services) or on a flat fee per transaction basis, generally with no minimum usage commitments (e.g., for our tenant screening and risk mitigation services). We recognize revenue for usage-based services in the period the service is rendered. Our payments services fees are recorded gross of any interchange and payment processing related fees. We generally invoice our usage-based services on a monthly basis or collect the fee at the time of service. A significant majority of our Value Added Services revenue comes from the use of our electronic payment services, tenant screening services, and risk mitigation services.

In addition, we charge our customers for assistance onboarding onto our Subscription Services and for certain other non-recurring services. We generally invoice for these other services in advance of the services being completed and recognize revenue in the period the service is rendered. We also generate revenue from the legacy customers of businesses we acquire that provide standalone services outside of our platform. Revenue derived from these services is recorded in Other revenue. As of December 31, 2025 and 2024, we had 22,096 and 20,784 property management customers, respectively.

#### **Costs and Operating Expenses**

**Cost of Revenue (Exclusive of Depreciation and Amortization).** Many of our Value Added Services are facilitated by third-party service providers. Cost of revenue paid to these third-party service providers includes, without limitation, the cost of electronic interchange and payment processing-related services to support our payments services, the cost of credit reporting services for our tenant screening services, and various costs associated with our risk mitigation service providers. These third-party costs vary both in amount and as a percentage of revenue for each Value Added Service offering. Cost of revenue also includes personnel-related costs for our employees focused on customer service and the support of our operations (including salaries, cash bonuses, benefits, and stock-based compensation), platform infrastructure costs (such as data center operations and hosting-related costs), and allocated shared and other costs. Cost of revenue excludes depreciation of property and equipment, amortization of capitalized software development costs and amortization of intangible assets.

**Sales and Marketing.** Sales and marketing expense consists of personnel-related costs for our employees focused on sales and marketing (including salaries, sales commissions, cash bonuses, benefits, and stock-based compensation), costs associated with sales and marketing activities, and allocated shared and other costs. Marketing activities include advertising, online lead generation, lead nurturing, customer and industry events, and the creation of industry-related content and collateral. We focus our sales and marketing efforts on generating awareness of our products and services, creating sales leads, establishing and promoting our brands, and cultivating an educated community of successful and vocal customers.

**Research and Product Development.** Research and product development expense consists of personnel-related costs for our employees focused on research and product development (including salaries, cash bonuses, benefits, and stock-based compensation), fees for third-party development resources, and allocated shared and other costs. Our research and product development efforts are focused on expanding functionality and the ease of use of our existing software products and services by adding new core functionality, Value Added Services and other improvements, as well as developing new products and services. We capitalize our software development costs that meet the criteria for capitalization. Amortization of capitalized software development costs is included in depreciation and amortization expense.

**General and Administrative.** General and administrative expense consists of personnel-related costs for employees in our executive, finance, information technology, human resources, legal, compliance, and administrative organizations (including salaries, cash bonuses, benefits, and stock-based compensation). In addition, general and administrative expense includes fees for third-party professional services (including audit, legal, compliance, and tax services), regulatory fees, other corporate expenses, impairment of long-lived assets, gains on lease modifications, and allocated shared and other costs.

**Depreciation and Amortization.** Depreciation and amortization expense includes depreciation of property and equipment, amortization of capitalized software development costs, and amortization of intangible assets. We depreciate or amortize property and equipment, software development costs, and intangible assets over their expected useful lives on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

**Interest Income, Net.** Interest income, net includes interest earned on investment securities, amortization and accretion of the premium and discounts paid from the purchase of investment securities, and interest earned on cash deposited in our bank accounts.

**Provision for (benefit from) income taxes.** Provision for (benefit from) income taxes consists of federal and state income taxes in the United States.

## Results of Operations

### Revenue

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Subscription Services	\$ 211,457	\$ 180,605	\$ 30,852	17 %
Value Added Services	721,549	605,011	116,538	19
Other	17,816	8,586	9,230	108
Total revenue	\$ 950,822	\$ 794,202	\$ 156,620	20 %

The increase in revenue for the year ended December 31, 2025, compared to the prior year, was primarily attributable to an increase in the usage of our electronic payment, tenant screening, and risk mitigation services by property managers and residents. During the year ended December 31, 2025, we experienced growth of 8% in the number of property management units under management compared to the prior year, which drove growth in users of our Subscription Services and Value Added Services.

We expect total revenue for the year ending December 31, 2026 to increase compared to the year ended December 31, 2025 as we continue to add new customers and property management units under management, along with increased adoption and usage of our Value Added Services.

### Cost of Revenue (Exclusive of Depreciation and Amortization)

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Cost of revenue (exclusive of depreciation and amortization)	\$ 345,341	\$ 282,067	\$ 63,274	22 %
Percentage of revenue	36.3 %	35.5 %		
Stock-based compensation, included above	\$ 5,138	\$ 4,522	\$ 616	14 %
Percentage of revenue	0.5 %	0.6 %		

Cost of revenue (exclusive of depreciation and amortization) increased for the year ended December 31, 2025, compared to the prior year primarily driven by higher third-party service provider costs of \$54.7 million, due to increased adoption and usage of our Value Added Services, combined with a \$4.9 million increase in personnel-related costs, including stock-based and performance-based compensation, to support growth in the business, for the year ended December 31, 2025.

We expect cost of revenue (exclusive of depreciation and amortization) for the year ending December 31, 2026, to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

### Sales and Marketing

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Sales and marketing	\$ 143,904	\$ 110,597	\$ 33,307	30 %
Percentage of revenue	15.1 %	13.9 %		
Stock-based compensation, included above	\$ 12,332	\$ 8,030	\$ 4,302	54 %
Percentage of revenue	1.3 %	1.0 %		

Sales and marketing expense for the year ended December 31, 2025 increased compared to the prior year primarily due to a \$20.0 million increase in personnel-related costs, including stock-based and performance-based compensation, to support growth in the business, combined with a \$6.8 million increase in advertising and promotion expense due to increased targeted go-to-market investment, for the year ended December 31, 2025.

We expect sales and marketing expense for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

**Research and Product Development**

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Research and product development	\$ 190,419	\$ 160,375	\$ 30,044	19 %
Percentage of revenue	20.0 %	20.2 %		
Stock-based compensation, included above	\$ 30,687	\$ 25,414	\$ 5,273	21 %
Percentage of revenue	3.2 %	3.2 %		

Research and product development expense for the year ended December 31, 2025 increased compared to the prior year primarily due to a \$22.8 million increase in personnel-related costs, including stock-based and performance-based compensation, net of capitalized software development costs driven by headcount growth, combined with a \$2.3 million increase in software spending to support our research and development activities, for the year ended December 31, 2025.

We expect research and product development expenses for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

**General and Administrative**

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
General and administrative	\$ 95,590	\$ 85,974	\$ 9,616	11 %
Percentage of revenue	10.1 %	10.8 %		
Stock-based compensation, included above	\$ 22,633	\$ 22,361	\$ 272	1 %
Percentage of revenue	2.4 %	2.8 %		

General and administrative expense for the year ended December 31, 2025 increased compared to the prior year primarily due to a \$12.3 million increase in personnel-related costs, including stock-based and performance-based compensation, driven by headcount growth, for the year ended December 31, 2025.

We expect general and administrative expenses for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

### Depreciation and Amortization

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Depreciation and amortization	\$ 22,651	\$ 19,545	\$ 3,106	16%
Percentage of revenue	2.4 %	2.5 %		

Depreciation and amortization expense for the year ended December 31, 2025 increased, compared to the prior year, primarily due to amortization of the intangible assets recognized from the acquisition of Move EZ, Inc. in the fourth quarter of 2024.

We expect depreciation and amortization expenses for the year ending December 31, 2026 to stay flat as a percentage of revenue compared to the year ended December 31, 2025.

### Interest Income, Net

	Year Ended December 31,		Change	
	2025	2024	Amount	%
Interest income, net	\$ 8,157	\$ 13,981	\$ (5,824)	(42)%
Percentage of revenue	0.9 %	1.8 %		

Interest income for the year ended December 31, 2025 decreased, compared to the prior year, primarily due to the sale of available-for-sale investment securities and lower interest rates.

### Provision for (benefit from) income taxes

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Income before provision for income taxes	\$ 161,112	\$ 150,322	\$ 10,790	7 %
Provision for (benefit from) income taxes	\$ 20,189	\$ (53,746)	\$ 73,935	(138)%
Effective tax rate	12.5 %	(35.8)%		

The increase in our effective tax rate for the year ended December 31, 2025, as compared to the prior year, is primarily due to the tax benefits recognized in the prior year related to the valuation allowance release against our federal and state deferred tax assets, as well as lower excess tax benefits from stock-based compensation and research and development tax credits.

As of December 31, 2024, we recorded an income tax benefit of \$53.7 million, primarily due to the release of our valuation allowance of certain U.S. federal and state deferred tax assets. In evaluating the need for a valuation allowance at each reporting period, we consider the weighting of all available positive and negative evidence, which includes, among other things, the nature, frequency and severity of current and cumulative taxable income or losses, future projections of profitability, timing of the future reversal of existing temporary differences, and the duration of statutory carryforward periods. In assessing all available evidence, we determined that there was sufficient positive evidence to overcome the negative evidence, including our past and current financial results, growth demonstrated in our top-line performance, as well as projected profitability. Accordingly, we determined it is more likely than not that the deferred tax assets will be realized and we released our valuation allowance at December 31, 2024.

### Liquidity and Capital Resources

Our principal sources of liquidity continue to be cash, cash equivalents, and investment securities, as well as cash flows generated from our operations. As of December 31, 2025, we had \$251.2 million in cash, cash equivalents, and investment securities. We have financed our operations primarily through cash generated from operations.

In addition, to optimize our capital structure, on September 30, 2025, we entered into the Credit Facility, which provides for a \$150.0 million senior secured revolving credit facility, including sublimits of \$25.0 million for letters of credit and \$25.0 million for swingline loans, and is scheduled to mature on September 30, 2030. We did not draw on the Credit Facility in the fourth quarter of 2025, and as of December 31, 2025, we had no outstanding borrowings under the Credit Facility, and were in compliance with the covenants under the Credit Facility. For more information regarding the Credit Facility, refer to "Credit Facility" in Note 11, *Commitments and Contingencies*, of our Consolidated Financial Statements of this Annual Report.

We believe that our existing cash and cash equivalents, investment securities, and cash generated from operating activities will be sufficient to meet our working capital and capital expenditure requirements for at least the next twelve months. The available borrowing capacity under the Credit Facility provides us additional liquidity and financial flexibility.

#### **Capital Requirements**

Our future capital requirements depend on many factors, including continued market acceptance of our software products and services; changes in the number of our customers; adoption and utilization of our Value Added Services by new and existing customers; the timing and extent of the introduction of new core functionality, products and Value Added Services; and the timing and extent of our investments across our organization, including acquisitions of businesses and technologies.

As of December 31, 2025, our non-cancelable purchase commitments for business operations totaled \$31.3 million, which are due primarily over the next three years. Operating lease obligations associated with leased facilities totaled \$38.2 million as of December 31, 2025 and have varying maturities with \$44.8 million due over the next five years.

We have in the past entered into, and may in the future enter into, arrangements to acquire or invest in new technologies or markets. We may, as a result of those arrangements or the general expansion of our business, be required to seek additional equity or debt financing, which may not be available on terms favorable to us or at all, impacting our ability to compete successfully, which would harm our business, results of operations, and financial condition.

During the first quarter of 2025, we substantially exhausted the shares of Class A common stock remaining available for purchase under the \$100 million share repurchase program authorized by our Board of Directors in 2019 (the "2019 Stock Repurchase Program"). On April 23, 2025, our Board authorized the repurchase of up to \$300.0 million of shares of our Class A common stock from time to time pursuant to the 2025 Stock Repurchase Program. For more information regarding our repurchases under the 2019 Stock Repurchase Program and the 2025 Stock Repurchase Program, refer to Note 12, *Stockholders' Equity*, of our Consolidated Financial Statements of this Annual Report.

#### **Cash Flows**

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

	Year Ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 242,105	\$ 188,159
Net cash provided by (used in) investing activities	10,244	(151,761)
Net cash used in financing activities	(187,886)	(43,403)
Net increase (decrease) in cash and cash equivalents	<u>\$ 64,463</u>	<u>\$ (7,005)</u>

#### **Operating Activities**

Our primary source of operating cash inflows is cash collected from our customers in connection with their use of our Subscription Services and Value Added Services. Our primary uses of cash from operating activities are for personnel-related expenditures and third-party costs incurred to support the delivery of our software products and services.

The net increase in cash provided by operating activities for the year ended December 31, 2025, compared to the prior year, was primarily due to a higher increase in cash collections from customers relative to the increase in operating expenditures.

### ***Investing Activities***

Cash provided by (used in) investing activities is generally composed of cash paid in purchases of investment securities, maturities and sales of investment securities, purchases of property and equipment, business acquisition, net of cash acquired, and additions to capitalized software development.

The net increase in cash provided by investing activities for the year ended December 31, 2025, compared to the prior year, was primarily due to higher sales and maturities of available-for-sale investment securities and lower purchases of available-for-sale investment securities. We used \$77.4 million of cash paid for a business acquisition in 2024 and \$75.0 million of cash for a long-term investment in 2025. For additional information regarding the business acquisition and long-term investment, see Note 4, Investment Securities and Fair Value Measurements, and Note 7, Business Combination, of our Consolidated Financial Statements of this Annual Report.

### ***Financing Activities***

Cash used in financing activities is generally composed of net share settlements for employee tax withholdings associated with the vesting of equity awards and repurchases of our Class A common stock offset by proceeds from the exercise of stock options and issuance of common stock under our employee stock purchase plan.

The net increase in cash used in financing activities for the year ended December 31, 2025, compared to the prior year, was primarily due to repurchases of our Class A common stock.

### ***Off-Balance Sheet Arrangements***

As of December 31, 2025, we did not have any off-balance sheet arrangements.

### **Non-GAAP Financial Measures**

To supplement our Consolidated Financial Statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), this Annual Report contains information regarding our non-GAAP income from operations ("Non-GAAP Operating Income") and non-GAAP operating margin ("Non-GAAP Operating Margin"), each of which constitutes a non-GAAP financial measure. We use these non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

- *Non-GAAP Operating Income* excludes certain non-cash or non-recurring items, including stock-based compensation expense, amortization of stock-based compensation capitalized in software development costs, and amortization of purchased intangibles, as described below. Non-GAAP Operating Margin is calculated as Non-GAAP Operating Income as a percentage of revenue.

We use each of these non-GAAP financial measures internally to assess and compare operating results across reporting periods, for internal budgeting and forecasting purposes, and to evaluate our financial performance. We believe these non-GAAP financial measures also provide useful supplemental information to investors and facilitate the analysis of our operating results and comparison of operating results across reporting periods.

In particular, we believe these non-GAAP financial measures are useful to investors and others in assessing our operating performance due to the following factors:

- *Stock-based compensation expense and amortization of stock-based compensation capitalized in software development costs.* We utilize stock-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of our stockholders while ensuring long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.
- *Amortization of purchased intangibles.* We view amortization of purchased intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of purchased intangibles is an expense that is not typically affected by operations during any particular period.

Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and can exclude expenses that may have a material impact on our reported financial results. As such, non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation of income from operations, the most comparable GAAP measure, to Non-GAAP Operating Income, and operating margin, the most comparable GAAP measure, to Non-GAAP Operating Margin is provided in the table below. We encourage investors to review the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measures.

**Reconciliation from GAAP to Non-GAAP Results**

(in thousands except percentages)

	Year Ended December 31,	
	2025	2024
<b>Income from operations:</b>		
GAAP income from operations	\$ 152,917	\$ 135,644
Stock-based compensation expense	70,790	60,327
Amortization of stock-based compensation capitalized in software development costs	963	1,754
Amortization of purchased intangibles	10,231	2,100
Non-GAAP income from operations	<u>\$ 234,901</u>	<u>\$ 199,825</u>
<b>Operating margin:</b>		
GAAP operating margin	16.1 %	17.1 %
Stock-based compensation expense as a percentage of revenue	7.4	7.6
Amortization of stock-based compensation capitalized in software development costs as a percentage of revenue	0.1	0.2
Amortization of purchased intangibles as a percentage of revenue	1.1	0.3
Non-GAAP operating margin	<u>24.7 %</u>	<u>25.2 %</u>

**Critical Accounting Policies and Estimates**

Our Consolidated Financial Statements and the related notes included elsewhere in this Annual Report are prepared in accordance with GAAP. The preparation of our Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

We believe that the following critical accounting policies involve a greater degree of judgment or complexity than our other accounting policies. Accordingly, these are the policies we believe are the most critical to a full understanding and evaluation of our Consolidated Financial Statements. For additional information, refer to Note 2, *Summary of Significant Accounting Policies*, of our Consolidated Financial Statements of this Annual Report.

**Revenue Recognition**

Many of our contracts with customers contain multiple performance obligations. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require judgment. We account for individual performance obligations separately if they are distinct. The performance obligations for these contracts include access and use of our Subscription Services, implementation services, and customer support. Access and use of our Subscription Services and implementation services are considered distinct.

The transaction price is allocated to each performance obligation on a relative standalone selling price basis. Judgment is required to determine the standalone selling price for each distinct performance obligation. We typically have more than one standalone selling price for individual products and services due to the stratification of those products and services by customers and circumstances. In these instances, we determine the standalone selling price based on our overall pricing objectives, taking into consideration customer demographics and other factors. Fees are fixed based on rates specified in the subscription agreements, which do not provide for any refunds or adjustments.

### **Income Taxes**

We recognize deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in our Consolidated Statements of Operations in the period that includes the enactment date. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. In evaluating the need for a valuation allowance at each reporting period, we consider the weighting of all available positive and negative evidence, which includes, among other things, the nature, frequency and severity of current and cumulative taxable income or losses, future projections of profitability, timing of the future reversal of existing temporary differences, and the duration of statutory carryforward periods. In assessing all available evidence, we determined that there was sufficient positive evidence to overcome the negative evidence, including our past and current financial results, growth demonstrated in our top-line performance, as well as projected profitability. Accordingly, we determined it is more likely than not that the deferred tax assets will be realized and we released our valuation allowance at December 31, 2024.

Judgment is required to measure the amount of tax benefits that can be recognized in connection with uncertain tax positions. We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. We recognize interest and penalties accrued with respect to uncertain tax positions, if any, in our provision for income taxes in our Consolidated Statements of Operations.

### **Business Combinations**

The results of a business acquired in a business combination are included in our Consolidated Financial Statements from the date of acquisition. We allocate the purchase price, including the fair value of contingent consideration, to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill.

Determining the fair value of assets acquired and liabilities assumed requires management to make significant judgments and estimates, including the selection of valuation methodologies and assumptions. Critical estimates used in valuing certain intangible assets include, but are not limited to, development costs, the time required to recreate the assets and profit margin a market participant would receive, and rate of return. These estimates are based on information obtained from the management of the acquired companies, our assessment of the information, and historical experience. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period of up to one year from the acquisition date, we may record adjustments to the preliminary fair value of the assets acquired and liabilities assumed with a corresponding offset to goodwill for these business combinations.

Acquisition-related transaction costs are not included as a component of consideration transferred, but are accounted for as an operating expense in the period in which the costs are incurred.

The allocation of the purchase price in a business combination requires management to make significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. The excess of the purchase price in a business combination over the fair value of these tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. Critical estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows, discount rates, revenue growth rates, the time and expense to recreate the assets and profit margin a market participant would receive. These estimates are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. We evaluate these estimates and assumptions as new information is obtained and may record adjustments to the fair value of the tangible and intangible assets acquired and liabilities assumed but not later than one year from the acquisition date.

### **Recent Accounting Pronouncements**

For information regarding recent accounting pronouncements, refer to Note 2, *Summary of Significant Accounting Policies* of our Consolidated Financial Statements of this Annual Report.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

***Interest Rate Risk***

***Investment Securities***

As of December 31, 2025, we had \$144.3 million of investment securities consisting of United States government and agency securities. The primary objective of investing in securities is to support our liquidity and capital needs. We did not purchase these investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Our investment securities are exposed to market risk due to interest rate fluctuations. While fluctuations in interest rates do not impact our interest income from our investment securities as all of these securities have fixed interest rates, changes in interest rates may impact the fair value of the investment securities. Since our investment securities are held as available for sale, all changes in fair value impact our other comprehensive (loss) income unless an investment security is considered impaired in which case changes in fair value are reported in other expense. Due to the relatively short-term nature of our investment portfolio, a hypothetical 100 basis point change in interest rates would not have a material effect on the fair value of our portfolio for the periods presented. This estimate is based on a sensitivity model which measured an instant change in interest rates by 100 basis points as of December 31, 2025.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of AppFolio, Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of AppFolio, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income (loss), of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Critical Audit Matters**

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

**Revenue Recognition**

As described in Notes 2 and 3 to the consolidated financial statements, the Company's total revenue was \$950.8 million for the year ended December 31, 2025. The Company generates revenue from customers primarily for subscriptions to access the Subscription Services and Value Added Services. Revenue is recognized upon transfer of control of promised services in an amount that reflects the consideration the Company expects to receive in exchange for those services. The Company enters into contracts that can include various combinations of services, which are generally capable of being distinct within the context of the contract, and accounted for as separate performance obligations. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. The Company recognizes revenue in proportion to the amount they have the right to invoice for certain Subscription Services and Value Added Services, as that amount corresponds directly with the performance completed to date.

The principal consideration for our determination that performing procedures relating to revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process. These procedures also included, among others (i) evaluating revenue transactions by either (a) testing the issuance and settlement of invoices and credit memos, tracing transactions not settled to a detailed listing of accounts receivable, and testing the completeness and accuracy of data provided by management or (b) testing, on a sample basis, revenue transactions by obtaining and inspecting source documents, such as executed contracts, invoices, and cash receipts and (ii) confirming, on a sample basis, outstanding customer invoice balances as of year-end and, and for confirmations not returned, obtaining and inspecting source documents, such as executed contracts, invoices, and subsequent cash receipts.

/s/ PricewaterhouseCoopers LLP  
Los Angeles, California  
February 5, 2026

We have served as the Company's auditor since 2012.

**APPFOLIO, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except par values)

	December 31,	
	2025	2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 106,967	\$ 42,504
Investment securities—current	144,256	235,745
Accounts receivable, net	36,873	24,346
Prepaid expenses and other current assets	65,218	32,807
<b>Total current assets</b>	<b>353,314</b>	<b>335,402</b>
Property and equipment, net	23,228	24,483
Operating lease right-of-use assets	15,924	17,472
Capitalized software development costs, net	11,324	15,429
Goodwill	96,410	96,410
Intangible assets, net	38,826	49,057
Deferred income taxes	58,823	76,910
Long-term investments	77,033	2,033
Other long-term assets	14,085	9,482
<b>Total assets</b>	<b>\$ 688,967</b>	<b>\$ 626,678</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 4,123	\$ 2,378
Accrued employee expenses	59,774	30,157
Accrued expenses	20,829	14,658
Other current liabilities	22,121	16,087
<b>Total current liabilities</b>	<b>106,847</b>	<b>63,280</b>
Operating lease liabilities	33,287	37,476
Other liabilities	6,254	6,632
<b>Total liabilities</b>	<b>146,388</b>	<b>107,388</b>
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 25,000 shares authorized and no shares issued and outstanding as of December 31, 2025 and December 31, 2024	—	—
Class A common stock, \$0.0001 par value, 250,000 shares authorized as of December 31, 2025 and December 31, 2024; 25,443 and 23,660 shares issued as of December 31, 2025 and December 31, 2024, respectively; 24,335 and 23,241 shares outstanding as of December 31, 2025 and December 31, 2024, respectively	3	2
Class B common stock, \$0.0001 par value, 50,000 shares authorized as of December 31, 2025 and December 31, 2024; 11,655 and 13,163 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	1	2
Additional paid-in capital	284,054	254,821
Accumulated other comprehensive (loss) Income	30	173
Treasury stock, at cost, 1,108 and 419 shares of Class A common stock as of December 31, 2025 and December 31, 2024, respectively	(172,480)	(25,756)
Retained earnings	430,971	290,048
<b>Total stockholders' equity</b>	<b>542,579</b>	<b>519,290</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 688,967</b>	<b>\$ 626,678</b>

The accompanying notes to the Consolidated Financial Statements are an integral part of these statements.

**APPFOLIO, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)

	Year Ended December 31,		
	2025	2024	2023
Revenue	\$ 950,822	\$ 794,202	\$ 620,445
Costs and operating expenses:			
Cost of revenue (exclusive of depreciation and amortization) <sup>(1)</sup>	345,341	282,067	238,076
Sales and marketing <sup>(1)</sup>	143,904	110,597	107,602
Research and product development <sup>(1)</sup>	190,419	160,375	151,364
General and administrative <sup>(1)</sup>	95,590	85,974	93,452
Depreciation and amortization	22,651	19,545	28,988
Total costs and operating expenses	<u>797,905</u>	<u>658,558</u>	<u>619,482</u>
Income from operations	152,917	135,644	963
Other income, net	38	697	3
Interest income, net	8,157	13,981	7,031
Income before provision for income taxes	161,112	150,322	7,997
Provision for (benefit from) income taxes	20,189	(53,746)	5,295
Net income	<u>\$ 140,923</u>	<u>\$ 204,068</u>	<u>\$ 2,702</u>
Net income per common share:			
Basic	\$ 3.91	\$ 5.63	\$ 0.08
Diluted	\$ 3.88	\$ 5.55	\$ 0.07
Weighted average common shares outstanding:			
Basic	36,013	36,252	35,629
Diluted	36,327	36,782	36,417

<sup>(1)</sup> Includes stock-based compensation expense as follows:

	Year Ended December 31,		
	2025	2024	2023
Stock-based compensation expense included in costs and operating expenses:			
Cost of revenue (exclusive of depreciation and amortization)	\$ 5,138	\$ 4,522	\$ 3,703
Sales and marketing	12,332	8,030	5,983
Research and product development	30,687	25,414	20,974
General and administrative	22,633	22,361	21,704
Total stock-based compensation expense	<u>\$ 70,790</u>	<u>\$ 60,327</u>	<u>\$ 52,364</u>

The accompanying notes to the Consolidated Financial Statements are an integral part of these statements.

**APPFOLIO, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 140,923	\$ 204,068	\$ 2,702
Other comprehensive income (loss):			
Changes in unrealized losses on investment securities, net of tax	(143)	74	1,783
Comprehensive income	<u>\$ 140,780</u>	<u>\$ 204,142</u>	<u>\$ 4,485</u>

The accompanying notes to the Consolidated Financial Statements are an integral part of these statements.

APPFOLIO, INC.  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands)

	Common Stock Class A		Common Stock Class B		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Retained Earnings	Total
	Shares	Amount	Shares	Amount					
<b>Balance at December 31, 2022</b>	20,569	2	14,746	2	209,704	(1,684)	(25,756)	83,278	265,546
Exercise of stock options	255	—	—	—	2,595	—	—	—	2,595
Stock-based compensation	—	—	—	—	53,240	—	—	—	53,240
Vesting of restricted stock units, net of shares withheld for taxes	289	—	—	—	(28,554)	—	—	—	(28,554)
Conversion of Class B common stock to Class A common stock	630	—	(630)	—	—	—	—	—	—
Issuance of restricted stock awards	6	—	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	1,783	—	—	1,783
Net income	—	—	—	—	—	—	—	2,702	2,702
<b>Balance at December 31, 2023</b>	21,749	2	14,116	2	236,985	99	(25,756)	85,980	297,312
Exercise of stock options	251	—	—	—	3,924	—	—	—	3,924
Stock-based compensation	—	—	—	—	61,239	—	—	—	61,239
Vesting of restricted stock units, net of shares withheld for taxes	288	—	—	—	(47,327)	—	—	—	(47,327)
Conversion of Class B common stock to Class A common stock	953	—	(953)	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	74	—	—	74
Net income	—	—	—	—	—	—	—	204,068	204,068
<b>Balance at December 31, 2024</b>	23,241	\$ 2	13,163	\$ 2	\$ 254,821	\$ 173	\$ (25,756)	\$ 290,048	\$ 519,290
Exercise of stock options and issuance of common stock under the Employee Stock Purchase Plan	13	—	—	—	1,084	—	—	—	1,084
Stock-based compensation	—	—	—	—	71,397	—	—	—	71,397
Vesting of restricted stock units, net of shares withheld for taxes	262	—	—	—	(43,248)	—	—	—	(43,248)
Conversion of Class B common stock to Class A common stock	1,508	1	(1,508)	(1)	—	—	—	—	—
Repurchase of common stock	(689)	—	—	—	—	—	(146,724)	—	(146,724)
Other comprehensive loss	—	—	—	—	—	(143)	—	—	(143)
Net income	—	—	—	—	—	—	—	140,923	140,923
<b>Balance at December 31, 2025</b>	24,335	\$ 3	11,655	\$ 1	\$ 284,054	\$ 30	\$ (172,480)	\$ 430,971	\$ 542,579

The accompanying notes to the Consolidated Financial Statements are an integral part of these statements.

**APPFOLIO, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
<b>Cash from operating activities</b>			
Net income	\$ 140,923	\$ 204,068	\$ 2,702
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	22,651	19,543	28,989
Amortization of operating lease right-of-use assets	2,221	2,030	2,132
Amortization of costs capitalized to obtain revenue contracts, net	11,115	9,985	9,515
Gain on lease modification	—	—	(4,281)
Deferred income taxes	18,139	(76,937)	(490)
Stock-based compensation, including as amortized	70,790	60,328	52,363
Other	(2,119)	(8,220)	(3,108)
Changes in operating assets and liabilities:			
Accounts receivable	(12,527)	(3,383)	(4,206)
Prepaid expenses and other assets	(21,446)	(5,859)	(23,008)
Accounts payable	1,767	1,559	(1,565)
Operating lease liabilities	(4,263)	(3,143)	(2,504)
Accrued expenses and other liabilities	14,854	(11,812)	3,744
Net cash provided by operating activities	242,105	188,159	60,283
<b>Cash from investing activities</b>			
Purchases of available-for-sale investments	(228,887)	(317,173)	(195,740)
Proceeds from sales of available-for-sale investments	202,662	9,984	1,013
Proceeds from maturities of available-for-sale investments	118,970	240,035	152,382
Purchases of property and equipment	(3,155)	(2,016)	(9,041)
Capitalization of software development costs	(3,440)	(5,170)	(4,825)
Purchases of long-term investments	(75,000)	—	629
Cash paid in business acquisition, net of cash acquired	(906)	(77,421)	—
Net cash provided by (used in) investing activities	10,244	(151,761)	(55,582)
<b>Cash from financing activities</b>			
Proceeds from stock option exercises	134	3,924	2,595
Tax withholding for net share settlement	(43,248)	(47,327)	(28,556)
Proceeds from the issuance of common stock under the employee stock purchase plan	951	—	—
Purchase of common stock	(145,723)	—	—
Net cash used in financing activities	(187,886)	(43,403)	(25,961)
Net increase (decrease) in cash, cash equivalents and restricted cash	64,463	(7,005)	(21,260)
<b>Cash, cash equivalents and restricted cash</b>			
Beginning of period	42,754	49,759	71,019
End of period	\$ 107,217	\$ 42,754	\$ 49,759
<b>Cash, cash equivalents and restricted cash at end of period:</b>			
Cash and cash equivalents	\$ 106,967	\$ 42,504	\$ 49,509
Restricted cash included in prepaid expenses and other current assets	250	250	250
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	\$ 107,217	\$ 42,754	\$ 49,759
<b>Supplemental disclosure of cash flow information</b>			
Cash paid for income taxes	\$ 28,840	\$ 14,022	\$ 8,086
Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows	\$ 6,251	\$ 5,828	\$ 4,732

The accompanying notes to the Consolidated Financial Statements are an integral part of these statements.

## NOTES TO CONSOLIDATED AUDITED FINANCIAL STATEMENTS

**1. Nature of Business**

AppFolio, Inc. ("we," "us" or "our") is a technology leader powering the future of real estate. We provide a cloud-based platform on which our customers operate their businesses. Our services enable our customers to connect communities, increase operational efficiency, deliver exceptional customer experiences, and improve financial and operational performance.

**2. Summary of Significant Accounting Policies*****Basis of Presentation***

The accompanying Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

***Reclassification***

We reclassified certain amounts in our Consolidated Statements of Cash Flows within the cash flows from operating activities section in the prior year to conform to the current year's presentation. We also reclassified long-term investments from other long-term assets in our Consolidated Balance Sheets in the prior year to conform to the current year's presentation.

***Principles of Consolidation***

The accompanying Consolidated Financial Statements include the operations of AppFolio, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue, expenses, other income, and provision for income taxes during the reporting period. Assets and liabilities which are subject to judgment and use of estimates include the fair value of assets and liabilities assumed in business combinations, the fair value of financial instruments, useful lives of property and equipment and intangible assets, capitalized software development costs, incremental borrowing rate applied in lease accounting, impairment of goodwill and long-lived assets, the period of benefit associated with deferred costs, stock-based compensation, income taxes, and contingencies. Actual results could differ from those estimates and any such differences may have a material impact on our Consolidated Financial Statements.

***Segment Information***

Our chief operating decision maker ("CODM"), the Chief Executive Officer, allocates resources and assesses financial performance based upon discrete financial information at the consolidated level. There are no segment managers who are held accountable by our CODM, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, we have determined that we operate as a single operating and reportable segment.

Our CODM uses consolidated net income (loss) as the sole measure of segment profit or loss. Significant segment expenses include cost of revenue (excluding depreciation and amortization), sales and marketing, research and product development, general and administrative expenses, and depreciation and amortization. For expenses incurred during the years ended December 31, 2025, 2024 and 2023, refer to our Consolidated Statements of Operations. Stock-based compensation expense is also recognized as a significant segment expense. Details regarding this expense for the years ended December 31, 2025, 2024 and 2023 was included in the parenthetical note to the respective Consolidated Statements of Operations.

***Concentrations of Credit Risk***

Financial instruments that potentially subject us to credit risk consist principally of cash, cash equivalents, restricted cash, accounts receivable, and investment securities. We maintain cash balances at financial institutions in excess of amounts insured by United States government agencies or payable by the United States government directly. We place our cash with high credit, quality financial institutions. We invest in investment securities with a minimum rating of A by Standard & Poor's or A-1 by Moody's and regularly monitor our investment security portfolio for changes in credit ratings.

Concentrations of credit risk with respect to accounts receivable and revenue are limited due to a large, diverse customer base. As of December 31, 2025, (i) no individual customer exceeded 10% of our total revenues in any of the periods presented, and (ii) 22% of our accounts receivable balance was attributable to amounts due from a risk mitigation provider. For purposes of assessing concentration of credit risk and significant customers, a group of residents that are receiving services from a third party that controls and transfers the specified services are regarded as one single customer.

### ***Business Combinations***

The results of a business acquired in a business combination are included in our Consolidated Financial Statements from the date of acquisition. We allocate the purchase price to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill.

Determining the fair value of assets acquired and liabilities assumed requires management to make significant judgments and estimates, including the selection of valuation methodologies and assumptions. Critical estimates used in valuing certain intangible assets include, but are not limited to, development costs, the time required to recreate the assets and profit margin a market participant would receive, and rate of return. These estimates are based on information obtained from the management of the acquired companies, our assessment of the information, and historical experience. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period of up to one year from the acquisition date, we may record adjustments to the preliminary fair value of the assets acquired and liabilities assumed with a corresponding offset to goodwill for these business combinations.

Acquisition-related transaction costs are not included as a component of consideration transferred, but are accounted for as an operating expense in the period in which the costs are incurred.

### ***Fair Value Measurements***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

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

*Level 2* - Inputs other than Level 1 that are observable, either directly or indirectly, in the marketplace.

*Level 3* - Unobservable inputs that are supported by little or no market activity.

### ***Cash, Cash Equivalents and Restricted Cash***

We consider all highly liquid investments, readily convertible to cash, and which have a remaining maturity date of three months or less at the date of purchase, to be cash equivalents. Cash and cash equivalents are recorded at fair value and consist primarily of bank deposits, and money market funds.

### ***Investment Securities***

Our investment securities currently consist of United States government and agency securities. We classify investment securities as available-for-sale at the time of purchase and reevaluate such classification at each balance sheet date. All investments are recorded at estimated fair value and investments with original maturities of less than one year at the time of purchase are classified as short-term. Unrealized gains and losses for available-for-sale investment securities are included in accumulated other comprehensive income, a component of stockholders' equity.

For available-for-sale debt securities in an unrealized loss position, we first assess whether we intend to sell, or whether it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. If either of these criteria is met, the security's amortized cost basis is written down to fair value through income. For securities in an unrealized loss position that do not meet these criteria, we evaluate whether the decline in fair value has resulted from credit loss or other factors. If this assessment indicates a credit loss exists, the credit-related portion of the loss is recorded as an allowance for losses on the security. No allowance for credit losses for available-for-sale investment securities was recorded as of December 31, 2025 and 2024.

### ***Strategic Investments***

Our strategic investments consist of non-marketable equity investments in privately-held companies in which we do not have a controlling interest or significant influence. We record these strategic investments as *long-term investments* in our Consolidated Balance Sheets. We have elected to apply the measurement alternative for equity investments in privately-held companies that do not have readily determinable fair values, measuring them at cost, less any impairment, plus or minus adjustments resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. An impairment loss is recorded when an event or circumstance indicates a decline in value has occurred.

In determining the estimated fair value of our strategic investments in privately held companies, we use the most recent and available data. Valuations of privately held securities are inherently complex due to the lack of readily available market data and require the use of judgment. The determination of whether an orderly transaction is for an identical or similar

investment requires use of significant judgment. In our evaluation, we consider factors such as differences in the rights and preferences of the investments and the extent to which those differences would affect the fair values of those investments. Our impairment analysis encompasses an assessment of both qualitative and quantitative factors including the investee's financial metrics, market acceptance of the investee's product or technology, general market conditions and liquidity considerations.

**Accounts Receivable**

Accounts receivable are recorded at the invoiced amount, net of an allowance for credit losses. The allowance for credit losses is based on historical loss experience, the number of days that receivables are past due, and an evaluation of the potential risk of loss associated with delinquent accounts. Accounts receivable considered uncollectible are charged against the allowance for credit losses when identified. We do not have any off-balance sheet credit exposure related to our customers. As of December 31, 2025 and 2024, our allowance for credit losses was not material.

**Property and Equipment**

Property and equipment is stated at cost net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of assets as follows:

Asset Type	Depreciation Period
Computer equipment	3 years
Furniture and fixtures	7 years
Office equipment	3 to 5 years
Leasehold improvements	Shorter of remaining life of lease or asset life

**Leases**

We determine if an arrangement is a lease at inception. Operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments, over the lease term at commencement date. As none of our leases provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU assets also include any lease payments made to the lessor before or at the lease commencement date and excludes lease incentives received and initial direct costs incurred. Our lease terms may include options to extend the lease when it is reasonably certain that we will exercise that option.

Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. We have lease arrangements with lease and non-lease components, which are generally accounted for as a single lease component. Leases with an initial term of twelve months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term.

**Capitalized Software Development Costs**

Software development costs consist of certain payroll and stock-based compensation costs incurred to develop functionality of our internal-use software solutions. We capitalize certain software development costs for new offerings as well as significant upgrades and enhancements to our existing software solutions. Capitalized software development costs are amortized using the straight-line method over an estimated useful life of three years. We do not transfer ownership of our software, license, or lease our software to third parties.

**Goodwill and Intangible Assets, Net**

Goodwill is tested for impairment at least annually at the reporting unit level or at other times whenever events or changes in circumstances indicate that goodwill might be impaired. A qualitative assessment is performed to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. The quantitative assessment considers whether the carrying amount of a reporting unit exceeds its fair value, in which case an impairment charge is recorded to the extent that the reporting unit's carrying value exceeds its fair value.

We test for goodwill impairment annually during the fourth quarter of the calendar year. Based on the annual assessment performed at November 1, 2025, we determined it was not more likely than not that our reporting unit fair value was less than its carrying value and no quantitative impairment test assessment was required. No impairment losses were recorded for goodwill during the years ended December 31, 2025, 2024 and 2023.

Intangible assets primarily consist of customer relationships, developed technology, acquired database, domain names and patents, which are recorded at cost, less accumulated amortization. We determine the appropriate useful life of our intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized over their estimated useful lives on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

#### ***Impairment of Long-Lived Assets***

We assess the recoverability of our long-lived assets when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount of the asset or asset group to the future undiscounted cash flows we expect the asset or asset group to generate. Any excess of the carrying value of the asset or asset group above its fair value is recognized as an impairment loss. There were no impairment charges related to the identified long-lived assets for the years ended December 31, 2025, 2024 and 2023.

#### ***Revenue Recognition***

We generate revenue from our customers primarily from our Subscription Services and Value Added Services. Revenue is recognized upon transfer of control of promised services in an amount that reflects the consideration we expect to receive in exchange for those services. We enter into contracts that can include various combinations of services, which are generally capable of being distinct within the context of the contract and accounted for as separate performance obligations. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. We recognize revenue in proportion to the amount that we have the right to invoice for certain Subscription Services and Value Added Services, as that amount corresponds directly with our performance completed to date. Refer to Note 3, *Revenue and Other Information* for the disaggregated breakdown of revenue between Subscription Services, Value Added Services and Other revenue.

Many of our contracts with customers contain multiple performance obligations. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require judgment. We account for individual performance obligations separately if they are distinct. The performance obligations for these contracts include access and use of our Subscription Services, implementation services, and customer support. Access and use of our Subscription Services and implementation services are considered distinct.

The transaction price is allocated to each performance obligation on a relative standalone selling price basis. Judgment is required to determine the standalone selling price for each distinct performance obligation. We typically have more than one standalone selling price for individual products and services due to the stratification of those products and services by customers and circumstances. In these instances, we determine the standalone selling price based on our overall pricing objectives, taking into consideration customer demographics and other factors. Fees are fixed based on rates specified in the subscription agreements, which do not provide for any refunds or adjustments.

#### ***Subscription Services***

We charge our customers on a subscription basis for our Subscription Services. Our customers do not have rights to the underlying software code of our products and services, and, accordingly, we recognize subscription revenue over time on a straight-line basis over the contract term beginning on the date that our service is made available to the customer. The terms of our subscription agreements are monthly, annual, and multiyear and we typically invoice our customers for subscription services in monthly or annual installments, in advance of the subscription period.

#### ***Value Added Services***

We primarily charge our customers on a usage basis for our Value Added Services. Usage-based fees are charged either as a percentage of the transaction amount (e.g., for certain of our electronic payment services) or on a flat fee per transaction basis with no minimum usage commitments (e.g., for our tenant screening and risk mitigation services). We recognize revenue for usage-based services in the period the service is rendered. Our electronic payments services fees are recorded gross of interchange and payment processing related fees. We generally invoice our customers for usage-based services on a monthly basis or collect the fee at the time of service. We also have certain Value Added Services which are charged on a subscription basis. Revenue from these services is recognized in a similar manner as the above-described Subscription Services. Some subscription or usage-based Value Added Services, such as fees for electronic payment services, are paid by either our customers or our customers' stakeholders at the time the services are rendered.

We work with third-party partners to provide certain of our Value Added Services. For these Value Added Services, we evaluate whether we are the principal, and report revenue on a gross basis, or the agent, and report revenue on a net basis. In this assessment we consider if we obtain control of the specified services before they are transferred to the customer, as well as other indicators such as whether we are the party primarily responsible for fulfillment, and whether we have discretion in establishing price.

#### *Other Revenue*

Other revenue include fees from one-time services related to the implementation of our software solutions and other recurring or one-time fees related to our customers who are not otherwise using our Subscription Services. This includes legacy customers of businesses we have acquired where the customers haven't migrated to our Subscription Services. The fees for implementation and data migration services are billed upon signing our core subscription contract and are recognized as revenue in the period the service is rendered. Other services are billed when the services rendered are completed and delivered to the customer or billed in advance and deferred over the subscription period.

#### *Deferred Costs*

Deferred costs, which primarily consist of sales commissions, are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and then amortized on a straight-line basis over a period of benefit that we have determined to be three years. We typically do not pay commissions for contract renewals. We determined the period of benefit by taking into consideration our customer contract term, the useful life of our internal-use software, average customer life, and other factors. Amortization expense for deferred costs is included within sales and marketing expense in the accompanying Consolidated Statements of Operations.

#### *Cost of Revenue (Exclusive of Depreciation and Amortization)*

Many of our Value Added Services are facilitated by third-party service providers. Cost of revenue paid to these third-party service providers includes, without limitation, the cost of electronic interchange and payment processing-related services to support our payments services, the cost of credit reporting services for our tenant screening services, and various costs associated with our risk mitigation service providers. These third-party costs vary both in amount and as a percent of revenue for each Value Added Service offering. Cost of revenue also consists of personnel-related costs for our employees focused on customer service and the support of our operations (including salaries, cash bonuses, benefits, and stock-based compensation), platform infrastructure costs (such as data center operations and hosting-related costs), and allocated shared and other costs. Cost of revenue excludes depreciation of property and equipment, amortization of capitalized software development costs and amortization of intangible assets.

#### *Sales and Marketing*

Sales and marketing expense consists of personnel-related costs for our employees focused on sales and marketing (including salaries, sales commissions, cash bonuses, benefits, and stock-based compensation), costs associated with sales and marketing activities, and allocated shared and other costs. Marketing activities include advertising, online lead generation, lead nurturing, customer and industry events, and the creation of industry-related content and collateral. We focus our sales and marketing efforts on generating awareness of our products and services, creating sales leads, establishing and promoting our brands, and cultivating an educated community of successful and vocal customers. Advertising expenses were \$14.3 million, \$10.6 million and \$8.6 million for each of the years ended December 31, 2025, 2024 and 2023, respectively, and are expensed as incurred.

#### *Research and Product Development*

Research and product development expense consists of personnel-related costs for our employees focused on research and product development (including salaries, cash bonuses, benefits, and stock-based compensation), fees for third-party development resources, and allocated shared and other costs. Our research and product development efforts are focused on expanding functionality and the ease of use of our existing products and services by adding new core functionality, Value Added Services and other improvements, as well as developing new products and services. We capitalize our software development costs which meet the criteria for capitalization. Amortization of capitalized software development costs is included in depreciation and amortization expense.

#### *General and Administrative*

General and administrative expense consists of personnel-related costs for employees in our executive, finance, information technology, human resources, legal, compliance, and administrative organizations (including salaries, cash bonuses, benefits, and stock-based compensation). In addition, general and administrative expense includes fees for third-party professional services (including audit, legal, compliance, and tax services), transaction costs related to business combination, sales of subsidiary businesses, regulatory fines and penalties, other corporate expenses, impairment of long-lived assets, and allocated shared costs.

#### **Depreciation and Amortization**

Depreciation and amortization expense includes depreciation of property and equipment, amortization of capitalized software development costs, and amortization of intangible assets. We depreciate or amortize property and equipment, software development costs, and intangible assets over their expected useful lives on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

#### **Stock-Based Compensation**

We recognize stock-based compensation expense for restricted stock awards ("RSAs") and restricted stock units ("RSUs") with only service conditions on a straight-line basis over the requisite service period. For RSUs with both service and performance conditions ("PSUs"), compensation cost is recorded on a graded-vesting method, if it is probable that the performance condition will be achieved. Adjustments to compensation expense are made each period based on changes in our estimate of the number of PSUs that are probable of vesting. PSUs will vest on the vesting date and upon achievement of the relevant performance metric once such calculation is finalized in accordance with our internal policies. We estimate a forfeiture rate to calculate our stock-based compensation expense for our stock-based awards.

#### **Income Taxes**

We recognize deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the Consolidated Statements of Operations in the period that includes the enactment date. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. In evaluating the need for a valuation allowance at each reporting period, we consider the weighting of all available positive and negative evidence, which includes, among other things, the nature, frequency and severity of current and cumulative taxable income or losses, future projections of profitability, timing of the future reversal of existing temporary differences and the duration of statutory carryforward periods.

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

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Improvements to Income Tax Disclosures*, which requires that an entity, on an annual basis, disclose additional income tax information, including more detailed breakdowns of the effective tax rate to the statutory rate and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively and is effective for calendar year-end public business entities in the 2025 annual period and in 2026 for interim periods with early adoption permitted. We adopted the standard in our fiscal year 2025 annual financial statements prospectively. For additional information, refer to Note 14 *Income Taxes*, in our Consolidated Financial Statements.

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

In November 2024, FASB issued ASU 2024-03, *Disaggregation of Income Statement Expense*. The new standard requires additional disclosures about specific types of expenses included in the expense captions presented on the face of income statements as well as disclosures about selling expenses. The guidance applies prospectively with the option to apply the standard retrospectively and is effective for calendar year-end public business entities in the 2027 annual period and in 2028 for interim periods with early adoption permitted. We are currently evaluating the impact of this ASU on our Consolidated Financial Statements.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends ASC 326-202 to provide a practical expedient (for all entities) and an accounting policy election (for all entities, other than public business entities, that elect the practical expedient) related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. The guidance will be applied on a prospective basis and is effective for calendar year-end public business entities in the 2026 annual period and its interim periods, with early adoption permitted. We plan to adopt the standard from January 1, 2026, and we expect the adoption of the standard will not have any material impact on our financial statements.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, to modernize the accounting guidance for the costs to develop software for internal use. The new guidance amends the existing standard that refers to various stages of a software development project to align better with current software development methods, such as agile programming. The new guidance will be effective for calendar year-end public business entities in the 2028 annual period. The guidance can be applied on a fully prospective basis, a modified basis for in-process projects, or a full retrospective basis. We are currently evaluating the impact of this ASU on our Consolidated Financial Statements.

### 3. Revenue and Deferred Costs

The following table presents our revenue categories (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Subscription Services	\$ 211,457	\$ 180,605	\$ 156,692
Value Added Services	721,549	605,011	454,098
Other	17,816	8,586	9,655
Total revenue	\$ 950,822	\$ 794,202	\$ 620,445

Our revenue is generated primarily from United States customers.

#### Deferred Costs

Deferred costs were \$22.8 million and \$16.8 million as of December 31, 2025 and 2024, respectively, of which \$11.2 million and \$9.9 million, respectively, are included in *Prepaid expenses and other current assets* and \$11.6 million and \$6.9 million, respectively, are included in *Other long-term assets* in the accompanying Consolidated Balance Sheets. Amortization expense for deferred costs was \$11.1 million, \$10.0 million, and \$9.5 million for the years ended December 31, 2025, 2024, and 2023, respectively. For the years ended December 31, 2025 and 2024, no impairments were identified in relation to the costs capitalized for the periods presented.

#### Remaining Performance Obligations

Transaction price allocated to remaining performance obligations ("RPO") represents contracted revenue that has not been recognized, which includes deferred revenue and non-cancelable amounts that will be invoiced and recognized as revenue in future periods. RPO does not include revenue related to performance obligations that are part of a contract whose original expected duration is one year or less or related to usage-based Value Added Services that are billed in arrears.

As of December 31, 2025, the total non-cancelable RPO under our contracts with customers was \$93.9 million, and we expect to recognize revenue on approximately 38.4% of these RPO over the following 12 months, with the balance to be recognized thereafter. This RPO balance grew significantly during 2025 as we began selling more multi-year revenue contracts.

### 4. Investment Securities and Fair Value Measurements

#### Investment Securities

Investment securities classified as available-for-sale consisted of the following as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government and agency securities	\$ 144,216	\$ 40	\$ —	\$ 144,256
Total available-for-sale investment securities	\$ 144,216	\$ 40	\$ —	\$ 144,256

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government and agency securities	235,509	261	(25)	235,745
Total available-for-sale investment securities	\$ 235,509	\$ 261	\$ (25)	\$ 235,745

As of December 31, 2025, the decline in fair value below amortized cost basis was not considered other than temporary as it is more likely than not we will hold the securities until maturity or recovery of the cost basis. No allowance for credit losses for available-for-sale investment securities was recorded as of December 31, 2025 or 2024.

The fair values of available-for-sale investment securities, by remaining contractual maturity, are as follows (in thousands):

	December 31, 2025		December 31, 2024	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 144,216	\$ 144,256	\$ 235,509	\$ 235,745
Total available-for-sale investment securities	\$ 144,216	\$ 144,256	\$ 235,509	\$ 235,745

During the years ended December 31, 2025 and 2024, we had sales and maturities (which include calls) of investment securities, as follows (in thousands):

	Year Ended December 31, 2025			
	Gross Realized Gains	Gross Realized Losses	Gross Proceeds from Sales	Gross Proceeds from Maturities
U.S. government and agency securities	94	(49)	202,662	118,970
	\$ 94	\$ (49)	\$ 202,662	\$ 118,970

	Year Ended December 31, 2024			
	Gross Realized Gains	Gross Realized Losses	Gross Proceeds from Sales	Gross Proceeds from Maturities
U.S. government and agency securities	4	(1)	9,984	240,035
	\$ 4	\$ (1)	\$ 9,984	\$ 240,035

The tables above do not include our strategic investments of non-marketable equity investments in privately-held companies, which are recorded in *long-term investments* in our Consolidated Balance Sheets. These strategic investments consist of the following as of December 31, 2025 and December 31, 2024 (in thousands):

	December 31, 2025	December 31, 2024
Second Nature	\$ 75,000	\$ —
Others	2,033	2,033
Total long-term investments	\$ 77,033	\$ 2,033

In April 2025, we purchased a minority, non-controlling equity interest in Second Nature Holdings, L.P. ("Second Nature") for \$75.0 million, paid with cash on hand. We determined that we do not have significant influence over Second Nature, and our investment in Second Nature has been classified as an investment in equity securities without readily determinable fair value.

There were no realized or unrealized gains or losses from remeasurement of investments in equity securities under the measurement alternative for the years ended December 31, 2025 and 2024.

#### Fair Value Measurements

##### Recurring Fair Value Measurements

The following tables present our financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 and 2024 by level within the fair value hierarchy (in thousands):

	December 31, 2025		
	Level 1	Level 2	Total Fair Value
Cash equivalents:			
Money market funds	\$ 89,365	\$ —	\$ 89,365
Available-for-sale investment securities:			
U.S. government and agency securities	—	144,256	144,256
<b>Total</b>	<b>\$ 89,365</b>	<b>\$ 144,256</b>	<b>\$ 233,621</b>

	December 31, 2024		
	Level 1	Level 2	Total Fair Value
Cash equivalents:			
Money market funds	\$ 25,167	\$ —	\$ 25,167
Available-for-sale investment securities:			
U.S. government and agency securities	—	235,745	235,745
<b>Total</b>	<b>\$ 25,167</b>	<b>\$ 235,745</b>	<b>\$ 260,912</b>

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of the short maturity of these items.

There were no changes to our valuation techniques used to measure asset and liability fair values on a recurring basis during the year ended December 31, 2025. The valuation techniques for the financial assets in the tables above are as follows:

*Cash Equivalents*

As of December 31, 2025 and 2024, cash equivalents include cash invested in money market funds with a maturity of three months or less. Fair value is based on market prices for identical assets.

*Available-for-Sale Investment Securities*

Our Level 2 investment securities were priced by a pricing vendor. The pricing vendor utilizes the most recent observable market information in pricing these securities or, if specific prices are not available for these securities, other observable inputs like market transactions involving comparable securities are used.

*Strategic Investments Measured and Recorded at Fair Value on a Non-Recurring Basis*

Strategic investments primarily include equity investments in privately-held companies, which do not have a readily determinable fair value. Strategic investments are classified as Level 3 in the fair value hierarchy, as their nonrecurring fair value measurements may include observable and unobservable inputs. As of December 31, 2025 and December 31, 2024, the balance of strategic investments was \$77.0 million and \$2.0 million, respectively.

**5. Property and Equipment, net**

All of our property and equipment is located in the United States. Property and equipment, net consists of the following (in thousands):

	December 31,	
	2025	2024
Computer equipment	\$ 2,387	\$ 2,796
Furniture and fixtures	5,126	5,292
Office equipment	3,708	3,729
Leasehold improvements	32,144	28,787
Construction in process	19	357
Gross property and equipment	43,384	40,961
Less: Accumulated depreciation	(20,156)	(16,478)
<b>Total property and equipment, net</b>	<b>\$ 23,228</b>	<b>\$ 24,483</b>

Depreciation expense for property and equipment totaled \$4.3 million, \$5.2 million, and \$7.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

#### 6. Capitalized Software Development Costs, net

Capitalized software development costs, net were as follows (in thousands):

	December 31,	
	2025	2024
Capitalized software development costs, gross	\$ 112,108	\$ 117,480
Less: Accumulated amortization	(100,784)	(102,051)
Capitalized software development costs, net	<u>\$ 11,324</u>	<u>\$ 15,429</u>

Capitalized software development costs were \$4.0 million, \$6.1 million and \$5.5 million for the years ended December 31, 2025, 2024 and 2023, respectively. Amortization expense with respect to software development costs totaled \$8.2 million, \$12.2 million and \$19.2 million for the years ended December 31, 2025, 2024 and 2023, respectively. During the years ended December 31, 2025 and 2024, we disposed of \$9.4 million and \$15.2 million, respectively, of fully amortized capitalized software development costs.

Future amortization expense with respect to capitalized software development costs is estimated as follows (in thousands):

Years Ending December 31,	
2026	5,808
2027	4,242
2028	1,274
Total amortization expense	<u>\$ 11,324</u>

#### 7. Business Combination

##### Acquisition of Move EZ, Inc.

On October 22, 2024, we acquired all of the outstanding shares of Move EZ, Inc., d/b/a LiveEasy ("LiveEasy") for a total cash purchase consideration of \$78.5 million. LiveEasy is a concierge platform providing moving and home services throughout the resident onboarding process.

The transaction was accounted for using the acquisition method, and as a result, assets acquired and liabilities assumed were recorded at their estimated fair values as of the acquisition date.

The following table summarizes the final purchase price allocation (in thousands) as well as the estimated useful lives of the acquired intangible assets over which they are amortized on a straight-line basis, as this approximates the pattern in which economic benefits are consumed:

	Estimated Fair Value	Estimated Useful Life (in years)
Cash and cash equivalents	272	
Identified intangible assets:		
Customer relationships	39,000	5
Developed technology	9,800	5
Goodwill	40,350	
Deferred tax liabilities	(8,874)	
Other net tangible liabilities	(2,047)	
Net assets acquired	<u>\$ 78,501</u>	

Customer relationships represent the fair value of the underlying contracts and related relationships with LiveEasy's customers and service providers. Developed technology represents the fair value of the technologies that pertain to a customer-facing concierge platform that provides moving and home services. We used a replacement cost method to determine the fair value of both intangible assets. The assumptions used are development costs, the time required to recreate the assets and profit margin a market participant would receive, and rate of return.

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill, which is not deductible for tax purposes. Goodwill is primarily attributed to the assembled workforce of LiveEasy and anticipated operational synergies.

#### 8. Goodwill and Intangible Assets, Net

Intangible assets, net consisted of the following (in thousands, except years):

	December 31, 2025			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Useful Life in Years
Customer relationships	39,000	(9,100)	29,900	5.0
Developed technology	9,800	(2,287)	7,513	5.0
Database	4,710	(3,297)	1,413	10.0
Domain names	90	(90)	—	5.0
Patents	252	(252)	—	5.0
Total intangible assets, net	<u>\$ 53,852</u>	<u>\$ (15,026)</u>	<u>\$ 38,826</u>	5.4
	December 31, 2024			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Useful Life in Years
Customer relationships	39,000	(1,300)	37,700	5.0
Developed technology	9,800	(327)	9,473	5.0
Database	4,710	(2,826)	1,884	10.0
Domain names	90	(90)	—	5.0
Patents	252	(252)	—	5.0
Total intangible assets, net	<u>\$ 53,852</u>	<u>\$ (4,795)</u>	<u>\$ 49,057</u>	5.4

Amortization expense with respect to intangible assets totaled \$10.2 million, \$2.1 million and \$2.5 million for the years ended December 31, 2025, 2024 and 2023, respectively. Future amortization expense with respect to intangible assets is estimated as follows (in thousands):

Years Ending December 31,	
2026	\$ 10,231
2027	10,231
2028	10,231
2029	8,133
Total	<u>\$ 38,826</u>

Our goodwill balance is solely attributed to acquisitions. The change in the carrying amount of goodwill during the years ended December 31, 2025, 2024 and 2023 is as follows (in thousands):

Goodwill at December 31, 2023	\$ 56,060
Acquisition of LiveEasy	40,350
Goodwill at December 31, 2024	<u>96,410</u>
Goodwill at December 31, 2025	<u>\$ 96,410</u>

#### 9. Leases

Operating leases for our corporate offices have remaining lease terms ranging from 1.6 years to 7.1 years, some of which include options to extend the leases for up to ten years. These options to extend have not been recognized as part of our operating lease ROU assets and lease liabilities as it is not reasonably certain that we will exercise these options. Our lease agreements do not contain any residual value guarantees or material restrictive covenants. Certain leases contain provisions for property-related costs that are variable in nature for which we are responsible, including common area maintenance, which are expensed as incurred.

The components of lease expense recognized in the Consolidated Statements of Operations were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 4,070	\$ 4,188	\$ 4,362
Variable lease cost	1,370	1,479	1,737
Total lease cost	\$ 5,440	\$ 5,667	\$ 6,099

Lease-related assets and liabilities were as follows (in thousands, except years and %):

	December 31,	
	2025	2024
<b>Assets</b>		
Operating lease right-of-use assets	15,924	17,472
<b>Liabilities</b>		
Other current liabilities	\$ 4,873	\$ 4,273
Operating lease liabilities	33,287	37,476
Total lease liabilities	\$ 38,160	\$ 41,749
Weighted-average remaining lease term (years)	6.3	7.4
Weighted-average discount rate	5.2 %	5.1 %

In January 2023, we entered into an amendment to the lease agreement for our San Diego facility (the "San Diego Lease"). We remeasured the lease liability and recorded a reduction to the lease liability and ROU asset using the discount rate at the modification date, which resulted in a gain of \$2.4 million in the Consolidated Statements of Operations.

In June 2023, we entered into a second amendment to reduce the rentable square footage and our future rental payment obligations under the San Diego Lease pursuant to which we made a one-time payment of \$2.9 million. We again remeasured the lease liability and recorded a reduction to the lease liability using the discount rate at the modification date. As a result, we recorded a gain of \$1.9 million in the Consolidated Statements of Operations.

In July 2023, we entered into an agreement to sublet one of our office spaces in Santa Barbara through December 31, 2031 (the "Santa Barbara 90 Sublease"). The total rental commitment over the term of the Santa Barbara 90 Sublease is \$6.1 million. We performed impairment testing in accordance with ASC 360, and no impairment related to the ROU assets was recorded for the year ended December 31, 2023.

Future minimum lease payments under non-cancellable leases as of December 31, 2025 were as follows (in thousands):

Years ending December 31,		
2026	\$	6,662
2027		6,844
2028		6,962
2029		6,910
2030		7,110
Thereafter		10,353
Total future minimum lease payments		44,841
Less: imputed interest		(6,681)
Total	\$	38,160

## 10. Other Balance Sheet Components

### Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31,	
	2025	2024
Income tax receivable <sup>(1)</sup>	\$ 27,133	\$ 1,089
Prepaid expenses	15,707	12,430
Deferred commissions <sup>(2)</sup>	11,166	9,898
Deposits for insurance services <sup>(3)</sup>	7,765	6,668
Other	3,447	2,722
Total Prepaid expenses and other current assets	\$ 65,218	\$ 32,807

<sup>(1)</sup>For additional information on income tax, refer to Note 14, *Income Taxes*.

<sup>(2)</sup>For additional information on deferred commissions, refer to Deferred Costs in Note 2, *Summary of Significant Accounting Policies*.

<sup>(3)</sup>For additional information on deposits held with a third party related to requirements to maintain collateral for insurance services, refer to "Liability to Landlord Insurance" in Note 11, *Commitments and Contingencies*.

### Accrued Employee Expenses

Accrued employee expenses consisted of the following (in thousands):

	December 31,	
	2025	2024
Accrued bonuses <sup>(1)</sup>	\$ 43,298	\$ 17,092
Accrued payroll and other	16,476	13,065
Total accrued employee expenses	\$ 59,774	\$ 30,157

<sup>(1)</sup>Accrued bonuses increased significantly as of December 31, 2025, due to the shift from a semi-annual to an annual payment cycle. Whereas a portion of the prior year's bonus was paid mid-year, the 2025 fiscal year accrual represents the total annual incentive to be paid in the first quarter of 2026.

### Other Current Liabilities

Other Current Liabilities consisted of the following (in thousands):

	December 31,	
	2025	2024
Unearned premium liabilities <sup>(1)</sup>	\$ 6,662	\$ 5,455
Insurance reserves <sup>(2)</sup>	6,630	3,908
Operating lease liabilities-current	4,873	4,273
Others	3,956	2,451
Total other current liabilities	\$ 22,121	\$ 16,087

<sup>(1)</sup>Unearned premium liabilities are the refundable portion of commissions received in connection with the sale of renters insurance policies to residents through AppFolio Insurance Services, Inc., our wholly-owned subsidiary. In the event a resident cancels their renters insurance policy prior to the end of such policy, we may be required to refund a pro rata portion of the commission paid on such policy.

<sup>(2)</sup>For additional information on insurance reserves, refer to "Legal Liability to Landlord Insurance" in Note 11, *Commitments and Contingencies*.

## 11. Commitments and Contingencies

### *Commitments*

As of December 31, 2025, our non-cancelable purchase commitments for business operations totaled \$31.3 million, which are due primarily over the next three years. Operating lease obligations associated with lease facilities totaled \$38.2 million as of December 31, 2025 and have varying maturities with \$44.8 million due over the next five years.

### *Liability to Landlord Insurance*

We have a wholly-owned subsidiary, Terra Mar Insurance Company, Inc., which was established in connection with reinsuring liability to landlord insurance policies offered to our customers by a third-party service provider. We assume a 100% quota share of the liability to landlord insurance policies placed with our customers by our third-party service provider. We accrue for reported claims, and include an estimate of losses incurred but not reported by our property manager customers, in cost of revenue because we bear the risk related to all such claims. Our estimated liability for reported claims and incurred but not reported claims as of December 31, 2025 and 2024 was \$6.6 million and \$3.9 million, respectively, and is included in *Other current liabilities* on our Consolidated Balance Sheets.

Included in *Prepaid expenses and other current assets* as of December 31, 2025 and 2024 are \$7.8 million and \$6.7 million, respectively, of deposits held with a third party related to requirements to maintain collateral for this risk mitigation service.

### *Credit Facility*

On September 30, 2025, we entered into the Credit Facility which provides for a \$150.0 million senior secured revolving credit facility, including sublimits of \$25.0 million for letters of credit and \$25.0 million for swingline loans, and is scheduled to mature on September 30, 2030. We may, subject to customary conditions and consent of the applicable lenders, increase the revolving commitment or incur term loans thereunder (capped at amounts specified in the Credit Facility) or extend the maturity date of the Credit Facility.

Borrowings under the Credit Facility bear interest at variable rates based, at our option, on Term Secured Overnight Financing Rate Data ("SOFR"), Daily Simple SOFR, or a Base Rate, plus an applicable margin (ranging from 125.0 to 200.00 basis points in the case of Term SOFR and Daily Simple SOFR and 25.0 to 100.00 basis points in the case of the Base Rate) determined by our Consolidated Net Leverage Ratio, all as defined in the Credit Facility. We also pay a quarterly commitment fee (ranging from 15.0 to 30.0 basis points depending on our Consolidated Net Leverage Ratio) on unused amounts, as well as customary letter of credit and agency fees.

The obligations under the Credit Facility are guaranteed by certain of our subsidiaries and secured by a first-priority security interest in substantially all of our and our guarantors' personal property, subject to customary exclusions and exceptions. The Credit Facility includes customary representations, warranties, affirmative and negative covenants, including a financial covenant requiring maintenance of a Consolidated Net Leverage Ratio, and events of default. The negative covenants include, among other things, restrictions on our and our subsidiaries' ability to incur indebtedness and liens, make investments, pay dividends or distributions or repurchase equity interests, merge, consolidate or otherwise dispose of assets, enter into transactions with affiliates, and prepay, redeem, purchase or otherwise retire junior indebtedness, all subject to certain exceptions.

As of December 31, 2025, there were no outstanding borrowings under the Credit Facility, and we were in compliance with the covenants under the Credit Facility.

### *Legal Proceedings*

From time to time, we are involved in various other investigative inquiries, legal proceedings and disputes arising from or related to matters incident to the ordinary course of our business activities, including actions with respect to intellectual property, employment, labor, regulatory and contractual matters. Although the ultimate outcome of such investigative inquiries, legal proceedings and other disputes cannot be predicted with certainty, we do not believe that any such investigative inquiries, legal proceedings and other disputes, if determined adversely to us, would, individually or taken together, have a material adverse effect on our business, operating results, financial condition or cash flows.

### **Indemnification**

In the ordinary course of business, we may provide indemnification of varying scope and terms to customers, business partners, investors, directors, officers, and other parties with respect to certain matters, including, but not limited to, losses arising out of our breach of any applicable agreements, intellectual property infringement claims made by third parties, and other liabilities relating to or arising from our services or our acts or omissions. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses and is indeterminable. We have not incurred any costs as a result of such indemnification obligations and have not recorded any liabilities related to such obligations in the Consolidated Financial Statements.

## **12. Stockholders' Equity**

### **Amended and Restated Certificate of Incorporation**

Under our Amended and Restated Certificate of Incorporation, we are authorized to issue 250,000,000 shares of Class A common stock, 50,000,000 shares of Class B common stock and 25,000,000 shares of undesignated preferred stock, each with a par value of \$0.0001 per share.

### **Class A Common Stock and Class B Common Stock**

Holders of our Class A common stock and Class B common stock are entitled to dividends when, as, and if declared by our Board of Directors, subject to the rights of the holders of all classes of stock outstanding having priority rights to dividends. As of December 31, 2025, we have not declared any dividends. The holder of each share of Class A common stock is entitled to one vote, while the holder of each share of Class B common stock is entitled to ten votes. Each share of our Class B common stock is convertible at any time at the option of the holder into one share of our Class A common stock and generally converts into a share of our Class A common stock upon transfer. Class A common stock and Class B common stock are collectively referred to as common stock throughout the notes to these financial statements, unless otherwise noted.

### **Preferred Stock**

Our Board of Directors, subject to the limitations prescribed by Delaware law, has the authority to issue up to 25,000,000 shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders.

### **Share Repurchase Program**

On February 20, 2019, our Board of Directors authorized a \$100.0 million share repurchase program (the "2019 Stock Repurchase Program") relating to our outstanding shares of Class A common stock. Under the 2019 Stock Repurchase Program, we were authorized to repurchase shares of our Class A common stock from time to time in open market purchases or privately negotiated transactions. The 2019 Stock Repurchase Program did not obligate us to repurchase any minimum dollar amount or number of shares, did not have an expiration date, and it could have been modified, suspended or terminated at any time and for any reason.

During the first quarter of 2025, we repurchased 445,311 shares of our Class A common stock through open market repurchases under the 2019 Stock Repurchase Program at an average purchase price of \$215.05 per share, inclusive of broker commissions, for an aggregate repurchase price of \$95.8 million which was recorded as a reduction to stockholders' equity. As a result of the repurchases, we substantially exhausted the remaining shares available for purchase under the 2019 Stock Repurchase Program, and it has terminated.

On April 23, 2025, our Board authorized a \$300.0 million share repurchase program (the "2025 Stock Repurchase Program") relating to our outstanding shares of Class A common stock. Under the 2025 Stock Repurchase Program, we are authorized to repurchase shares of our Class A common stock from time to time in open market purchases or privately negotiated transactions. The 2025 Stock Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares, has no expiration date, and can be modified, suspended or terminated at any time and for any reason. The timing and actual number of shares repurchased will depend on a variety of factors, including price, corporate and legal requirements, market conditions and other factors. During the second quarter of 2025, we repurchased 243,987 shares of our Class A common stock through open market repurchases under the 2025 Stock Repurchase Program at an average purchase price of \$204.77 per share, inclusive of broker commissions, for an aggregate repurchase price of \$50.0 million which was recorded as a reduction to stockholders' equity. We did not repurchase any shares of our Class A common stock during the third or fourth quarter of 2025.

As of December 31, 2025, the amount remaining available for repurchases under the 2025 Stock Repurchase Program was \$250.0 million.

### 13. Stock-Based Compensation

We currently have two stock incentive plans: the 2015 Stock Incentive Plan (the "2015 Plan") and, the 2025 Omnibus Incentive Plan (the "2025 Plan"), which was approved by our stockholders at our 2024 annual meeting of stockholders.

We did not grant any awards under the 2025 Plan in 2024. On January 1, 2025, the 2025 Plan superseded and replaced the 2015 Plan and no further awards will be granted under the 2015 Plan, but the 2015 Plan will continue to govern outstanding awards granted under the 2015 Plan.

Under the 2025 Plan, 1,500,000 shares of our Class A common stock were initially reserved and available for grant and issuance subject to adjustment in accordance with the terms of the 2025 Plan. In addition, the number of shares of Class A common stock authorized for issuance under the 2025 Plan will be subject to an annual increase on January 31 of each calendar year during the term of the 2025 Plan, equal to the lesser of (a) the total number of shares of Class A common stock underlying awards granted under the 2025 Plan in the immediately preceding calendar year, less the sum of (i) the number of shares of Class A common stock subject to an award granted under the 2025 Plan that expired, or was canceled, forfeited or terminated, and (ii) the number of shares of Class A common stock withheld by the Company to satisfy any tax withholding obligation, in the case of each of (i) and (ii), during the immediately preceding calendar year, and (b) such smaller number of shares of Class A common stock as is determined by the Board of Directors. We granted RSUs and PSUs during 2025 pursuant to the 2025 Plan.

RSUs and PSUs represent the right on the part of the holder to receive shares of our Class A common stock at a specified date in the future and/or upon the achievement of performance conditions at the discretion of our compensation committee, subject to forfeiture of that right due to termination of employment.

Our 2025 Employee Stock Purchase Plan (the "ESPP") authorizes the issuance of shares of our Class A common stock pursuant to purchase rights granted to our employees. The purchase price for shares purchased under the 2025 ESPP with respect to any offering period is an amount equal to 85% of the fair market value of a share of our Class A common stock on the applicable purchase date (i.e., the last trading day of the applicable offering period). Offering periods are six months long and begin on February 16 and August 16 of each year. The first offering period under the ESPP began on Monday, February 17, 2025. 1,250,000 shares of Class A common stock are authorized for issuance under the ESPP, subject to adjustment in accordance with the terms of the ESPP. In addition, commencing on January 31, 2026 and on each January 31st thereafter during the term of the ESPP, the number of shares of Class A common stock authorized for issuance under the ESPP will be increased by the lesser of (a) the number of shares of Class A common stock issued or transferred pursuant to rights granted under the ESPP during the preceding calendar year, (b) such lesser number of shares of Class A common stock as determined by our compensation committee, or (c) 1,250,000 shares of Class A common stock. For the year ended December 31, 2025, our stock-based compensation expense for the ESPP was not material.

#### Stock Options

A summary of activity in connection with our stock options for the year ended December 31, 2025 is as follows (number of shares in thousands):

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life in Years
Options outstanding as of December 31, 2024	129	\$ 121.50	7.6
Options granted	—	—	—
Options exercised	(9)	14.83	—
Options cancelled/forfeited	—	12.00	—
Options outstanding as of December 31, 2025	120	\$ 129.74	7.2
At December 31, 2025:			
Options vested and expected to vest	120	\$ 129.74	7.2
Options exercisable	40	\$ 129.74	7.2

Our stock-based compensation expense for stock options was not material for the periods presented.

The total intrinsic value of options exercised in 2025, 2024 and 2023 was \$1.9 million, \$52.2 million and \$36.4 million, respectively. This intrinsic value represents the difference between the fair value of our Class A common stock on the date of exercise and the exercise price of each option. Based on the fair value of our Class A common stock as of December 31, 2025, the total intrinsic value of all outstanding options, exercisable options, and options vested and expected to vest was \$17.5 million.

### Restricted Stock Units

A summary of activity in connection with our RSUs for the year ended December 31, 2025 is as follows (number of shares in thousands):

	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested as of December 31, 2024	785	\$ 159.98
Granted	393	226.81
Vested	(439)	156.35
Forfeited	(112)	180.07
Unvested as of December 31, 2025	<u>627</u>	<u>\$ 200.81</u>

Unvested RSUs as of December 31, 2025 were composed of 0.6 million RSUs with only service conditions and 0.1 million PSUs with both service conditions and performance conditions. RSUs granted with only service conditions generally vest over a four-year period, assuming continued employment through the applicable vesting date. The number of PSUs granted, as included in the above table, assumes achievement of the performance metric at 100% of the performance target. The unvested PSUs as of December 31, 2025, are subject to vesting based on the achievement of pre-established performance metrics for the year ending December 31, 2025 and will vest over a three year period, assuming continued employment through each applicable vesting date. The actual number of shares to be granted at the end of the performance period will range from 0% to 171% of the target number of shares depending on achievement relative to the performance metric over the applicable period.

We recognized stock-based compensation expense for the RSUs and PSUs of \$69.4 million, \$59.2 million and \$51.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the total estimated remaining stock-based compensation expense for the aforementioned RSUs and PSUs was \$100.2 million, which is expected to be recognized over a weighted average period of 2.2 years. The total fair value of RSUs and PSUs vested during the years ended December 31, 2025, 2024 and 2023 was approximately \$107.1 million, \$111.8 million and \$82.2 million, respectively.

### 14. Income Taxes

As described in Note 2, Summary of Significant Accounting Policies, we have elected to prospectively adopt the guidance in ASU 2023-09, Improvements to Income Taxes Disclosures. The following table is a reconciliation of the U.S. federal statutory rate of 21% to our effective tax rate for the year ended December 31, 2025 in accordance with the guidance in ASU 2023-09:

	Year Ended December 31,	
	2025	
	(dollars in thousands)	
U.S. federal statutory income tax rate	\$ 33,833	21 %
State and local income taxes, net of federal benefit <sup>(1)</sup>	(1,083)	(1)
Tax credits	(11,424)	(7)
Nontaxable or nondeductible items		
Excess tax benefits from stock-based compensation	(10,340)	(6)
Non-deductible officers' compensation	4,559	3
Other nondeductible items	896	1
Changes in unrecognized tax benefits	3,748	2
Provision for (benefit from) income taxes	<u>\$ 20,189</u>	<u>13 %</u>

<sup>(1)</sup>The state(s) that contribute to the majority (greater than 50%) of the tax effect in this category is California

The following table is a reconciliation of the U.S. federal statutory rate of 21% to our effective tax rate for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to the adoption of ASU 2023-09:

	Year Ended December 31,	
	2024	2023
U.S. federal statutory income tax rate	21 %	21 %
State and local income taxes, net of federal benefit	(2)	(44)
Change in valuation allowance	(37)	215
Stock-based compensation expense	(13)	(108)
Federal research and development tax credits	(10)	(93)
Non-deductible officers' compensation	5	79
Other permanent differences	—	(4)
Provision for (benefit from) income taxes	(36)%	66 %

The (benefit from) provision for income tax consists of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
<b>Current</b>			
Federal	\$ 550	\$ 26,452	\$ 3,485
State and local	2,169	6,280	2,299
Foreign	11	30	—
<b>Total current</b>	<b>2,730</b>	<b>32,762</b>	<b>5,784</b>
<b>Deferred</b>			
Federal	19,453	(46,578)	(477)
State and local	(1,994)	(39,930)	(12)
<b>Total deferred</b>	<b>17,459</b>	<b>(86,508)</b>	<b>(489)</b>
<b>Total (benefit from) provision for income taxes</b>	<b>\$ 20,189</b>	<b>\$ (53,746)</b>	<b>\$ 5,295</b>

The components of deferred tax assets (liabilities) were as follows (in thousands):

	December 31,	
	2025	2024
<b>Deferred income tax assets:</b>		
Net operating loss carryforwards	\$ 39,660	\$ 9,201
Research and development tax credits	36,205	24,326
Capitalized research and software costs	996	66,090
Stock-based compensation	3,252	413
Lease liability	9,939	11,139
Other	2,073	1,495
<b>Total deferred tax assets</b>	<b>92,125</b>	<b>112,664</b>
<b>Deferred tax liabilities:</b>		
Property and equipment	\$ (2,524)	\$ (3,351)
Intangible assets	(12,514)	(15,387)
Capitalized commissions	(5,927)	(4,463)
State taxes	(8,170)	(7,749)
Lease asset	(4,148)	(4,695)
Other	(19)	(109)
<b>Total deferred tax liabilities</b>	<b>(33,302)</b>	<b>(35,754)</b>
<b>Total net deferred tax liabilities</b>	<b>\$ 58,823</b>	<b>\$ 76,910</b>

In evaluating the need for a valuation allowance at each reporting period, we consider the weighting of all available positive and negative evidence, which includes, among other things, the nature, frequency and severity of current and cumulative taxable income or losses, future projections of profitability, timing of the future reversal of existing temporary differences, and the duration of statutory carryforward periods. In assessing all available evidence, we determined that there

was sufficient positive evidence to overcome the negative evidence, including our past and current financial results, growth demonstrated in our top-line performance, as well as projected profitability. Accordingly, we determined it is more likely than not that the deferred tax assets will be realized and we released our valuation allowance at December 31, 2024.

As of December 31, 2025, we had federal and state net operating loss carryforwards \$146.8 million and \$112.5 million, respectively. The federal net operating loss carryforwards do not expire and state net operating losses will begin to expire in 2028. As of December 31, 2025, we also had federal and state research and development credit carryforwards of \$11.8 million and \$36.9 million, respectively. The federal credit carryforwards will begin to expire in 2044, while the state credit carryforwards apply indefinitely. Utilization of our net operating loss and credit carryforwards may be subject to annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions.

The following is a reconciliation of the total amounts of reserves for unrecognized tax benefits from uncertain tax positions (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Unrecognized tax benefit beginning of year	\$ 14,935	\$ 12,315	\$ 9,455
Increases-tax positions in prior year	416	1,203	—
Increases-tax positions in current year	3,418	3,732	2,860
Statute of limitation expiration	\$ —	\$ (2,315)	\$ —
Unrecognized tax benefit end of year	\$ 18,769	\$ 14,935	\$ 12,315

As of December 31, 2025, we recorded gross uncertain tax benefits of \$18.8 million a majority of which would impact our effective tax rate, if recognized. We accrued interest and penalties related to our uncertain income tax positions in our income tax expense, and the amount of interest and penalties accrued for the year ended December 31, 2025 and 2024 are immaterial.

We file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. While the applicable statute of limitations are generally open for three to four years for the jurisdictions we file in, we remain subject to income tax examinations for years ended after December 31, 2019 for federal taxes and all years for most state jurisdictions due to the usage of carryforward attributes, such as net operating losses and research and development credits. As of December 31, 2025, we have not been notified for audit by the Internal Revenue Service or any significant state jurisdiction.

The following table presents income taxes paid (net of refunds received) for the year ended December 31, 2025 (in thousands):

	Year Ended December 31,	
	2025	
Federal taxes	\$	22,390
State taxes		6,450
International taxes		—
Cash paid for income taxes (net of refunds)	\$	28,840

## 15. Net Income Per Share

Basic net income per share includes no dilution and is computed by dividing net income for the period by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing net income for the period by the weighted average number of shares of common stock and potentially dilutive common stock outstanding during the period. The dilutive effect of outstanding options and equity incentive awards is reflected in diluted net income per share by application of the treasury stock method. The calculation of diluted net income per share excludes all anti-dilutive common shares.

Net income per common share was the same for shares of our Class A and Class B common stock because they are entitled to the same liquidation and dividend rights and are therefore combined in the table below. The following table sets forth the computation of basic and diluted net income per common share (in thousands):

	Year Ended December 31,		
	2025	2024	2023
<b>Basic net income per share:</b>			
<b>Numerator</b>			
Net income	\$ 140,923	\$ 204,068	\$ 2,702
Less: undistributed earnings to participating securities	—	12	—
Net income attributable to common stockholders	\$ 140,923	\$ 204,056	\$ 2,702
<b>Denominator</b>			
Weighted average common shares outstanding	36,013	36,254	35,636
Less: Weighted average unvested restricted shares subject to repurchase	—	2	7
Weighted average common shares outstanding; basic	36,013	36,252	35,629
<b>Net income per common share; basic</b>	\$ 3.91	\$ 5.63	\$ 0.08
<b>Diluted net income per share:</b>			
<b>Numerator</b>			
Net income attributable to common stockholders	\$ 140,923	\$ 204,056	\$ 2,702
<b>Denominator</b>			
Weighted average common shares outstanding; basic	36,013	36,252	35,629
Add: Weighted average dilutive options outstanding	40	58	333
Add: Weighted average dilutive RSUs outstanding	274	472	455
Weighted average common shares outstanding; diluted	36,327	36,782	36,417
<b>Net income per common share; diluted</b>	\$ 3.88	\$ 5.55	\$ 0.07

Potentially dilutive securities that are not included in the calculation of diluted net income per share because doing so would be antidilutive are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Unvested Restricted Stock Awards	—	—	6
Options	—	—	120
Restricted Stock Units	14	2	20
<b>Total potentially dilutive securities</b>	14	2	146

## 16. Workforce Reduction

During the year ended December 31, 2023, we implemented a plan to reduce our workforce by 149 employees in order to scale our business more efficiently. Impacted employees were notified in August 2023. There were no workforce reductions during the years ended December 31, 2025 and 2024.

The following table presents the total severance and related personnel costs by function, for the year ended December 31, 2023 (in thousands):

	Severance and Related Personnel Cost	
Cost of revenue	\$	2,367
Sales and marketing		3,795
Research and product development		3,407
General and administrative		2,514
Total <sup>(1)</sup>	\$	12,083

<sup>(1)</sup> Total severance and related personnel costs include \$1.8 million of accelerated stock-based compensation expense recognized during the year ended December 31, 2023.

The following is a summary of changes in the accrued severance and related personnel cost, within Accrued Employee Expenses on the Consolidated Balance Sheets (in thousands):

	Accrued Severance and Related Personnel Cost	
Balance as of December 31, 2022	\$	—
Severance and related personnel cost		10,278
Cash Payments		(9,425)
Balance as of December 31, 2023	\$	853
Cash Payments		(853)
Balance as of December 31, 2024	\$	—

#### 17. Retirement Plans

We have a 401(k) retirement and savings plan made available to all employees. We may, at our discretion, make matching contributions to the 401(k) plan. Cash contributions to the plan were \$7.7 million, \$7.4 million, and \$7.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

**ITEM 9A. CONTROLS AND PROCEDURES*****Evaluation of Disclosure Controls and Procedures***

Our management, with the supervision and participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Annual Report, our disclosure controls and procedures were designed at the reasonable assurance level and were effective to provide reasonable assurance that information we are required to disclose in 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 our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

***Management's Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of December 31, 2025, our management assessed the effectiveness of our internal control over financial reporting using the criteria set forth in the *Internal Control – Integrated Framework* (2013) as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on our evaluation under the COSO criteria, our management concluded that our internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2025.

The effectiveness of our internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their audit report which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting at December 31, 2025.

***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13(a)-15(d) and 15d-15(d) under the Exchange Act that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

Not applicable.

**ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTIONS**

Not applicable.

**PART III**

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**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Except as set forth below in this Item, the information required by this Item will be included in the Proxy Statement under the headings "Election of Directors," "Directors and Corporate Governance," "Executive Officers," "Additional Information," and, as applicable, "Delinquent Section 16(a) Reports" and is incorporated by reference herein.

We have adopted a Code of Business Conduct and Ethics which applies to all of our employees, officers and directors. A copy of our Code of Business Conduct and Ethics is posted on our website, <https://ethics.appfolio.com>. We intend to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of our Code of Business Conduct and Ethics by posting such information on our investor relations website, <http://ir.appfolioinc.com>.

We have adopted an Insider Trading Policy governing the purchase, sale and/or other dispositions of our securities by directors, officers, employees and the Company.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required by this item will be included in the Proxy Statement under the headings "Executive Compensation," "Directors and Corporate Governance," and "Summary Compensation Table" and is incorporated by reference herein.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this item will be included in the Proxy Statement under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" and is incorporated by reference herein.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this item will be included in the Proxy Statement under the headings "Directors and Corporate Governance" and "Related Party Transactions" and is incorporated by reference herein.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this item will be included in the Proxy Statement under the heading "Ratification of the Appointment of Our Independent Registered Public Accounting Firm."

**PART IV****ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES**

The following documents are filed as part of this Annual Report:

1. Consolidated Financial Statements

Our consolidated financial statements are listed in the "Index to Consolidated Financial Statements" under Part II, Item 8, of this Annual Report.

2. Financial Statement Schedules

All financial statement schedules have been omitted because they are not required or are not applicable, or the required information is shown in our Consolidated Financial Statements or the notes thereto.

3. Exhibits

The documents listed in the Exhibit Index of this Annual Report are filed or furnished with, or incorporated by reference into, this Annual Report, in each case as indicated therein.

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## EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the registrant as currently in effect.</a>	10-Q	001-37468	3.1	8/6/2015	
3.2	<a href="#">Amended and Restated Bylaws of the registrant as currently in effect.</a>	10-Q	001-37468	3.1	8/3/2020	
4.1	<a href="#">Specimen Certificate for Class A Common Stock.</a>	S-1/A	333-204262	4.1	6/4/2015	
4.3	<a href="#">Description of Capital Stock of the registrant.</a>	10-K	001-37468	4.3	2/6/2025	
10.1	<a href="#">Industrial Lease, by and between the registrant and 50 Castilian Drive, LLC, effective December 6, 2019 (50 Castilian Drive, Goleta, CA 93117).</a>	8-K	001-37468	10.1	12/11/2019	
10.2	<a href="#">Industrial Lease, by and between the registrant and 50 Castilian Drive, LLC, effective December 6, 2019 (70 Castilian Drive, Goleta, CA 93117).</a>	8-K	001-37468	10.2	12/11/2019	
10.3	<a href="#">Industrial Lease, by and between the registrant and 50 Castilian Drive, LLC, effective December 6, 2019 (90 Castilian Drive, Goleta, CA 93117).</a>	8-K	001-37468	10.3	12/11/2019	
10.4	<a href="#">First Amendment to Industrial Lease, by and between the registrant and 50 Castilian Drive, LLC, effective February 10, 2022 (50 Castilian Drive, Goleta, CA 93117).</a>	10-K	001-37468	10.4	2/28/2022	
10.5	<a href="#">First Amendment to Industrial Lease, by and between the registrant and 50 Castilian Drive, LLC, effective February 10, 2022 (70 Castilian Drive, Goleta, CA 93117).</a>	10-K	001-37468	10.5	2/28/2022	
10.6	<a href="#">First Amendment to Industrial Lease, by and between the registrant and 50 Castilian Drive, LLC, effective February 10, 2022 (90 Castilian Drive, Goleta, CA 93117).</a>	10-K	001-37468	10.6	2/28/2022	
10.7	<a href="#">Sublease, by and between the registrant and Google LLC, effective July 10, 2023 (50 Castilian Drive, Goleta, CA 93117).</a>	10-Q	001-37468	10.3	10/27/2023	
10.8#	<a href="#">2015 Stock Incentive Plan and related form agreements.</a>	S-1/A	333-204262	10.4	6/4/2015	
10.9#	<a href="#">Form of Restricted Stock Unit Award Agreement (New Hire) under 2015 Stock Incentive Plan.</a>	10-K	001-37468	10.16	2/28/2022	
10.10#	<a href="#">Form of Restricted Stock Unit Award Agreement (Refresh) under 2015 Stock Incentive Plan.</a>	10-K	001-37468	10.17	2/28/2022	
10.11#	<a href="#">Form of Restricted Stock Unit Award Agreement (PSU) under 2015 Stock Incentive Plan.</a>	10-K	001-37468	10.18	2/28/2022	
10.12#	<a href="#">2025 Omnibus Incentive Plan.</a>	10-Q	001-37468	10.1	7/26/2024	
10.13#	<a href="#">Form of Restricted Stock Unit Award Agreement (New Hire) under 2025 Omnibus Incentive Plan.</a>	10-K	001-37468	10.13	2/6/2025	
10.14#	<a href="#">Form of Restricted Stock Unit Award Agreement (Refresh) under 2025 Omnibus Incentive Plan Incentive Plan.</a>	10-K	001-37468	10.14	2/6/2025	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.15#	<a href="#">Form of Restricted Stock Unit Award Agreement (PSU) under 2025 Omnibus Incentive Plan.</a>	10-K	001-37468	10.15	2/6/2025	
10.16#	<a href="#">2025 Employee Stock Purchase Plan.</a>	10-Q	001-37468	10.2	7/26/2024	
10.17#	<a href="#">Amendment 2026-1 to AppFolio, Inc. 2025 Employee Stock Purchase Plan</a>					
10.18#	<a href="#">Transition and Separation Agreement, dated March 1, 2023, by and between Jason Randall and the registrant.</a>	10-Q	001-37468	10.1	4/28/2023	X
10.19#	<a href="#">Employment agreement, dated March 1, 2023, between the registrant and William Shane Trigg.</a>	10-Q	001-37468	10.2	4/28/2023	
10.20#	<a href="#">Employment agreement between the registrant and Fay Sien Goon.</a>	10-Q	001-37468	10.1	11/8/2021	
10.21#	<a href="#">Separation Agreement, dated November 8, 2024, between the registrant and Fay Sien Goon.</a>	8-K	001-37468	10.1	11/21/2024	
10.22#	<a href="#">Employment Agreement, dated July 30, 2025, between the Registrant and Tim Eaton.</a>	10-Q	001-37468	10.1	7/31/2025	
10.23#	<a href="#">Employment Agreement, dated February 6, 2025, between the registrant and Elizabeth Baral.</a>					X
10.124#	<a href="#">Employment Agreement, dated February 6, 2025, between the registrant and Matthew S. Mazza.</a>	10-K	001-37468	10.25	2/6/2025	
10.25#	<a href="#">Separation Agreement, dated November 19, 2025, by and between the registrant and Matthew S. Mazza.</a>					X
10.26#	<a href="#">Nonemployee Director Deferred Compensation Plan.</a>	10-K	001-37468	10.19	2/28/2022	
10.27#	<a href="#">First Amendment to Non-Employee Director Deferred Compensation Plan.</a>	10-Q	001-37468	10.1	4/24/2025	
10.28#	<a href="#">Related form of Deferral Election under Nonemployee Director Deferred Compensation Plan.</a>	10-K	001-37468	10.20	2/28/2022	
10.29#	<a href="#">Form of Indemnification Agreement by and between the registrant and certain of its senior employees and directors.</a>	10-K	001-37468	10.23	2/6/2025	
10.30#	<a href="#">Agreement and Plan of Merger, dated October 22, 2024, among the registrant, Lilac Merger Sub, Inc., Move EZ, Inc. and WT Representative, LLC.</a>	8-K	001-37468	2.1	10/24/2024	
10.31#	<a href="#">Revolving credit facility agreement.</a>	8-K	001-37468	10.1	10/3/2025	
19	<a href="#">Insider Trading Policy of the registrant.</a>					X
21.1	<a href="#">Subsidiaries of the registrant.</a>					X
23.1	<a href="#">Consent of independent registered public accounting firm.</a>					X
24.1	<a href="#">Power of Attorney (included on the signature page of this Annual Report).</a>					X
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.</a>					X
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.</a>					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
32.1*	<a href="#">Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					X
97.1#	<a href="#">Executive Compensation Recovery Policy.</a>	10-K	001-37468	97.1	2/1/2024	
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

# Indicates a management contract or compensatory plan or arrangement

\* The certifications attached as Exhibit 32.1 accompany this Annual Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the registrant's filings under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in any such filing.

**SIGNATURES**

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

**AppFolio, Inc.**

Date: February 5, 2026

By: /s/ Shane Trigg  
Shane Trigg  
Chief Executive Officer  
(Principal Executive Officer)

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**Power of Attorney**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Shane Trigg, Tim Eaton, and Don Rigler, his or her lawful attorneys-in-fact and agents, for such person in any and all capacities, to sign any and all amendments to this report and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or substitute or substitutes, may do or cause to be done by virtue hereof.

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

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Shane Trigg</u> Shane Trigg	President, Chief Executive Officer and Director (Principal Executive Officer)	February 5, 2026
<u>/s/ Tim Eaton</u> Tim Eaton	Chief Financial Officer (Principal Financial Officer)	February 5, 2026
<u>/s/ Don Rigler</u> Don Rigler	Vice President of Accounting (Principal Accounting Officer)	February 5, 2026
<u>/s/ Andreas von Blottnitz</u> Andreas von Blottnitz	Chairman of the Board	February 5, 2026
<u>/s/ Agnes Bundy Scanlan</u> Agnes Bundy Scanlan	Director	February 5, 2026
<u>/s/ Janet Kerr</u> Janet Kerr	Director	February 5, 2026
<u>/s/ Olivia Nottebohm</u> Olivia Nottebohm	Director	February 5, 2026
<u>/s/ Winifred Webb</u> Winifred Webb	Director	February 5, 2026

**AMENDMENT 2026-1 TO  
APPFOLIO, INC.  
2025 EMPLOYEE STOCK PURCHASE PLAN**

THIS AMENDMENT 2026-1 TO THE APPFOLIO, INC. 2025 EMPLOYEE STOCK PURCHASE PLAN (this "Amendment") is adopted on January 27, 2026, with reference to the following facts:

**RECITALS**

WHEREAS, AppFolio, Inc. (the "Company") established the 2025 Employee Stock Purchase Plan, which was adopted by its Board of Directors (the "Board") on January 24, 2024 (the "Plan");

WHEREAS, the Plan establishes the Board as the Administrator (as defined in the Plan) except to the extent that the Board delegates responsibility for any matter to the Compensation Committee of the Board (the "Committee");

WHEREAS, the Board has delegated to the Committee all authority of the Administrator, including the authority to manage the operation and administration of the Plan, including but not limited to, creating, amending, and rescinding rules or regulations relating to the Plan (the "Administrator");

WHEREAS, pursuant to Section 9.1 of the Plan, the Administrator may amend the Plan at any time, with no approval of the Company's shareholders required except in limited circumstances not implicated by this Amendment; and

WHEREAS, effective as of January 1, 2026 (the "Effective Date"), the Administrator desires to amend the Plan to (a) clarify the Plan's administrative structure, (b) implement a lookback mechanism for purposes of determining the applicable Purchase Price with respect to an Offering Period, and (c) increase the maximum contribution under the Plan from 10% to 15% of Compensation during an Offering Period.

**AGREEMENTS**

1. Definitions. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Plan.

2. Amendments to the Plan. As of the Effective Date, the Plan is hereby amended and modified as follows:

i. Article 2. Definitions and Construction.

Existing Section 2.1 shall be amended and restated in its entirety to state:

2.1 "Administrator" shall have the meaning set forth in Section 11.1 of the Plan.

Existing Section 2.22 shall be amended and restated in its entirety to state:

2.22 "Purchase Price" means, with respect to a particular Offering Period, an amount equal to the *lesser of* (a) eighty-five percent (85%) of the Fair Market Value of a Share on the applicable Purchase Date and (b) eighty-five percent (85%) of the Fair Market Value of a Share on the first day of the applicable Offering Period; provided, however, that the Purchase Price for subsequent Offering Periods may be determined by the Administrator in its sole discretion subject to compliance with Section 423 of the Code (or any successor provision, or any other applicable law, regulation or stock exchange listing standard) or pursuant to Article 9 (provided that in no event shall the Purchase Price per Share be less than the par value per Share).

ii. Article 5. Eligibility and Participation.

Existing Section 5.2(b) shall be amended and restated in its entirety to state:

(b) Each such agreement shall designate a whole percentage of such Eligible Employee's Compensation to be withheld by the Company and any Related Corporation on each payday during the Offering Period as payroll deductions under the Plan. An Eligible Employee may designate any whole percentage of Compensation that is not less than one percent (1%) and not more than the maximum percentage specified by the Administrator (which percentage shall be fifteen percent (15%) in the absence of any such designation) as payroll deductions. The payroll deductions made for each Participant shall be credited to an account for such Participant under the Plan and shall be deposited with the general funds of the Company in a manner consistent with Section 12.5.

iii. Article 11. Administration.

Existing Section 11.1 shall be amended and restated in its entirety to state:

11.1 Administrator. Authority to control and manage the operation and administration of the Plan shall be vested in the Board, which may delegate such responsibilities in whole or in part to the Committee. For purposes of this Plan, the term "Administrator" means the Board or, with respect to any matter as to which responsibility has been delegated to the Committee, the term Administrator shall mean the Committee. Each of the members of the Committee shall meet the independence requirements under the then applicable rules or continued listing requirements adopted by The NASDAQ Stock Market or the principal exchange on which the Shares are then listed or admitted for trading. Members of the Committee may be appointed from time to time by, and shall serve at the pleasure of, the Board. The Committee may delegate administrative tasks under the Plan to the services of an Agent and/or Employees to assist in the administration of the Plan, including, but not limited to, establishing and maintaining an individual securities account under the Plan for each Participant and taking any action deemed necessary or desirable by such delegate to correct administrative errors with respect to the implementation of Participant elections under the Plan or otherwise.

3. Limited Effect. Except as expressly provided in this Amendment, all of the terms and provisions of the Plan are and will remain in full force and effect and are hereby ratified and confirmed. On and after the Effective Date, each reference to "the Plan", "hereunder," "hereof," "herein," or words of like import, and each reference to the Plan in any other agreements, documents, or instruments executed and delivered pursuant to, or in connection with, the Plan will mean and be a reference to the Plan as amended by this Amendment.



## **EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** (this “**Agreement**”) is entered into as of February 6, 2025, by and between AppFolio, Inc., a Delaware corporation (the “**Company**”), and Elizabeth Barat (the “**Executive**”), and shall be effective as of the Effective Date (as defined below). Unless otherwise defined within the Agreement, capitalized terms used in this Agreement are defined in **Section 11** hereof.

### **WITNESSETH**

**WHEREAS**, the Executive and the Company are parties to that certain Offer Letter, dated as of May 9, 2016 (the “**Prior Agreement**”); and

**WHEREAS**, the Company desires to continue to employ the Executive as the Chief People Officer (the “**CPO**”) of the Company, and the Executive desires to continue to be employed by the Company, in each case, pursuant to the terms and conditions set forth in this Agreement, which shall supersede the Prior Agreement in its entirety as of the Effective Date.

**NOW, THEREFORE**, in consideration of the promises and the covenants set forth in this Agreement and for other valuable consideration, the parties to this Agreement hereby agree as follows:

**1. Employment Term.** The Company agrees to continue to employ the Executive, and the Executive agrees to be so employed, in each case, pursuant to the terms and conditions set forth in this Agreement, commencing as of February 6, 2025 (such date, the “**Effective Date**”), and continuing until terminated in accordance with **Sections 7** and **8** hereof. For the avoidance of doubt, the Company and the Executive agree that the Executive will continue to be an “at-will” employee, and that the Executive’s employment hereunder may be terminated at any time for any reason or no reason in accordance with the terms of **Sections 7** and **8** hereof. The period of time between the Effective Date and the termination of the Executive’s employment with the Company shall hereinafter be referred to as the “**Employment Term**.”

**2. Position and Duties.**

(a) During the Employment Term, the Executive will continue to serve as the CPO of the Company, reporting directly to the Chief Executive Officer of the Company (the “**CEO**”). In this capacity, the Executive will have the duties, authorities and responsibilities as are consistent with such position, and such additional duties as from time to time may be assigned to the Executive by the CEO. The Executive shall perform such duties and responsibilities diligently and efficiently and in accordance with the reasonable directions of the CEO. The Executive hereby agrees to serve as an officer of any direct or indirect subsidiary or affiliate of the Company upon request by the CEO for no additional consideration.

(b) During the Employment Term, the Executive shall devote all of the Executive’s business time, energy, business judgment, knowledge and skill, and the

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Executive's best efforts, to the performance of the Executive's duties with the Company. Notwithstanding the foregoing or anything to the contrary set forth herein, during the Employment Term the Executive may: (i) with the prior written consent of the Board of Directors of the Company (the "**Board**"), which may be granted or withheld in its sole discretion, serve on the boards of directors of non-profit organizations and, in a manner consistent with the Company's applicable policies and procedures and practices, other for-profit companies, (ii) participate in charitable, civic, educational, professional, community or industry affairs, and/or (iii) manage the Executive's passive personal investments; provided, that, in each case of the foregoing clauses (i)-(iii), so long as such activities do not, individually or in the aggregate, (A) interfere or conflict with the Executive's duties under this Agreement, (B) violate the terms of this Agreement, or (C) create a potential business or fiduciary conflict.

(c) During the Employment Term, the Executive's principal place of employment with the Company shall be the Goleta, California office hub; provided that the Executive understands and agrees that the Executive may be required to travel from time to time for business purposes, subject to the Executive's applicable travel policies.

**3. Base Salary.** During the Employment Term, the Company will pay the Executive a base salary at an annual rate of \$405,000, in accordance with the Company's regular payroll practices (the "**Base Salary**"). The Base Salary shall be subject to annual review by the Board (or a committee thereof), and shall be subject to adjustment by the Board (or a committee thereof) from time to time in its sole discretion.

**4. Annual Bonus.** Commencing with fiscal year 2025 and for each fiscal year of the Company completed during the Employment Term thereafter, the Executive will be eligible to receive an annual bonus with an annual target bonus opportunity equal to sixty percent (60%) of the Executive's Base Salary, pursuant to the Company's Corporate Bonus Program (each annual bonus, an "**Annual Bonus**"). Any Annual Bonus payable hereunder shall be subject to the Board's (or a committee thereof) approval and the Executive's execution of the applicable participation agreement under the Corporate Bonus Program. Any Annual Bonus payable hereunder will be subject to the terms and conditions of this **Section 4** and the applicable plan documents, and shall be paid to the Executive in the fiscal year immediately following the fiscal year to which such Annual Bonus relates, subject to the Executive's continued employment with the Company through the applicable payment date.

**5. Equity Awards.** During the Employment Term, the Executive shall be eligible to receive incentive equity awards under the AppFolio, Inc. 2025 Omnibus Incentive Plan, as it may be amended, restated or otherwise modified from time to time (the "**Incentive Plan**"). Any such awards granted to the Executive under the Incentive Plan shall be in such amounts and on such terms and conditions as the Board (or a committee thereof) will determine from time to time, and will be subject to and governed by the terms and conditions of the Incentive Plan and the applicable award agreements evidencing such awards.

(a) **Annual Awards.** Commencing with fiscal year 2025 and for each fiscal year during the Term thereafter, subject to approval by the Board (or a committee thereof), Executive shall be eligible to receive an annual equity incentive award. For fiscal year 2025, Executive shall be eligible to receive an annual equity award with an aggregate approximate value of \$2,000,000 on the date of grant at target. Such award, and any subsequent annual equity awards granted to the Executive, shall be subject to and governed by the terms and conditions (including, but not limited, to the applicable vesting and forfeiture terms) set forth in the applicable award agreements and the Incentive Plan, and will be paid in accordance with the Company's standard practices.

**6. Employee Benefits.**

(a) **Benefits.** During the Employment Term, the Executive will be eligible to participate in any employee benefit plans and programs offered by the Company to other similarly situated executives of the Company, subject to satisfying the applicable eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided under this Agreement. For the avoidance of doubt, the Company shall have the right to terminate, amend or modify any such plan or program at any time.

(b) **Vacation.** During the Employment Term, the Executive shall be entitled to paid vacation time pursuant to the Company's paid time off policies and procedures applicable to other similarly situated executives of the Company (which, for the avoidance of doubt, the Company shall have the right to terminate, amend or modify at any time). Executive shall take the needs of the business into account when scheduling and taking paid time off.

(c) **Business Expenses.** The Company will reimburse the Executive for all reasonable and necessary out-of-pocket business-related expenses actually incurred by the Executive in connection with the performance of the Executive's duties under this Agreement, subject to the presentation of reasonable substantiation and documentation as the Company may specify from time to time, and in accordance with the Company's applicable expense reimbursement policies in effect from time to time.

**7. Termination.** The Executive's employment with the Company shall terminate on the first of the following to occur:

(a) **Disability.** Immediately upon written notice by the Company to the Executive of a termination due to Disability.

(b) **Death.** Automatically upon the date of death of the Executive.

(c) **Cause.** Immediately upon written notice by the Company to the Executive of a termination for Cause, subject to the notice and cure periods set forth in Section 11(b) below.

(d) **Without Cause.** Immediately upon written notice by the Company to the Executive of a termination without Cause (other than due to death or Disability).

(e) **Good Reason.** Upon written notice by the Executive to the Company of a termination for Good Reason, subject to the notice and cure periods set forth in Section 11(f) below.

(f) **Without Good Reason.** Upon thirty (30) days' prior written notice by the Executive to the Company of the Executive's voluntary termination of employment without Good Reason (which the Company may, in its sole discretion, make effective earlier than any notice date for no consideration therefor).

## **8. Consequences Of Termination.**

(a) **Death; Disability.** In the event that the Executive's employment with the Company is terminated due to Executive's death or Disability, the Company shall pay to the Executive or the Executive's estate, as the case may be: (i) the Accrued Benefits (as defined in Section 11 below), (ii) an amount equal to six (6) months of the Executive's then-current monthly Base Salary, payable within thirty (30) days following termination, and (iii) the Executive's outstanding equity awards as of such termination date shall vest in accordance with the Equity Award Treatment (as defined in Section 11 below). Notwithstanding the foregoing, all rights and obligations to the Accrued Benefits shall be subject to state and federal laws governing disabilities and leaves of absence, as well as the Company's applicable policies.

(b) **Termination for Cause or Voluntary Termination by Executive Without Good Reason.** If the Executive's employment is terminated: (i) by the Company for Cause, or (ii) by the Executive for any reason other than due to Executive's death, Disability or a resignation for Good Reason, then the Company shall pay to the Executive the Accrued Benefits.

(c) **Termination Without Cause or Resignation for Good Reason.** If (x) the Executive's employment is terminated by the Company without Cause (excluding due to Executive's death or Disability) or (y) the Executive resigns for Good Reason, in each case, the Company shall pay or provide the Executive with the Accrued Benefits and, subject to the Executive's continued compliance with Sections 9 and 10 hereof, the following separation benefits (collectively, the "Severance Benefits"):

(i) an amount equal to the Executive's then-current monthly Base Salary, payable in accordance with the Company's normal payroll practices for a period of nine (9) months following such date of termination;

(ii) a pro-rated portion of the Executive's Annual Bonus for the fiscal year in which such date of termination occurs, with such pro-rated portion determined based on the number of days the Executive was employed by the Company during such fiscal year, and the achievement of the applicable performance goals determined by the Board (or a committee thereof) at the time of such termination based

on forecasted results (but no greater than target-level performance), payable on the pay date regularly scheduled for such bonus payments for similarly situated executives.

(iii) subject to the Executive's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company will either directly pay or reimburse, at its option, the Executive for the monthly COBRA premium to be paid by the Executive for the Executive and the Executive's dependents for continued participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) for a period of nine (9) months; provided, that the Company may modify the continuation coverage contemplated by the foregoing to the extent necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable); provided, further, that in the event the Executive obtains other employment that offers group health benefits, such continuation coverage will immediately cease. The Executive hereby agrees to notify the Company as soon as possible in the event that the Executive has health insurance made available to the Executive from another source.

Notwithstanding the foregoing or anything to the contrary set forth herein, subject to Section 22(b) hereof, any payments contemplated by this Section 8(c) scheduled to occur pursuant to the foregoing during the first sixty (60) days following such date of termination will not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such date of termination, and will include payment of any amount that was otherwise scheduled to be paid prior thereto.

(d) **Corporate Transaction.** In addition to the payments described in Sections 8(c)(i), (ii), (iii), and subject to the Executive's continued compliance with Sections 9 and 10 of this Agreement, if the Executive's employment by the Company (or its successor) is terminated by the Company (or its successor) other than for Cause or the Executive resigns for Good Reason on or within twelve (12) months following the consummation of a Corporate Transaction (as defined in the Incentive Plan), all outstanding equity awards held by the Executive as of the applicable termination date shall accelerate and become fully-vested effective as of immediately prior to such termination. In addition, if the outstanding equity awards held by the Executive as of immediately prior to the consummation of a Corporate Transaction are not assumed or substituted for value upon such Corporate Transaction, such equity awards shall accelerate and become fully-vested effective as of immediately prior to such Corporate Transaction, with the level of performance achievement of the applicable performance goals determined by the Board based on forecasted results (but no greater than target-level performance).

(e) **Resignation From All Other Positions.** Upon any termination of the Executive's employment with the Company, the Executive will promptly resign, and will be deemed to have automatically resigned, from all positions, if any, that the Executive holds as a member of the Board (including any committees), officer, director, manager or

fiduciary of the Company or any of its affiliates or subsidiaries. The Executive will take all actions reasonably requested by the Company to give effect to this Section 8(e).

(f) **Exclusive Remedy.** The amounts payable to the Executive following termination of Executive's employment with the Company pursuant to Sections 7 and 8 of this Agreement shall be in full and complete satisfaction of the Executive's rights under this Agreement and, except as otherwise may be provided in this Agreement or any other agreement between the Executive and the Company and its affiliates, any other claims that the Executive may have in respect of the Executive's employment with the Company or any of its affiliates. The Executive acknowledges that such amounts are fair and reasonable and are the Executive's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Executive's employment or any breach of this Agreement.

**9. Release; Continued Compliance.** Notwithstanding anything to the contrary set forth herein, the Severance Benefits shall only be payable if the Executive timely executes, delivers to the Company, and does not revoke, a general release of claims in favor of the Company in substantially the form attached hereto as Exhibit A. Such release must be executed and delivered and no longer subject to revocation, if applicable, to the Company within sixty (60) days following the date of the Executive's termination of employment. During such time that the Executive is receiving the Severance Benefits, if (a) the Company determines that grounds constituting Cause existed before Executive's termination, or (b) the Executive breaches any of the restrictive covenants set forth in the Restrictive Covenant Agreement (as defined below), the Executive's right to receive the Severance Benefits will immediately cease and be forfeited, and any previously paid Severance Benefits shall be required to be repaid by Executive to the Company within thirty (30) days of such date of determination or breach, as applicable.

**10. Restrictive Covenants.** The Executive hereby acknowledges and agrees that, as a material inducement for the Company to enter into this Agreement, the Executive hereby expressly reaffirms, acknowledges, and agrees to continue to abide by that certain Fair Competition and Proprietary Information Protection Agreement, by and between the Executive and the Company, dated as of September 16, 2024, (the "Restrictive Covenant Agreement"), the provisions of which are hereby incorporated herein by reference. The provisions of the Restrictive Covenant Agreement shall survive any termination of this Agreement or the Executive's termination of employment with the Company hereunder. The Executive hereby acknowledges and agrees that the terms and conditions set forth in the Restrictive Covenant Agreement are material terms of the Executive's employment relationship with the Company, and that the Company would not continue to employ Executive but for the Executive's continued compliance with the terms and conditions set forth in the Restrictive Covenant Agreement.

**11. Certain Defined Terms.** For purposes of this Agreement, the following terms have the meanings set forth below:

(a) “Accrued Benefits” means: (i) any accrued but unpaid Base Salary through the date of the Executive’s termination of employment with the Company; (ii) reimbursement of any unreimbursed business expenses actually incurred by Executive through such date of termination, in accordance with Section 6(c) hereof; and (iii) all other accrued but unpaid payments, benefits or fringe benefits to which the Executive shall be entitled under the terms of any applicable compensation or benefit arrangement (excluding any severance payments or benefits). Notwithstanding anything to the contrary, any amounts due under the foregoing prongs (i)-(iii) will be paid to Executive within thirty (30) days following such date of termination, or such earlier date as may be required by applicable law.

(b) “Cause” means the Executive’s: (i) theft, dishonesty, misconduct, or falsification of any employment or Company records, (ii) act or omission that has a material detrimental effect on the reputation or business of the Company or any of its subsidiaries or affiliates; (iii) conviction (including any plea of guilty or no contest) for any felony, or for any criminal act that materially impairs the Executive’s ability to perform the Executive’s duties to the Company; (iv) material breach of any agreement between the Executive and the Company or any of its subsidiaries or affiliates; (v) material violation of any material Company policy; or (vi) the Executive’s willful failure to perform, or willful misconduct or gross negligence in the performance of, the Executive’s duties to the Company, or the Executive’s willful or grossly negligent failure to follow the lawful directives of the Board or any executive to which the Executive reports (other than as a result of death or Disability), provided, that “Cause” shall only mean and apply to conduct described at subsections (iv), (v), and (vi) above, for which the Company first tenders written notice to the Executive within thirty (30) days of the Company’s becoming aware of the initial occurrence of such Cause event setting forth in reasonable detail the circumstances alleged to give rise to Cause, and the Executive fails to cure the condition within thirty (30) days after receiving such written notice, except that such opportunity to cure will not apply if the conduct is not susceptible to cure or if there are habitual or repeated breaches by the Executive. The meaning of Cause provided in this section of the Agreement is in lieu of, and supersedes and replaces any definition of cause provided for in the Incentive Plan, or any other agreement relating to the Executive’s rights to receive compensation or benefits.

(c) “Corporate Transaction” has the meaning set forth in the Company’s Incentive Plan, as may be amended from time to time.

(d) “Disability” or “Disabled” means the Executive becomes “disabled” or suffers from a “disability” as defined in Section 409A, or in any successor regulation, as determined by the Board in good faith.

(e) “Equity Award Treatment” means (i) with respect to each outstanding equity award held by the Executive as of the applicable termination date that vests solely based on the Executive’s continued employment with the Company (each a “Time-Vesting Award”), the portion of such Time-Vesting Award that would have vested had the Executive remained employed with the Company for an additional twelve (12) months will accelerate and become vested effective as of immediately prior to such

termination; and (ii) with respect to each outstanding equity award held by the Executive as of the applicable termination date that vests (in whole or in part) based on achievement of applicable performance goals (each a “Performance-Vesting Award”), a pro-rated portion of such Performance-Vesting Award will accelerate and become vested effective as of immediately prior to such termination, with such pro-rated portion determined based on the number of days the Executive was employed by the Company during the applicable performance period for the Performance-Vesting Award, and achievement of the applicable performance goals determined by the Board at the time of such termination based on forecasted results (but no greater than target-level performance).

(f) “Good Reason” means, without the Executive’s prior written consent: (i) a material reduction in the Executive’s Base Salary (other than a reduction pertaining to all similarly situated executives of the Company); (ii) a material diminution of the Executive’s duties and responsibilities inconsistent with the Executive’s position with the Company; (iii) a material breach by the Company of this Agreement or any other material written agreement with the Company; or (iv) any change in the Executive’s reporting structure such that the Executive no longer reports to the CEO; provided, that “Good Reason” shall only exist if the Executive tenders written notice to the Company within thirty (30) days of becoming aware of the initial occurrence of such Good Reason event setting forth in reasonable detail the circumstances alleged to give rise to Good Reason, the Company fails to cure the condition within thirty (30) days after receiving such written objection notice, and the Executive gives notice of resignation from employment within thirty (30) days after the end of such cure period.

(g) “Section 409A” means Section 409A of the Internal Revenue Code and the regulations and guidance promulgated under the Internal Revenue Code.

**12. No Assignments.** This Agreement is personal to each of the parties. Except as provided below, no party may assign or delegate any rights or obligations under this Agreement without first obtaining the written consent of the other party. The Company may assign this Agreement to any successor to all or substantially all of its business or assets.

**13. Notice.** All communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by electronic mail, or (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service:

If to the Executive:

At the address (or to the email address) shown in the books and records of the Company.

If to the Company:  
70 Castilian Drive  
Santa Barbara, CA 93117

Attention: legalintake@appfolio.com

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

**14. Interpretation.** The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

**15. Severability.** The provisions of this Agreement shall be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties shall be enforceable to the fullest extent permitted by applicable law.

**16. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**17. Whistleblower Protection; Trade Secrets.** Notwithstanding anything to the contrary set forth herein, no provision of this Agreement will be interpreted so as to impede the Executive (or any other individual) from (i) making any disclosure of relevant and necessary information or documents in any action, investigation or proceeding relating to this Agreement, or as required by law or legal process, including with respect to possible violations of law, (ii) participating, cooperating or testifying in any action, investigation or proceeding with, or providing information to, any governmental agency, legislative body or any self-regulatory organization, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, (iii) accepting any U.S. Securities and Exchange Commission awards, (iv) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful, or (v) making other disclosures under the whistleblower provisions of federal, state or local law or regulation. In addition, nothing in this Agreement or any other agreement or policy of the Company prohibits or restricts the Executive from initiating communications with, or responding to any inquiry from, any administrative, governmental, regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. The Executive does not need the prior authorization of the Company to make any such reports or disclosures, and the Executive will not be required to notify the Company and/or Employer that such reports or disclosures have been made. 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that—(A) is made—(I) in confidence to a federal, state, or

local government official, either directly or indirectly, or to an attorney; and (II) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, the Executive has the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The Executive also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**18. Arbitration.** Any dispute or controversy arising under or in connection with this Agreement or the Executive’s employment with the Company shall be settled exclusively by arbitration, conducted before a single arbitrator in Santa Barbara, California in accordance with the JAMS Employment Rules and Procedures then in effect (available at [www.jamsdr.com](http://www.jamsdr.com)). The decision of the arbitrator will be final and binding upon the parties. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. In connection with any such arbitration and regardless of outcome, (a) each party shall pay all of its own costs and expenses, including, without limitation, its own legal fees and expenses, and (b) the arbitration costs shall be borne by the Company. Nothing herein shall require the arbitration of claims that cannot be subject to mandatory arbitration under applicable law.

**19. Governing Law.** This Agreement, the rights and obligations of the parties, and all claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of California (without regard to its choice of law provisions).

**20. Miscellaneous.** No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer or director as may be designated by the Board. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement, together with all exhibits attached to this Agreement, sets forth the entire agreement of the parties in respect of the subject matter contained in this Agreement and supersedes any and all prior agreements or understandings between the Executive and the Company with respect to the subject matter of this Agreement, including, for the avoidance of doubt, the Prior Agreement. For the avoidance of doubt, the parties hereto acknowledge and agree that as of the Effective Date, the Prior Agreement shall be terminated and of no further force or effect. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. In the event of any inconsistency between the terms of this Agreement and any equity award, the terms of this Agreement shall govern and control.

**21. Representations.** The Executive represents and warrants to the Company that: (a) the Executive has the legal right to enter into this Agreement and to perform all of the obligations on the Executive's part to be performed under this Agreement; and (b) the Executive is not a party to any agreement or understanding, written or oral, and is not subject to any restriction, which, in either case, could prevent or impair the Executive from entering into this Agreement or performing the Executive's duties and obligations under this Agreement. The Executive expressly acknowledges and agrees that the Executive is strictly prohibited from using or disclosing any confidential information belonging to any prior employer or other third party in the course of performing services for the Company, and the Executive promises that the Executive shall not do so.

**22. Tax Matters.**

**(a) Withholding.** The Company may withhold from any and all amounts payable under this Agreement or otherwise such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

**(b) Section 409A Compliance.**

(i) The intent of the parties is that payments and benefits under this Agreement comply with, or are exempt from, Section 409A. Accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith or exempt therefrom. In no event whatsoever shall the Company or any of its subsidiaries or affiliates be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A. For purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A, then with regard to any payment or the provision of any benefit that is considered deferred compensation under Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 22(b)(ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute “nonqualified deferred compensation” for purposes of Section 409A, (A) all expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Section 409A, the Executive’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Section 409A be subject to offset by any other amount unless otherwise permitted by Section 409A.

(vi) Notwithstanding any other provision in this Agreement to the contrary, to the extent that any payment hereunder constitutes “deferred compensation” within the meaning of Section 409A, then each such payment which is conditioned upon the Executive’s execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year shall be paid or provided in the later of the two taxable years.

**23. Clawback.** Notwithstanding anything to the contrary set forth herein or in any other agreement between the Executive and the Company, the Executive hereby acknowledges and agrees that this Agreement shall in all events be subject to (a) any right that the Company may have under any Company clawback policy or any other agreement or arrangement with the Executive, and (b) any right or obligation that the Company may have regarding the clawback of “incentive-based compensation” under Section 10D of the Securities Exchange Act of 1934, as amended, any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission, the listing standards of any national securities exchange or association on which the Company’s securities are listed, or any other applicable law. In addition, the Executive acknowledges that the Executive is aware of Section 304 (“Forfeiture of Certain Bonuses and Profits”) of the Sarbanes-Oxley Act of 2002 and the right of the Company to be reimbursed for certain payments to the Executive in compliance therewith.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**APPFOLIO, INC.**

Signed by:  
By: Shane Trigg  
007A38C847DB44F

Name: Shane Trigg

Title: CEO and President

**EXECUTIVE**

Signed by:  
Elizabeth Barat  
00804FCE1D5444F  
Elizabeth Barat

**Exhibit A**

**GENERAL RELEASE**

I, [NAME], in consideration of and subject to the performance by AppFolio, Inc. a Delaware corporation (together with its subsidiaries, the "Company") of its obligations under that Employment Agreement, dated as of \_\_\_\_\_ (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and all present, former and future managers, directors, officers, employees, successors and assigns of the Company and its subsidiaries and affiliates and direct or indirect owners (collectively, the "Released Parties") to the extent provided in this general release (this "General Release"). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Any capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. My employment or service with the Company and its affiliates terminated as of \_\_\_\_\_, and I hereby resign from any position as an officer, member of the board of managers or directors (as applicable) or fiduciary of the Company or its affiliates (or reaffirm any such resignation that may have already occurred). I understand that the Severance Benefits represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the Severance Benefits unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. I understand and agree that such payments and benefits are subject to my continued compliance with the Restrictive Covenant, which (as noted below) expressly survives my termination of employment and the execution of this General Release. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.
2. Except as provided in paragraphs 5 and 6 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counterclaims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended

(including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims").

3. The released claims described in paragraph 2 hereof include all such claims, whether known or unknown by me. Therefore, I waive the effect of California Civil Code Section 1542 and any other analogous provision of applicable law of any jurisdiction. Section 1542 states:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

4. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.
5. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).
6. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that subject to paragraph 7 below, I hereby disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding. Additionally, I am not waiving (i) any right to the Accrued Benefits or any severance benefits to which I am entitled under the Agreement, (ii) any claim relating to directors' and officers' liability insurance coverage or any right of indemnification under the Company's organizational documents or otherwise, or (iii) my rights as an equity or security holder in the Company or its affiliates.

7. Notwithstanding the foregoing or anything to the contrary set forth herein, no provision of this General Release will be interpreted so as to impede me (or any other individual) from (i) making any disclosure of relevant and necessary information or documents in any action, investigation or proceeding relating to this General Release, or as required by law or legal process, including with respect to possible violations of law, (ii) participating, cooperating or testifying in any action, investigation or proceeding with, or providing information to, any governmental agency, legislative body or any self-regulatory organization, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, (iii) accepting any U.S. Securities and Exchange Commission awards, (iv) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that I have reason to believe is unlawful, or (v) making other disclosures under the whistleblower provisions of federal, state or local law or regulation. In addition, nothing in this General Release, the Agreement or any other agreement or policy of the Company prohibits or restricts me from initiating communications with, or responding to any inquiry from, any administrative, governmental, regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. I do not need the prior authorization of the Company to make any such reports or disclosures, and I will not be required to notify the Company that such reports or disclosures have been made.
8. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending claim of the type described in paragraph 2 above as of the execution of this General Release.
9. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.
10. I agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees.
11. Subject to paragraph 7 above, any nondisclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this

General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self regulatory organization or any governmental entity.

12. I hereby acknowledge that the Restrictive Covenant shall survive as applicable my execution of this General Release.
13. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.
14. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.
15. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

1. I HAVE READ IT CAREFULLY;
2. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
3. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
4. I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;
5. I HAVE HAD AT LEAST [**TWENTY-ONE (21) DAYS/FORTY-FIVE (45) DAYS**] FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS

RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT SUCH REQUIRED CONSIDERATION PERIOD;

6. I UNDERSTAND THAT I HAVE **SEVEN (7) DAYS** AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
7. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND
8. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

SIGNED: \_\_\_\_\_

DATED: \_\_\_\_\_



## SEPARATION AGREEMENT

This SEPARATION AGREEMENT (this "Agreement"), dated as of November 19, 2025, is entered into by and between AppFolio, Inc., a Delaware corporation (the "Company"), and Matt Mazza (the "Executive"), and shall be effective as of the Effective Date (as defined below).

WHEREAS, the Executive and the Company are party to that certain Employment Agreement, dated as of February 6, 2025 (the "Employment Agreement"); and

WHEREAS, the Executive and the Company wish to resolve any and all matters related to the Executive's employment with the Company and the cessation thereof on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Separation from Service. The Company and the Executive hereby acknowledge and agree that the Executive's employment with the Company will terminate effective as of November 14, 2025 (the "Separation Date"). You must not sign this Agreement prior to the Separation Date - this Agreement is only valid if executed on or after the Separation Date. As of the Separation Date, the Executive will be deemed to have resigned from the Executive's position with the Company, and as a director, manager, officer, or any other position with the Company or any of its subsidiaries or affiliates, and the Executive hereby agrees to promptly execute such additional documentation as the Company may request to effectuate such resignation(s).

2. COBRA. Following the Separation Date, the Executive shall receive, under separate cover, information regarding the Executive's rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and, if applicable, any state continuation coverage laws (collectively, "COBRA"). The Executive acknowledges that the Executive should review the COBRA notice and election forms carefully to understand the Executive's rights and obligations to make timely elections, provide timely notification and make timely premium payments.

3. Transition Period. During the period between October 27, 2025 and the Separation Date (the "Transition Period"), you will not be required to perform any work or services for the Company, will not report to work at the Company, and will not have access to the Company properties or the Company computer or information systems. During the Transition Period, the Company will continue to pay the Executive their current base salary, and Executive will continue to receive their current benefits under all benefit plans and programs sponsored by or through the Company. Further, the Executive will receive any equity incentive awards that vest during the Transition Period under the terms of the AppFolio, Inc. 2015 Stock Incentive Plan and the AppFolio, Inc. 2025 Omnibus Incentive Plan and the applicable award agreements.

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4. Separation Payments and Benefits.

(a) Accrued Benefits. As of the Separation Date, the Executive shall receive the following: (i) any accrued but unpaid base salary earned by the Executive through the Separation Date; (ii) any reimbursement for any unreimbursed business expenses incurred through the Separation Date in accordance with the Company's applicable policies; (iii) any accrued but unpaid vacation pay, and (iv) any accrued benefits required under applicable laws. Except as otherwise provided herein, all other benefits provided by or through the Company its subsidiaries or its affiliates will end on your Separation Date.

(b) Separation Benefits. In consideration for the Executive's promises and releases contained herein and in the General Release (as defined below), and subject to the Executive's (x) timely execution of the General Release on or after the last day of the Transition Period and no later than seven (7) days after the Separation Date, and non-revocation of the General Release in accordance with Section 6(l) hereof, and (y) continued compliance with the terms of this Agreement, including, without limitation, the Restrictive Covenants (as defined below) (collectively, the "Separation Conditions"), the Executive shall receive the following separation benefits (collectively, the "Separation Benefits"):

(i) Salary continuation for a period of nine (9) months at the Executive's base salary in effect as of the Separation Date (for a total amount of \$315,000) less all applicable tax withholding and other authorized deductions, with payments commencing on the Company's first regularly scheduled pay date following the Separation Date;

(ii) An amount equal to \$219,462, which represents the pro-rated amount of the Executive's STI Award (as defined in the Employment Agreement) for the Company's fiscal year 2025, based on a service period of 318 days through the Separation Date ( $318/365 = 87.12\%$ ) payable on the pay date regularly scheduled for STI bonus payments for similarly situated executives, less all applicable tax withholding and other authorized deductions;

(iii) Subject to and conditioned upon the Executive's valid and timely election to receive continuation coverage pursuant to COBRA, the Company shall directly pay to the insurer, or reimburse the Executive, for the monthly COBRA premiums for the Executive and the Executive's covered dependents, if any, during the period commencing on the Separation Date and ending on the earlier to occur of (A) nine (9) months following the Separation Date, and (B) the date that the Executive ceases to be eligible for continuation coverage under COBRA; provided, that the Company may modify the continuation coverage contemplated by this Section 4(b)(iii) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended, and, in each case, the regulations and guidance promulgated thereunder (to the extent applicable); and

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(iv) To the extent permitted by the terms of the Company's Executive Medical Reimbursement Program (the "Program"), the Company will continue the Executive's participation in the Program, at the Company's sole expense, which will allow the Executive to reimburse eligible expenses incurred through November 30, 2025, up to \$100,000, through March 31, 2026.

5. Satisfaction of All Leaves and Payment Amounts; Prior Rights and Obligations. The Executive hereby acknowledges and agrees that (a) the acceptance of the Separation Benefits and attendant obligations as described in this Agreement is in consideration of the Executive's promises and undertakings as set forth in this Agreement, and (b) if (x) the Company discovers grounds constituting Cause (as defined in the Employment Agreement) existed before the Executive's termination of employment, or (y) the Executive violates any of the Separation Conditions or any of the requirements and prohibitions set forth in this Agreement (including, for the avoidance of doubt, any of the Restrictive Covenants), in each case, the Executive's right to receive the Separation Benefits will immediately and automatically cease and become null and void, and any previously paid Separation Benefits (excluding an amount equal to \$1,000) shall be required to be repaid to the Company by the Executive within thirty (30) days following the date the Company discovers such grounds constitute Cause or the date of such breach, as applicable. The Executive hereby acknowledges and agrees that after the Separation Date, except with respect to vested benefits under an employee benefit plan of the Company that is subject to ERISA (including any rights to vested benefits under the health and retirement plans), the Executive is entitled to no other compensation or benefits from the Company, and that the Executive shall not be entitled to receive any other payment, benefit, or other form of compensation as a result of the Executive's employment or the cessation thereof, including, but not limited to, wages, deferred compensation, sick time, personal time, vacation, bonuses, expenses, equity interests, severance payments or benefits or payments in lieu of notice pursuant to the Employment Agreement unless otherwise set forth in this Agreement. The Executive further acknowledges and agrees that, as of the Separation Date, the Company and each of the Company Parties (as defined below) have satisfied all of their obligations to the Executive, including, without limitation, pursuant to the Employment Agreement, other than any executory obligations of the Company as provided herein.

6. General Release of Claims.

(a) Except (x) as expressly provided in Sections 6(d), 6(e) and 6(f) below, and (y) for the provisions of this Agreement that expressly survive the termination of the Executive's employment with the Company, including, but not limited to, Section 4 hereof, as a material inducement to the Company to enter into this Agreement, and in consideration of the Executive's receipt of the payments and benefits set forth in this Agreement, the Executive knowingly and voluntarily (for the Executive, the Executive's spouse, heirs, executors, administrators, agents and assigns) releases and forever discharges the Company and all of its present, former and future affiliates, subsidiaries, predecessors, parents, related companies, successors and assigns, and all of their respective present, former and future managers, directors, officers, shareholders, employees, agents, direct or indirect owners, consultants and attorneys; and all of their respective heirs, assigns and estate representatives, as well as all employee benefit plans maintained by the

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Company or its affiliates or subsidiaries and all fiduciaries and administrators of any such plans, in their personal and representative capacities (each of the foregoing, a “Company Party” and, collectively, the “Company Parties”), from any and all claims, losses, suits, controversies, actions, causes of action, cross-claims, counter claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys’ fees or liabilities of any nature whatsoever in law and in equity, whether known or unknown, suspected or claimed against the Company or any of the other Company Parties that the Executive, the Executive’s spouse or any of the Executive’s heirs, executors, administrators, agents or assigns, has or may acquire, arising at any time, past or present, through the date that the Executive executes this Agreement (the “General Release”), including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act) (“ADEA”); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; the California Civil Code; the California WARN; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; the California Equal Pay Act; the California False Claims Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or related to or arising from the Executive’s employment with the Company, or the cessation thereof, or the Employment Agreement; or for compensation or equity or equity-based compensation; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, or defamation; or any claim for costs, fees, or other expenses, including attorneys’ fees incurred in these matters (all of the foregoing collectively referred to herein as the “Released Claims”). **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

(b) The released claims described in Section 6(a) hereof include all Released Claims whether known or unknown by the Executive. The Executive hereby waives any right or Released Claim that might arise as a result of such different or additional Released Claims or facts, and the Executive understands the provisions of California Civil Code Section 1542 and hereby expressly waives any and all rights, benefits and protections of the statute, which provides:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

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Subject to the foregoing, for the purpose of implementing a full and complete release and discharge, the Executive expressly acknowledges that this Agreement is intended to include, and does include in its effect, without limitation, all Released Claims which the Executive does not know or suspect to exist in the Executive's favor against the Company Parties at the time of executing this Agreement, and that the settlement agreed upon expressly contemplates the Executive's extinguishment of all such Released Claims, except as otherwise provided herein.

(c) The Executive represents and warrants that, as of the time the Executive executes this Agreement, the Executive has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency or arbitrator for or with respect to a matter, claim or incident that occurred or arose out of one or more occurrences that took place on or prior to the time at which the Executive signs this Agreement. The Executive further represents and warrants that the Executive has not assigned, sold, delivered, transferred or conveyed any rights the Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. The Executive shall not solicit or encourage any other person or entity to file or assert any Released Claims or assist or cooperate with any person or entity filing or asserting any Released Claims, except to the extent specifically required by law or legal process.

(d) This Agreement does not waive or release any rights or claims that the Executive may have under ADEA that arise after the date the Executive executes this Agreement. The Executive's separation from employment with the Company in compliance with the terms of this Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under ADEA).

(e) In no event shall the Released Claims include any claim to vested benefits under an employee benefit plan of the Company that is subject to ERISA (including any rights to vested benefits under health and retirement plans). Further, notwithstanding this release of liability, nothing in this Agreement prevents the Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission ("EEOC") or other governmental agency or participating in any investigation or proceeding conducted by the EEOC or other governmental agency or cooperating with such agency; however, the Executive is waiving any and all rights to recover any monetary or personal relief as a result of such EEOC or other governmental agency proceeding or subsequent legal actions. Further, nothing herein waives the Executive's right to receive an award for information provided to a governmental agency.

(f) The Executive waives all rights to sue or obtain equitable, remedial, or punitive relief from any or all Company Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the foregoing, the Executive is not waiving and is not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that the Executive disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding, excepting only any

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monetary award to which the Executive may become entitled pursuant to Section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Additionally, the Executive is not waiving (i) any right to the Accrued Benefits or the Separation Benefits, (ii) any claim relating to directors' and officers' liability insurance coverage or any right of indemnification under the Company's organizational documents or otherwise, or (iii) the Executive's rights as an equity or security holder in the Company or its affiliates.

(g) In executing this Agreement, the Executive acknowledges and intends that it shall be effective as a bar to each and every one of the Released Claims hereinabove mentioned or implied. The Executive expressly consents that this release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Released Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected, and unanticipated Released Claims), if any, as well as those relating to any other Released Claims hereinabove mentioned or implied. The Executive acknowledges and agrees that this waiver is an essential and material term of this Agreement and that without such waiver the Company would not have agreed to the terms of this Agreement. In the event that the Executive should bring a Claim seeking damages against the Company, or in the event the Executive should seek to recover against the Company in any Claim brought by a governmental agency on the Executive's behalf, this release shall serve as a complete defense to such Released Claims to the maximum extent permitted by law. The Executive further agrees that the Executive is not aware of any pending claim of the type described in Section 6(a) as of the execution of this Agreement.

(h) The Executive agrees that neither this release, nor the furnishing of the consideration for this release, shall be deemed or construed at any time to be an admission by the Company, any other Company Party or the Executive of any improper or unlawful conduct.

(i) The Company acknowledges and agrees that nothing contained in this Agreement shall release the Company from any indemnification obligations with respect to the Executive, including, without limitation, any right of indemnification the Executive may have under the Company's organizational documents, or otherwise.

(j) Any nondisclosure provision in this Agreement does not prohibit or restrict the Executive (or the Executive's attorney) from responding to any inquiry about this release or its underlying facts and circumstances by the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the National Association of Securities Dealers, Inc., any other self-regulatory organization, or any governmental entity.

(k) Notwithstanding anything herein to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any other Company Party of this Agreement.

(l) The Executive hereby acknowledges and agrees that (i) the Executive is hereby entering into this waiver and release knowingly and voluntarily, (ii) the Company has advised the Executive, and the Executive is hereby advised in writing, that the Executive should consult with an attorney prior to executing this Agreement, (iii) the Executive has carefully read

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and fully understands all of the provisions of this Agreement, (iv) the Executive is entering into this Agreement knowingly, freely and voluntarily in exchange for good and valuable consideration to which the Executive would not be entitled in the absence of executing and not revoking this Agreement, (v) the Executive has been given at least twenty-one (21) days from receipt of this Agreement to consider the terms of this Agreement, and if the Executive chooses to execute this Agreement before this twenty-one (21) day consideration period has elapsed, the Executive does so knowingly and voluntarily, although under no circumstances may the Agreement be executed prior to the Separation Date, (vi) no Company Party has provided any tax or legal advice regarding this Agreement and the Executive has had an adequate opportunity to receive sufficient tax and legal advice from advisors of the Executive's own choosing such that the Executive enters into this Agreement with full understanding of the tax and legal implications thereof, and (vii) the Executive has been advised that the Executive has the right to revoke the Executive's execution of this Agreement for a period of seven (7) days after executing this Agreement, and if the Executive wishes to revoke the Executive's execution of this Agreement, the Executive must do so in a writing, signed by the Executive and received by the Chief People Officer of the Company, no later than the seventh (7th) day of such revocation period. This Agreement will be effective as of the eighth (8<sup>th</sup>) day following the date the Executive executes this Agreement (such date, the "Effective Date"), assuming the Executive has not delivered revocation pursuant to the foregoing. If the Executive does not execute this Agreement, or if the Executive revokes such execution, this Agreement shall be null and void and neither the Company nor the Executive shall have any rights or obligations under it.

7. Re-Affirmation of Restrictive Covenants. The Executive hereby acknowledges and agrees that, as a material inducement for the Company to enter into this Agreement, the Executive hereby expressly reaffirms, acknowledges and agrees to continue to abide by (i) Section 8 below, (ii) those certain obligations contained in the Fair Competition and Proprietary Information Protection Agreement entered into by the Executive and the Company, dated as of September 26, 2024, and (iii) any other restrictive covenants to which the Executive is subject to or otherwise bound (collectively, the "Restrictive Covenants"), the provisions of which are hereby fully incorporated herein by reference. The Executive acknowledges that the Executive has read and understands the terms of the Restrictive Covenants, including, specifically, the scope and duration thereof. The Executive acknowledges and agrees that the Restrictive Covenants shall survive the Separation Date and shall remain in full force and effect.

8. Non-Disparagement. As a material inducement for the Company to enter into this Agreement, the Executive agrees to refrain from making any statements orally or in writing (or permitting any such statements to be reported as being attributed to the Executive) that are critical, disparaging or derogatory about, or which could reasonably be expected to injure the reputation of, the Company or any other Company Party. Notwithstanding the foregoing, the Executive may respond to subpoenas, provide testimony or otherwise provide evidence to the extent required by law, and may discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct the Executive has reason to believe is unlawful. Furthermore, nothing in this Section 8 shall restrict the Executive from, or impose any liability on the Executive for, truthful statements required to be made by the Executive under oath, to comply in any legal proceeding or to enforce the Executive's rights hereunder.

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9. Cooperation. The Executive hereby acknowledges and agrees that following the Separation Date, upon the Company's reasonable request, the Executive will assist and cooperate with the Company and any of its affiliates and subsidiaries in connection with (i) transitioning the Executive's duties, responsibilities, and knowledge regarding the business and operations of the Company and its affiliates and subsidiaries, (ii) the defense or prosecution of any claim that may be made against or by the Company or any of the other Company Parties arising out of events occurring during the Executive's employment, or (iii) any ongoing or future investigation or dispute or claim of any kind involving the Company or any other Company Party, including any proceeding before any arbitral, administrative, regulatory, self-regulatory, judicial, legislative or other body or agency. Such cooperation will take place at mutually convenient times and locations. The consideration provided herein is intended to fully compensate the Executive for any cooperation that the Executive may be asked to provide under this Section 9. The Executive will be reimbursed, upon presentation of appropriate supporting documentation or receipts, for the reasonable and necessary out-of-pocket expenses incurred by the Executive to satisfy the Executive's cooperation obligations set forth under this Section 9, in accordance with the Company's reimbursement policies in effect from time to time.

10. Return of Property. The Executive hereby represents and warrants that the Executive has returned to the Company all property belonging to the Company and any other Company Party, including, but not limited to, all computer files and other electronically stored information, client materials, and other materials provided to the Executive by the Company or any other Company Party in the course of the Executive's employment, and the Executive further represents and warrants that the Executive has not maintained (or, after the Separation Date, the Executive will not maintain) a copy of any such materials in any form.

11. Whistleblower Protection; Trade Secrets. Notwithstanding anything to the contrary contained herein, no provision of this Agreement will be interpreted so as to impede the Executive (or any other individual) from: (a) making any disclosure of relevant and necessary information or documents in any action, investigation or proceeding relating to this Agreement, or as required by applicable law or legal process, including with respect to possible violations of applicable law; (b) participating, cooperating or testifying in any action, investigation or proceeding with, or providing information to, any governmental agency, legislative body or any self-regulatory organization, including, but not limited to, the Department of Justice, the U.S. Securities and Exchange Commission ("SEC"), the United States Congress and any agency Inspector General; (c) seeking or receiving any monetary damages, awards or other relief (including, without limitation, accepting any SEC awards) in connection with protected whistleblower activity; or (d) making other disclosures under the whistleblower provisions of applicable federal law or regulation. In addition, nothing in this Agreement or any other agreement or Company policy prohibits or restricts the Executive from initiating communications with, or responding to any inquiry from, any administrative, governmental, regulatory or supervisory authority regarding any good faith concerns about possible violations of applicable law or regulation. The Executive does not need the prior authorization of the Company to make any such reports or disclosures, and the Executive will not be required to notify the Company that such reports or disclosures have been made. Pursuant to 18 U.S.C. § 1833(b), the Executive will not be held criminally or civilly liable under any federal or state

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trade secret law for the disclosure of a trade secret of the Company or any of its subsidiaries or affiliates, or that (A) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to the Executive's attorney and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

12. Publicity. The Executive hereby agrees that the Executive shall not issue, without prior written consent of the Company, any press release or make any public announcement or statement with respect to the terms of this Agreement or the circumstances surrounding the Executive's termination of employment, unless required to do so by applicable law.

13. Entire Agreement; Amendment. This Agreement, together with the Restrictive Covenants, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes in its entirety any and all prior understandings, commitments, obligations and/or agreements, whether written or oral, with respect thereto, including, without limitation, the Employment Agreement (but excluding the Restrictive Covenants). No modifications or waiver of any provision hereof shall be effective unless in writing and signed by the Executive and an authorized officer of the Company.

14. Dispute Resolution.

(a) Any dispute or controversy arising under or in connection with this Agreement or the Executive's employment with the Company or the cessation thereof shall be settled exclusively by arbitration, conducted before a single arbitrator in Santa Barbara, California in accordance with the JAMS Employment Rules and Procedures then in effect (available at [www.jamsadr.com](http://www.jamsadr.com)). The decision of such arbitrator will be final and binding upon each of the parties hereto. Judgment may be entered on the arbitrator's award in any court having jurisdiction. In connection with any such arbitration and regardless of the outcome, (i) each such party shall pay all its own costs and expenses, including, without limitation, its own legal fees and expenses, and (ii) the arbitration costs shall be borne by the Company.

(b) THE PARTIES HERETO EACH ACKNOWLEDGE AND AGREE THAT BY SELECTING ARBITRATION AS THE SOLE AND EXCLUSIVE REMEDY FOR RESOLVING ALL DISPUTES AMONG THEM AS CONTEMPLATED BY THIS SECTION 14, THEY WILL NOT HAVE THEIR DISPUTES DETERMINED BY A JURY TRIAL TO WHICH THEY MAY OTHERWISE BE ENTITLED.

15. Governing Law and Jurisdiction. The validity, interpretation, construction, performance and enforcement of this Agreement shall be governed by the laws of the State of

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California without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction.

16. Assignment. This Agreement is personal to each of the parties hereto and will be binding upon their successors and assigns. Except as expressly provided herein, no party may assign or delegate any rights or obligations under this Agreement without first obtaining the written consent of the other party. Notwithstanding the foregoing, the Company may assign this Agreement to any of its affiliates or subsidiaries or any successor to all or substantially all of its business or assets.

17. Notices. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by electronic mail, (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:  
AppFolio Inc.  
70 Castilian Drive  
Santa Barbara, California 93117  
Attention: General Counsel

If to the Executive:  
At the most recent address in the books and records of the Company.

18. Headings; Interpretation. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or". The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including exhibits, and not to any particular provision hereof. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties.

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19. Third Party Beneficiaries. Each Company Party that is not a signatory hereto shall be a third-party beneficiary of the Executive's covenants, warranties, representations, and release of claims set forth in this Agreement and entitled to enforce such covenants, warranties, representations, and release of claims as if it, he or she was a party hereto.

20. No Waiver. No failure by any party at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

21. Severability and Modification. To the extent permitted by applicable law, the parties agree that any term or provision of this Agreement (or part thereof) that renders such term or provision (or part thereof) or any other term or provision (or part thereof) of this Agreement invalid or unenforceable in any respect shall be severable and shall be modified or severed to the extent necessary to avoid rendering such term or provision (or part thereof) invalid or unenforceable, and such severance or modification shall be accomplished in the manner that most nearly preserves the benefit of the parties' bargain hereunder.

22. Tax Withholdings. The Company or its applicable affiliate or subsidiary will be entitled to withhold from any amounts otherwise payable hereunder to Executive any amounts required to be withheld in respect of federal, state or local taxes. The Company makes no representations or warranties with respect to the tax consequences of the payments provided to the Executive or made on the Executive's behalf under the terms of this Agreement.

23. Counterparts. This Agreement may be executed in one or more counterparts (including electronic mail in portable document format (.pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of the document), each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

24. Section 409A.

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "Section 409A") or an exemption therefrom, and shall be construed and administered in accordance with such intent. Notwithstanding the foregoing, the Company makes no representations that this Agreement or the payments provided under this Agreement complies with or is exempt from the requirements of Section 409A, and in no event shall the Company or any other Company Party be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any

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amount or benefit that constitutes “nonqualified deferred compensation” upon or following a termination of employment, unless such termination is also a “separation from service” within the meaning of Section 409A, and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment or benefit under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Section 409A be subject to offset by any other amount unless otherwise permitted by Section 409A.

(b) Notwithstanding any provision in this Agreement to the contrary, (i) if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if the Executive’s receipt of such payment or benefit is not delayed until the earlier of (A) the date of the Executive’s death or (B) the date that is six (6) months after the Separation Date (such date, the “Section 409A Payment Date”), then such payment or benefit shall not be provided to the Executive (or the Executive’s estate, if applicable) until the Section 409A Payment Date, and (ii) to the extent any payment hereunder constitutes nonqualified deferred compensation (within the meaning of Section 409A), then each such payment which is conditioned upon the Executive’s execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year shall be paid or provided in the later of the two taxable years.

(c) For purposes of compliance with Section 409A, to the extent any reimbursements or other in-kind benefits under this Agreement constitute “nonqualified deferred compensation”, (i) all expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (ii) any right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(d) For purposes of Section 409A, the Executive’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period is within the sole discretion of the Company.


[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates written below.

**APPFOLIO, INC.**

Signed by:



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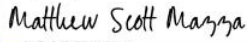
By: Shane Trigg

Title: Chief Executive Officer

Dated: November 19, 2025

**EXECUTIVE:**

Signed by:



08E720DE7C0F493...

Matt Mazza

Dated: 11/19, 2025





## INSIDER TRADING POLICY

Effective: 06.26.2015  
Last Updated: 01.28.2026

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## I. KEY TAKEAWAYS

- 1. What is Insider Trading?** The act of improperly using Material Nonpublic Information to buy or sell securities or passing such information to others so that they may trade on it. Such securities include, but are not limited to, common stock, options to purchase common stock, preferred stock, bonds and convertible securities, as well as derivative securities relating to any of the company's securities, whether or not issued by the Company.
- 2. What is Material Nonpublic Information?** Material Nonpublic Information includes any information that has not been widely disclosed to the general public and would be considered important by a reasonable investor in deciding to buy, hold, or sell securities. This includes information about the Company, its customers, partners and competitors, and other companies with which we have relationships. Material Nonpublic Information is not limited to historical facts and may include information about an event that may occur in the future.
- 3. Don't Trade on Material Nonpublic Information.** We maintain trust with our investors and the public by respecting securities laws, which means trading while in possession of Material Nonpublic Information is strictly prohibited.
- 4. Be Aware of Your Obligations.** The ultimate responsibility for complying with securities laws and not misusing Material Nonpublic Information rests with each and every AppFollian. This Insider Trading Policy (this "Policy") exists to protect our employees and, ultimately, AppFolio itself.
- 5. Speak Up.** If you are unsure whether you possess Material Nonpublic Information that may improperly influence a future investment decision or transaction, or inadvertently disclose Material Nonpublic Information either internally or externally, please contact the Compliance & Ethics team so that we can take steps to protect AppFolio and all parties involved. You can also ask a question or raise a concern anonymously at [help@appfolio.com](mailto:help@appfolio.com).

## II. BACKGROUND

AppFolio, Inc. and its subsidiaries ("AppFolio" or "Company") are committed to promoting high standards of ethical business conduct in everything we do. As part of your responsibilities, you may obtain access to confidential and/or Material Nonpublic Information about AppFolio, our customers, and our business partners. We have a responsibility to avoid using this information for personal gain or communicating it to anyone outside AppFolio.

This Policy sets out AppFolio's rules to reduce the risk of insider trading and the guidelines for appropriately handling Material Nonpublic Information. It also supports the general principles in our [Code of Business Conduct & Ethics](#).

However, the ultimate responsibility for complying with securities laws and avoiding improper use of AppFolio's Material Nonpublic Information rests with each and every AppFollian.

## III. RELATED LAWS

Federal and state laws, such as the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prohibit the purchase or sale of securities while aware of Material Nonpublic Information or the disclosure of Material Nonpublic Information to others who then trade on that information. The Securities and Exchange Commission ("SEC"), U.S. Attorneys, and state authorities vigorously pursue insider trading violations. Punishment for insider trading violations is severe, and could include significant fines and, in extreme cases, imprisonment. A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person's reputation and irreparably damage a career.

## IV. SCOPE

This Policy applies to all members of AppFolio's Board of Directors, and to all of its employees, officers, designated independent contractors and agents, as well as their family members who reside with them (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in their household, any family members who do not live in their household but

whose transactions in Company securities are directed by them or are subject to their influence or control, such as parents or children who consult with them before they trade in Company securities, and entities controlled by a person covered by this Policy (collectively, "Insiders"). In addition, this Policy applies to the Company itself when conducting transactions in its own securities (e.g., share repurchase transactions). The Company may also determine that other people should be designated Insiders from time-to-time.

This Policy continues to apply to transactions in the Company's securities after termination of service to the Company because the risks of violating insider trading laws remain intact notwithstanding the separation. If (i) an individual is in possession of Material Nonpublic Information when his or her service terminates; and/or (ii) the Company's trading window is closed at the time of termination, then the individual may not trade in the Company's securities until any such Material Nonpublic Information has become public or is no longer material and/or the Company's trading window has opened.

## V. POLICY

### A. Don't Trade on Material Nonpublic Information

We do not engage in insider trading. We maintain trust with our investors and the public by respecting securities laws, which means we do not trade based on Material Nonpublic Information.

You may not, directly or indirectly (through family members or other persons or entities), sell, offer to sell, or buy any AppFolio securities when in possession of Material Nonpublic Information. This includes sales of shares received upon exercise of stock options or upon vesting of restricted stock. Please see the [Pre-Clearance Requirement](#) section of this Policy for additional information on how to properly trade AppFolio securities.

You may not recommend the purchase or sale of any securities when in possession of Material Nonpublic information. In addition, you may not engage in transactions involving the securities of any other company if you are aware of Material Nonpublic Information about that company.

#### 1. What is Insider Trading?

Insider trading is the act of improperly using Material Nonpublic Information to buy or sell securities or pass the information to others to trade on.

**2. What is Material Nonpublic Information?**

Material Nonpublic Information includes any information that has not been widely disclosed to the general public and is likely to influence a reasonable investor or that a reasonable investor would consider important in deciding to buy, hold or sell securities. This includes information about the Company, its customers, partners and competitors, and other companies with which we have relationships. Material Nonpublic Information is not limited to historical facts and may include projections, forecasts, or information about an event that has not happened, but may occur in the future.

With respect to a future event, such as a strategic transaction or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of its expected effect on a company's operations or stock price. Thus, information concerning an event that would have a material effect on the Company or its stock price, such as a strategic transaction, may be material even if the probability that the event will occur is relatively low.

The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been broadly disseminated in a manner designed to reach investors generally, and the investors must be given time to absorb the information.

Examples of confidential information that may be Material Nonpublic Information:

- Upcoming, unannounced financial earnings;
- Business plans or budgets;
- Significant corporate events, such as significant strategic shifts, a future merger, joint venture, or investment;
- Changes in executive leadership, the board of directors, or independent auditors;
- Information about other companies, such as AppFolio's customers or business partners, that you have access to through your affiliation with AppFolio; or
- Any information that can have a significant impact on guidance, financial forecasts or stock.

**B. 20/20 Hindsight**

## Insider Trading Policy

If securities transactions ever become the subject of scrutiny, they will be evaluated by enforcement authorities or others after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, an Insider should carefully consider whether the information is material or public and how the transaction may be construed in the bright light of regulatory or investigatory hindsight.

### C. Handle Material Nonpublic Information with Care

AppFolio is committed to safeguarding the confidentiality of its internal proprietary information – this is of the utmost importance when managing Material Nonpublic Information.

- You may not disclose Material Nonpublic Information concerning AppFolio to others (“**tipping**”). This includes immediate and household family members, or any person or entity not authorized to receive such information (“Outsiders”), who may buy or sell securities in response.
- Any information that could reasonably be expected to affect the market for AppFolio’s securities should be kept strictly confidential until such information is publicly disclosed.
- Access to Material Nonpublic Information and other confidential information should be limited, and access to certain confidential information is subject to manager approval.
- You should never discuss or disclose Material Nonpublic Information with or in the presence of anyone outside of AppFolio, unless that person has previously signed an appropriate confidentiality agreement approved by the Compliance & Ethics team.
- We are each individually responsible for adhering to this Policy and ensuring that our Material Nonpublic Information is strictly maintained within AppFolio. If you have knowledge of any Material Nonpublic Information about AppFolio, our customers or our business partners, it is your responsibility to preserve its confidentiality until it is publicly disclosed.

All Material Nonpublic Information and the disclosure thereof are subject to AppFolio’s [Regulation FD Policy](#).

#### 1. Do Not Disclose Confidential or Material Nonpublic Information

We do not make confidential information, including Material Nonpublic Information, about AppFolio publicly available (including by posting on

social media sites) unless specifically authorized in writing to do so. Please review AppFolio's [Regulation FD Policy](#) and the Social Media Policy in the [Employee Handbook](#) for more information.

If you inadvertently disclose Material Nonpublic Information to someone outside the Company, you must promptly inform the Compliance & Ethics team so that we may take steps to protect the individual(s) involved as well as AppFolio itself.

## 2. Responding to Outside Inquiries for Information

If you receive an inquiry from someone outside of AppFolio for information, you should refer the inquiry to the Compliance & Ethics team immediately.

Under the SEC's Fair Disclosure Regulation ("Regulation FD"), public companies cannot selectively disclose Material Nonpublic Information; if they do, whether intentionally or inadvertently, they must take steps to either preclude trading for affected individuals and enter into confidentiality arrangements or broadly disclose the information to the public markets. Violations of this regulation can result in severe monetary penalties. AppFolio has defined procedures for these matters in compliance with applicable law.

Regulation FD prohibits selective disclosure to the following persons:

- Broker-dealers and persons associated with broker-dealers, including investment analysts.
- Investment advisers, institutional investment managers and their affiliates.
- Investment companies, hedge funds, and their affiliates.
- Any existing securityholder or other person under circumstances in which it is reasonably foreseeable that the person would purchase or sell the Company's securities on the basis of the information.

Please see AppFolio's [Regulation FD Policy](#) for more information.

## 3. Do Not Engage with Expert Networks

Communicating with representatives from expert networks creates real risk for AppFolio and for you individually. Even if the contact says you

won't be asked about AppFolio's confidential or proprietary information, you may find yourself in a situation where these types of questions come up. Further, you have no idea how the information you provide is going to be used. Avoid speaking to expert networks whenever possible.

**D. Strictly Prohibited Activities**

AppFolio has determined there is heightened legal and reputational risk if Insiders engage in the following types of activities, and they are therefore strictly prohibited.

- 1. Short Sales.** Short selling is when a trader borrows shares and sells them in the hope of buying the shares back at a later time for a lower price. You may not at any time sell AppFolio securities that are not owned by you at the time of the sale (i.e., the securities must be borrowed to make a delivery). Short sales signal a general lack of confidence in AppFolio and are effectively a bet against AppFolio's success and can reduce the seller's incentive to improve AppFolio's performance. Short sales may also create a suspicion that the seller is engaged in insider trading.
- 2. Publicly-Traded Options.** Publicly-traded options are derivative securities, such as put or call options that relate to the future price of Company securities. Transactions in options may create the appearance that an Insider is trading based on Material Nonpublic Information and focus an Insider's attention on short-term performance at the expense of AppFolio's long-term objectives. Accordingly, transactions in AppFolio put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy.
- 3. Hedging.** A hedge works by holding an investment that will move in the opposite direction of the core investment, so that if the core investment declines, the investment hedge will offset or limit the overall loss. You may not buy or sell puts, calls, other derivative securities of AppFolio or any derivative securities that provide the economic equivalent of ownership of any of AppFolio's securities or an opportunity, direct or indirect, to profit from any change in the value of AppFolio's securities or engage in any other hedging transaction with respect to AppFolio's securities at any time.
- 4. Short-Term Speculation.** Short-term speculation is an investment strategy with a goal of making a quick profit by taking advantage of price fluctuations in the market. You may not engage in short-term and speculative trading in AppFolio securities that can create an appearance of impropriety, particularly if the trading occurs before AppFolio's announcement of information that was previously Material Nonpublic Information

## Insider Trading Policy

or is followed by unusual activity or price changes in AppFolio's stock. These types of transactions can also result in inadvertent violations of insider trading laws.

5. **Pledged Securities or Margin Accounts.** Pledged securities and margin accounts include purchasing or holding AppFolio securities on margin or using securities as collateral for loans. You may not purchase AppFolio securities on margin, hold AppFolio securities in a margin account, or pledge AppFolio securities as collateral for a loan. In the event of a margin call or default on the loan, the broker or lender could sell the shares at a time when the Insider is in possession of Material Nonpublic Information, resulting in liability for insider trading. The Chief Compliance Officer, with approval of the Chief Legal Officer or, if no Chief Legal Officer is currently serving, the General Counsel, may make exceptions to this prohibition on a case-by-case basis by pre-approval in writing, but these exceptions are exceedingly rare and will be sparingly granted only in appropriate circumstances.
6. **Transactions in Other Company Securities.** No Insider may trade in securities of another company if the Insider is in possession of Material Nonpublic Information about that other company that the Insider learned about as a result of his or her employment or association with AppFolio.
  - a. The prohibition on trading in other company securities extends to situations where you possess Material Nonpublic Information about AppFolio that could reasonably have a material effect on the market price of the securities of another publicly traded company with which AppFolio has a close business or economic connection (such as customers, partners, suppliers, or competitors). Making trading decisions about these other companies based on your knowledge of Material Nonpublic Information obtained through AppFolio is prohibited. Trading in the securities of other companies that are economically linked in such a way that Material Nonpublic Information of our Company could materially impact another such company is prohibited.
    - i. Examples of potential prohibited trading in other company securities include but are not limited to (1) AppFolio or a subsidiary has a publicly traded company as a partner and is notified that there will be a default on the agreement as the partner intends to file for bankruptcy, and that information is not known publicly by reason of disclosure in the markets by the partner; or (2) you are given access to an embargoed press release from a government agency that will materially impact AppFolio and other publicly traded companies in our industry. Trading in the securities of impacted companies prior to public release of such Material Nonpublic Information could be considered a violation of this Policy.

**E. Permitted Activities**

Prohibitions under this Policy do not include any of the following activities:

1. **Vested Stock Options.** The exercise of vested stock options, either on a "cash for stock" or "stock for stock" basis, where no AppFolio stock is sold to fund the option exercise. While vested stock options may be exercised at any time, the sale of any stock acquired through such exercise is subject to this Policy.
2. **Receipt of Stock.** The receipt of Company stock upon vesting of restricted stock, as well as the withholding of Company stock by the Company in payment of tax obligations.
3. **10b5-1 Plan.** AppFolio securities purchased or sold under a Rule 10b5-1 Trading Plan ("10b5-1 Plan") that has been approved in advance by the Chief Compliance Officer or his/her designee. A 10b5-1 Plan must:
  - a. Be submitted to the Chief Compliance Officer or his/her designee for review and approval;
  - b. Be entered into in good faith by the Insider. The Insider is required to act in good faith throughout the duration of the entire plan;
  - c. Be entered into at a time when the Insider was not in possession of Material Nonpublic Information about AppFolio or AppFolio securities;
  - d. Give a third party (that does not possess Material Nonpublic Information) the discretionary authority to execute the transactions, outside the control of the Insider, or, in the alternative, explicitly specify the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions; and
  - e. Adhere to all cooling off period requirements.
  - f. Adhere to all termination, restriction, and modification requirements.

Please see the [10b5-1 Plan Procedure](#) for more details about the requirements of 10b5-1 Plans.

4. **Trust Transfers.** The transfer of AppFolio stock by an Insider into a trust for which the Insider is a trustee, or from the trust back into the name of the Insider.

5. **Gifts.** Bona fide gifts, including donations to bona fide charitable organizations, unless the person making the gift has reason to believe that the recipient intends to sell the Company securities while the Insider is aware of Material Nonpublic Information. Notification of the gift, including its details, must be provided to the Pre-Clearance team at least two days before the transfer of ownership occurs. .
6. **Mutual Funds.** Purchases and sales of mutual funds, exchange traded funds, or other investment entities that invest in securities of AppFolio and with respect to which the Insider is a passive investor and has no rights to the voting, disposition, purchases, or sales of any AppFolio securities by any such entity.
7. **Employee Stock Purchase Plan ("ESPP").** ESPP enrollment or elections which are entered into while the Insider is not in possession of Material Nonpublic Information. Employees are responsible for abiding by any specific instructions provided upon entering into the ESPP, such as holding periods.

#### F. Pre-Clearance Requirement

AppFolio has a pre-clearance process in place to help comply with this Policy and manage insider trading risks.

Certain Insiders with a higher likelihood of exposure to potential Material Nonpublic Information are required to obtain pre-clearance for transactions. Please see the [Pre-Clearance Procedure](#) for important guidance on who is required to request pre-clearance and the pre-clearance process. AppFolio has no obligation to approve pre-clearance requests and may deny requests at its discretion.

Employees who do not require pre-clearance may be automatically pre-cleared to trade any shares currently held in their AppFolio stock plan account if the transaction occurs within an open trading window.

**Regardless of whether or not you are pre-cleared to trade, all employees are prohibited from trading while in possession of Material Nonpublic Information.**

#### G. Blackout Periods

To help protect you and AppFolio from insider trading violations, AppFolio has a policy that establishes periods during which Insiders are not allowed to

trade AppFolio stock.

1. **Regular Blackout Periods.** These blackout periods occur quarterly and align with the public release of information relating to AppFolio's financial results. Holders of AppFolio stock can only transact during open trading windows which take place during the period beginning 24 hours after the public release of quarterly or annual financial results and ending after market close on the 15th calendar day of the last month in any calendar quarter after the public release of such information.
2. **Special Blackout Periods.** From time to time, the Chief Compliance Officer, with the approval of the Chief Legal Officer or, if no Chief Legal Officer is currently serving, the General Counsel, may determine that a special blackout period should be imposed on some or all Insiders, even if a regular blackout period is not in effect, due to the existence, or potential existence, of Material Nonpublic Information. The existence of a special blackout period should be considered confidential information and Insiders are prohibited from communicating the existence of a special blackout period to anyone who is not an Insider.
3. **Hardship Transactions.** The Chief Compliance Officer or his/her designee may, on a case-by case basis, authorize trading AppFolio securities outside of the applicable trading window due to financial hardship or other hardships only after:
  - a. The Insider has notified the Chief Compliance Officer in writing of the circumstances of the hardship and the amount and nature of the proposed trade(s);
  - b. The Insider has certified to the Chief Compliance Officer in writing no earlier than two business days prior to the proposed trade(s) that he or she is not in possession of Material Nonpublic Information concerning AppFolio; and
  - c. The Chief Compliance Officer has approved the trade(s) and has certified the approval in writing.

**H. Vested Share Transfers to Personal Accounts**

This Policy applies to transfers of vested shares to external accounts operated by an Insider or a third party, such as a personal brokerage account, wealth advisor, broker, or trust where beneficial ownership does not change, including transfers made for financial, tax, or estate planning purposes.

Transfers of vested shares to personal accounts do not require pre-clearance or approval, provided the transfer does not involve a sale or other disposition of Company securities and does not result in a change in beneficial ownership.

## Insider Trading Policy

Insiders who transfer shares to personal accounts must ensure that an [Insider Trading Broker Instruction Form](#) is completed by the applicable wealth advisor, broker, or representative. The completed and signed form, along with any required documentation, must be submitted to Appfolio's Pre-Clearance team at [pre-clearance@appfolio.com](mailto:pre-clearance@appfolio.com) within five (5) business days prior to the transfer. Submission of this form is required for notice and record-keeping purposes only and does not constitute a request for, or grant of, approval.

Notwithstanding the foregoing, Insiders may not authorize or permit any third party to trade Company securities outside of the Company-approved brokerage platform or otherwise effect transactions in violation of applicable trading windows, blackout periods, or pre-clearance requirements. The use of an external broker, advisor, or account does not relieve an Insider of their obligations under this Policy.

### I. Section 16 Individuals

Special rules, restrictions, and reporting requirements apply to individuals subject to Section 16 of the Exchange Act. All such individuals must abide by the requirements of Section 16. AppFolio provides support to help such individuals comply with their Section 16 obligations, however, compliance with Section 16 is an individual responsibility and AppFolio is not responsible if an individual fails to comply.

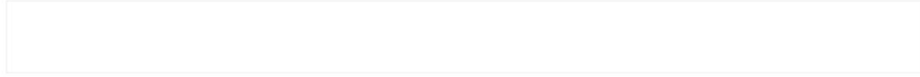
### J. Insider Trading Penalties

We take compliance with this Policy very seriously. Penalties for violating insider trading laws can be severe, both for individuals and AppFolio.

- 1. Individual Penalties.** An Insider who engages in insider trading can face criminal fines up to several times the amount of profits gained or loss avoided and, in extreme cases, criminal prosecution and prison time.
- 2. Company or "Control Person" Penalties.** Individuals and entities considered to be "control persons" who knew or recklessly disregarded the fact that a "controlled person" was likely to engage in insider trading also may be civilly liable. "Control persons" can face fines for up to the greater of (a) \$1.0 million or (b) three times the amount of the profits gained or loss avoided.

### K. Compliance with this Insider Trading Policy

Failure to comply with this Policy may result in disciplinary action, including termination of employment, regardless of whether your failure to comply results in a violation of the law.



## VI. POLICY GOVERNANCE

The Board of Directors of the Company (the "Board") has delegated to its Audit Committee (the "Audit Committee") the responsibility of overseeing and interpreting this Policy. The Audit Committee may from time to time recommend to the Board changes to this Policy. All changes to this Policy must be approved by the Board. This Policy will be managed by the Company's Compliance & Ethics team.

## VII. RELEVANT LINKS & CONTACT INFORMATION

- [Code of Business Conduct & Ethics - Avoiding Insider Trading](#)
- [Regulation FD Policy](#)
- [Conflicts of Interest Policy](#)
- [AppFolio Stockholder Communication Policy](#)
- [Whistleblower & Reporting Suspected Violations Policy](#)
- [Pre-Clearance Procedure](#)
- [10b5-1 Plan Procedure](#)

### Contact Information for the Chief Compliance Officer:

[compliance@appfolio.com](mailto:compliance@appfolio.com)

### To file an anonymous report using AppFolio's Helpline:

Email: [helpline.appfolio.com](mailto:helpline.appfolio.com)

Call: (800) 461-9330

Text: (805) 303-8360

VIII. APPROVAL & POLICY HISTORY

Date	Approved by	Description
06-26-2015	Board of Directors	Insider Trading Policy released when AppFolio, Inc. went public.
11-02-2017	Board of Directors	Amended and Restated Insider Trading Policy released. Chief Legal Officer participated in revisions of the Policy.
04-26-2023	Board of Directors	Insider Trading Policy_v1.0 released. Legal and Compliance and Chief Legal Officer updated Policy to include 10b5-1 updates, stylistic edits, and FAQs.
01-29-2025	Board of Directors	Insider Trading Policy_v1.1. Added express statement this Policy applies to AppFolio. Updated team name from "Legal & Compliance" to "Compliance & Ethics."
01-28-2026	Board of Directors	Insider Trading Policy_v1.2. Established backup designees for the roles of Chief Legal Officer and Chief Compliance Officer. Extended section on transactions in other companies' securities. Added a notification requirement for gifts. Incorporated specific ESPP requirements. Added broker instruction requirement and form. Added a sixth condition for valid 10b5-1 Plans.

**IX. APPENDIX**

**A. Do's and Don'ts**

Do's	Don'ts
<ul style="list-style-type: none"> <li>• Tell the Compliance &amp; Ethics team immediately if you inadvertently disclose Material Nonpublic Information about AppFolio to an Outsider.</li> <li>• Know the rules surrounding AppFolio's open window and blackout periods and how to obtain pre-clearance before buying or selling securities</li> <li>• Contact the Compliance &amp; Ethics team before buying or selling AppFolio securities if you are uncertain if you are in possession of Material Nonpublic Information.</li> </ul>	<ul style="list-style-type: none"> <li>• Buy or sell AppFolio securities based on Material Nonpublic Information.</li> <li>• Share "tips" regarding AppFolio's Material Nonpublic Information with anyone (including family, friends or brokers).</li> <li>• Buy or sell AppFolio securities during blackout periods or around the time of a significant company announcement.</li> <li>• Buy or sell the securities of other companies if you possess Material Nonpublic Information about those companies through your work at AppFolio.</li> </ul>

**B. FAQs**

**Q: A family member owns stock in a company that happens to be one of AppFolio's customers. While in a meeting with that customer, I learned their company is undergoing a merger. This could affect some trades she is considering. Can I share that information with her?**

No. It's likely that information has not been made public yet, and sharing it would be sharing Material Nonpublic Information. Tipping off your sister to help her financial decision-making is illegal and could result in serious penalties.

## Insider Trading Policy

**Q: In an All Company Meeting, I learned that AppFolio is planning to acquire another publicly traded company. Can I purchase stock in that company?**

A: No. Acting on this information is considered insider trading and is prohibited.

**Q: I'm planning on selling my vested Restricted Stock Units during the next open trading window. A colleague with access to AppFolio's financials shared information about AppFolio's performance with me last month that is giving me second thoughts about my decision. What should I do?**

A: Contact the Compliance & Ethics team for further guidance.

**Q: If an employee no longer works at AppFolio, are they still required to comply with these rules?**

A: Yes. This Policy applies even after your employment with AppFolio ends. You are expected to keep all Material Nonpublic Information you learn about AppFolio confidential until that information has become public or is no longer material.

**Q: I was contacted by an agency conducting market research on trends in the property management industry. Can I share information with that agency?**

A: No. Do not engage with companies looking to obtain confidential information about AppFolio, its customers or its partners. If you have been contacted by a company seeking information, contact the Compliance & Ethics team for guidance.

**Q: I am not on any teams required to obtain pre-clearance, but I'm planning to trade AppFolio securities outside of my equity plan. Do I still need to go through the pre-clearance process?**

A: Yes. If you are planning to trade outside of your stock plan or AppFolio's stock plan manager, you must send your request to pre-clearance@appfolio.com. The pre-clearance process helps reduce risk for you and AppFolio — always remember to pre-clear your trades!

C. Definitions

**10b5-1 Plan.** A contract to purchase or sell securities according to a written instruction established prior to making any transactions. Rule 10b5-1 provides an affirmative defense to insider trading allegations under federal law for transactions executed pursuant to a valid 10b5-1 Plan.

**Insiders.** All members of AppFolio's Board of Directors, employees, officers, designated independent contractors and agents, as well as their family members who reside with them (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in their household, any family members who do not live in their household but whose transactions in Company securities are directed by them or are subject to their influence or control, such as parents or children who consult with them before they trade in Company securities, and entities controlled by a person covered by this Policy ("Insiders"). The Company may also determine that other people should be designated Insiders from time-to-time.

**Material Nonpublic Information.** Any information that has not been widely disclosed to the general public and is likely to influence a reasonable investor or that a reasonable investor would consider important in deciding to buy, hold or sell securities. This includes information about the Company, its customers, partners and competitors, and other companies with which we have relationships. Material Nonpublic Information is not limited to historical facts and may include projections, forecasts, or information about an event that has not happened, but may occur in the future. With respect to a future event, such as a strategic transaction or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of its expected effect on a company's operations or stock price. Thus, information concerning an event that would have a material effect on the Company or its stock price, such as a strategic transaction, may be material even if the probability that the event will occur is relatively low.

The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been broadly disseminated in a manner designed to reach investors generally, and the investors must be given time to absorb the information.

## Insider Trading Policy

Examples of confidential information that may be Material Nonpublic Information:

- Upcoming, unannounced financial earnings
- Business plans or budgets
- Significant corporate events, such as significant strategic shifts, a future merger, joint venture, or investment
- Changes in executive leadership, the board of directors, or independent auditors
- Information about other companies, such as AppFolio's customers or business partners, that you have access to through your affiliation with AppFolio
- Any information that can have a significant impact on financial forecasts or stock price

**Outsider.** Any person or entity not authorized to receive Material Nonpublic Information.

**Section 16 Individual.** Section 16 is a rule promulgated under the Exchange Act that articulates the regulatory filing responsibilities for any officers, directors, or stockholders who possess stock that directly or indirectly results in beneficial ownership of more than 10% of the company's common stock or other class of equity.

**Securities.** Common stock, and any other type of company securities that are convertible into common stock, such as convertible debentures, warrants and other derivative securities, including securities not issued by the company.

**Transactions.** Sales, purchases, exchanges, pledges, options, hedges, puts, calls, short sales, and any other transaction in AppFolio's securities for purposes of making a profit.



**List of Subsidiaries of the Registrant**

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
AppFolio Insurance Services, Inc.	California
AppFolio Investment Management, Inc.	California
Move EZ, Inc.	Delaware
Terra Mar Insurance Company, Inc.	Hawaii
Home Concierge Move Easy Private Limited	India

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-281024, No. 333-276819, No. 333-269664, No. 333-263096, No. 333-236818, No. 333-229970, No. 333-223231, No. 333-216274, No. 333-209792, and No. 333-206179) of AppFolio, Inc. of our report dated February 5, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Los Angeles, California  
February 5, 2026

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shane Trigg, certify that:

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

Date: February 5, 2026

/s/ Shane Trigg  
Shane Trigg  
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Eaton, certify that:

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

Date: February 5, 2026

/s/ Tim Eaton

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Tim Eaton  
Chief Financial Officer

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

The following certifications are hereby made in connection with the Annual Report on Form 10-K of AppFolio, Inc. (the "Company") for the period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

I, Shane Trigg, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: February 5, 2026

By: /s/ Shane Trigg  
Shane Trigg  
President and Chief Executive Officer

I, Tim Eaton, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: February 5, 2026

By: /s/ Tim Eaton  
Tim Eaton  
Chief Financial Officer