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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

or

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

For the transition period from_____to_____
Commission File Number: 001-41130

vacasa

Vacasa, Inc.

(Exact name of registrant as specified in its charter)

Delaware	87-1995316
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

850 NW 13th Avenue

Portland, OR 97209

(Address of Principal Executive Office)(Zip Code)

(503) 345-9399

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock, par value $0.00001 per share	VCSA	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of November 7, 2022, 234,461,028 shares of the registrant's Class A Common Stock were outstanding, 197,277,069 shares of the registrant's Class B Common Stock were outstanding, and 6,333,333 shares of the registrant's Class G Common Stock were outstanding.

Table of Contents

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (Quarterly Report) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our results of operations, financial position, growth strategy, seasonality, business strategy, policies, and approach, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Without limiting the foregoing, in some cases, you can identify forward-looking statements by terms such as “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would,” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. No forward-looking statement is a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties, and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

- our ability to achieve profitability;
- our ability to manage and sustain our growth;
- the effects of the novel coronavirus (COVID-19) pandemic, including as a result of new strains or variants of the virus, on our business, the travel industry, travel trends, and the global economy generally;
- the effects of global economic and capital markets conditions, such as rising energy prices, inflation and interest rates, on our business, the travel industry, travel trends, and the global economy generally;
- our expectations regarding our financial performance, including our revenue, costs, and Adjusted EBITDA;
- our ability to attract and retain homeowners and guests;
- our ability to compete in our industry;
- our expectations regarding the resilience of our model, including in areas such as domestic travel, short-distance travel, and travel outside of top cities;
- the effects of seasonal trends on our results of operations;
- the potential for future impairments of our long-lived assets or goodwill;
- our ability to make required payments under our credit agreement and to comply with the various requirements of our indebtedness;
- our ability to effectively manage our exposure to fluctuations in foreign currency exchange rates;
- the anticipated increase in expenses associated with being a public company;
- anticipated trends, developments, and challenges in our industry, business, and the highly competitive markets in which we operate;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- our ability to anticipate market needs or develop new or enhanced offerings and services to meet those needs;
- our ability to expand into new markets and businesses, expand our range of homeowner services, and pursue strategic acquisition and partnership opportunities;
- our ability to successfully acquire and integrate companies and assets;
- our ability to manage expansion into international markets;
- our ability to stay in compliance with laws and regulations, including tax laws, that currently apply or may become applicable to our business both in the United States and internationally and our expectations regarding various laws and restrictions that relate to our business;
- our expectations regarding our tax liabilities and the adequacy of our reserves;
- our ability to effectively manage our growth, expand our infrastructure, and maintain our corporate culture;
- our ability to identify, recruit, and retain skilled personnel, including key members of senior management;
- the effects of labor shortages and increases in wage and labor costs in our industry;
- the safety, affordability, and convenience of our platform and our offerings;
- our ability to keep pace with technological and competitive developments;
- our ability to maintain and enhance brand awareness;
- our ability to successfully defend litigation brought against us and our ability to secure adequate insurance coverage to protect the business and our operations;
- our ability to maintain, protect, and enhance our intellectual property; and

- those risks, uncertainties, and assumptions described in Part I, Item 1A. "Risk Factors" and 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 fiscal year ended December 31, 2021 (2021 Annual Report) and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A. "Risk Factors" of this Quarterly Report and in our subsequent filings with the Securities and Exchange Commission.

Some of these risks and uncertainties may in the future be amplified by the COVID-19 pandemic and there may be additional risks that we consider immaterial or which are unknown. Moreover, we operate in a very competitive and rapidly changing environment. It is not possible to predict or identify all such risks.

The forward-looking statements in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements and our actual future results, levels of activity, performance, and achievements may be materially different from what we expect.

These forward-looking statements speak only as of the date of this Quarterly Report. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report, whether as a result of any new information, future events, or otherwise.

Basis of Presentation

Vacasa, Inc. was incorporated on July 1, 2021 under the laws of the state of Delaware as a wholly owned subsidiary of Vacasa Holdings LLC (Vacasa Holdings) for the purpose of consummating the business combination described herein. In December 2021, Vacasa, Inc. merged with TPG Pace Solutions Corp., with Vacasa, Inc. continuing as the surviving entity, following which Vacasa, Inc. consummated a series of reorganization transactions through which Vacasa, Inc. became the sole manager of, and the owner of approximately 50.3% of the outstanding equity interests in, Vacasa Holdings, and Vacasa Holdings cancelled its ownership interest in Vacasa, Inc. For the period from inception to December 6, 2021, Vacasa, Inc. had no operations, assets or liabilities. Unless otherwise indicated, the financial information included herein is that of Vacasa Holdings, which, following the business combination, became the business of Vacasa, Inc. and its subsidiaries.

Additionally, unless the context otherwise requires, references herein to the “Company,” “we,” “us,” or “our” refer (a) after December 6, 2021, to Vacasa, Inc. and its consolidated subsidiaries and (b) prior to December 6, 2021, to Vacasa Holdings and its consolidated subsidiaries.

PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

Vacasa, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par value)
(unaudited)

	As of September 30, 2022	As of December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 150,791	$ 353,842
Restricted cash	241,032	165,294
Accounts receivable, net	36,134	48,989
Prepaid expenses and other current assets	24,011	19,325
Total current assets	451,968	587,450
Property and equipment, net	67,362	67,186
Intangible assets, net	223,524	216,499
Goodwill	832,887	754,506
Other long-term assets	64,680	11,269
Total assets	$ 1,640,421	$ 1,636,910
Liabilities, Temporary Equity, and Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 38,803	$ 34,786
Funds payable to owners	235,621	214,301
Hospitality and sales taxes payable	57,635	46,958
Deferred revenue	114,550	107,252
Future stay credits	5,584	30,995
Accrued expenses and other current liabilities	100,671	71,833
Total current liabilities	552,864	506,125
Long-term debt, net of current portion	125	512
Other long-term liabilities	74,039	112,123
Total liabilities	$ 627,028	$ 618,760
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	625,224	1,770,096
Equity (Deficit):		
Class A Common Stock, par value $0.00001, 1,000,000,000 shares authorized; 228,575,135 and 214,793,795 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively.	23	21
Class B Common Stock, par value $0.00001, 487,276,085 shares authorized; 203,655,967 and 212,751,977 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively.	20	21
Additional paid-in capital	1,167,939	—
Accumulated deficit	(779,002)	(751,929)
Accumulated other comprehensive loss	(811)	(59)
Total equity (deficit)	388,169	(751,946)
Total liabilities, temporary equity, and equity (deficit)	$ 1,640,421	$ 1,636,910

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

Vacasa, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 412,184	$ 329,927	$ 969,792	$ 696,954
Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below	174,123	138,461	447,976	332,455
Operations and support	76,877	55,435	196,349	132,836
Technology and development	18,422	12,332	52,493	30,935
Sales and marketing	75,020	49,943	196,909	114,657
General and administrative	31,043	19,326	83,486	59,672
Depreciation	5,376	4,414	16,676	12,721
Amortization of intangible assets	15,490	13,979	45,771	30,778
Total operating costs and expenses	396,351	293,890	1,039,660	714,054
Income (loss) from operations	15,833	36,037	(69,868)	(17,100)
Interest income	779	6	1,220	32
Interest expense	(606)	(3,313)	(1,957)	(9,219)
Other income (expense), net	(23)	150	41,499	(10,199)
Income (loss) before income taxes	15,983	32,880	(29,106)	(36,486)
Income tax benefit (expense)	(170)	(76)	(1,073)	76
Net income (loss)	$ 15,813	$ 32,804	$ (30,179)	$ (36,410)
Loss attributable to remeasurement of redeemable convertible preferred units	—	—	—	(426,101)
Net income (loss) including remeasurement of redeemable convertible preferred units	15,813	32,804	(30,179)	(462,511)
Less: Net income (loss) including remeasurement of redeemable convertible preferred units prior to Reverse Recapitalization	—	32,804	—	(462,511)
Less: Net income (loss) attributable to redeemable noncontrolling interests	7,489	—	(15,464)	—
Net income (loss) attributable to Class A Common Stockholders	$ 8,324	$ —	$ (14,715)	$ —
Net income (loss) per share of Class A Common Stock[1]:				
Basic	$ 0.04	N/A	$ (0.07)	N/A
Diluted	$ 0.04	N/A	$ (0.07)	N/A
Weighted-average shares of Class A Common Stock used to compute net income (loss) per share[1]:				
Basic	226,835	N/A	219,877	N/A
Diluted	232,342	N/A	219,877	N/A

(1) Basic and diluted net income (loss) per share of Class A Common Stock is applicable only for periods subsequent to December 6, 2021, which is the date of the Reverse Recapitalization (as defined in Note 1, *Description of Business*). See also Note 14, *Net Income (Loss) Per Share*.

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

Vacasa, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(in thousands)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	$ 15,813	$ 32,804	$ (30,179)	$ (36,410)
Foreign currency translation adjustments	(718)	(940)	(1,437)	(201)
Total comprehensive income (loss)	$ 15,095	$ 31,864	$ (31,616)	$ (36,611)
Less: Comprehensive income (loss) prior to Reverse Recapitalization	—	31,864	—	(36,611)
Less: Comprehensive income (loss) attributable to redeemable noncontrolling interests	7,145	—	(16,149)	—
Total comprehensive income (loss) attributable to Class A Common Stockholders	$ 7,950	$ —	$ (15,467)	$ —

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

Vacasa, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash from operating activities:		
Net loss	$ (30,179)	$ (36,410)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Credit loss expense	4,708	1,159
Depreciation	16,676	12,721
Amortization of intangible assets	45,771	30,778
Future stay credit breakage	(15,158)	—
Reduction in the carrying amount of right-of-use assets	9,561	—
Deferred income taxes	433	(178)
Other gains and losses	2,414	1,381
Fair value adjustment on derivative liabilities	(43,921)	10,317
Non-cash interest expense	162	6,221
Equity-based compensation expense	28,360	5,273
Change in operating assets and liabilities, net of assets acquired and liabilities assumed:		
Accounts receivable, net	65,433	20,351
Prepaid expenses and other assets	(26,433)	(10,794)
Accounts payable	(3,976)	11,028
Funds payable to owners	(28,177)	17,594
Hospitality and sales taxes payable	1,811	9,605
Deferred revenue and future stay credits	(26,191)	(16,470)
Operating lease obligations	(8,050)	—
Accrued expenses and other liabilities	13,750	13,714
Net cash provided by operating activities	6,994	76,290
Cash from investing activities:		
Purchases of property and equipment	(8,367)	(3,646)
Cash paid for internally developed software	(7,407)	(4,874)
Cash paid for business combinations, net of cash and restricted cash acquired	(87,699)	(63,477)
Net cash used in investing activities	(103,473)	(71,997)
Cash from financing activities:		
Payments of Reverse Recapitalization costs	(459)	—
Cash paid for business combinations	(28,093)	(9,421)
Payments of long-term debt	(250)	(125)
Proceeds from exercise of stock options	157	—
Proceeds from borrowings on revolving credit facility	5,000	—
Repayment of borrowings on revolving credit facility	(5,000)	—
Other financing activities	(1,709)	(179)
Net cash used in financing activities	(30,354)	(9,725)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	(480)	(84)
Net decrease in cash, cash equivalents and restricted cash	(127,313)	(5,516)
Cash, cash equivalents and restricted cash, beginning of period	519,136	291,012
Cash, cash equivalents and restricted cash, end of period	$ 391,823	$ 285,496

Vacasa, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2022	2021
Supplemental disclosures of cash flow information:		
Cash paid for income taxes, net of refunds	$ 602	$ 291
Cash paid for interest	1,792	3,539
Supplemental disclosures of non-cash investing and financing activities:		
Issuance of common units for consideration in a business combination	—	573,800
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 150,791	$ 150,417
Restricted cash	241,032	135,079
Total cash, cash equivalents and restricted cash	$ 391,823	$ 285,496

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

Table of Contents

Vacasa, Inc.
Condensed Consolidated Statements of Equity (Deficit)
(in thousands, except share and unit data)
(unaudited)

	Redeemable Non-controlling Interests	Redeemable Convertible Preferred Units		Common Units		Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
	Amount	*Units*	*Amount*	*Units*	*Amount*	*Shares*	*Amount*	*Shares*	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*
Balance as of December 31, 2021	**$ 1,770,096**	**—**	**$ —**	**—**	**$ —**	**214,793,795**	**$ 21**	**212,751,977**	**$ 21**	**$ —**	**$ (751,929)**	**$ (59)**	**$ (751,946)**
Vesting of employee equity units	2,282							1,957,984		(2,282)			**(2,282)**
Vesting of restricted stock units	(1,826)					1,706,543				1,826			**1,826**
Exercise of equity based awards	(1,089)					1,020,803				(412)			**(412)**
Redemption of OpCo units and retirement of Class B Common Stock	(24,467)					11,053,994	2	(11,053,994)	(1)	24,453		13	**24,467**
Equity-based compensation	4,491									23,869			**23,869**
Other comprehensive loss	(672)											(765)	**(765)**
Net loss	(15,464)										(14,715)		**(14,715)**
Adjustment of redeemable noncontrolling interest to redemption amount	(1,108,127)									1,120,485	(12,358)		**1,108,127**
Balance as of September 30, 2022	**$ 625,224**	**—**	**$ —**	**—**	**$ —**	**228,575,135**	**$ 23**	**203,655,967**	**$ 20**	**$1,167,939**	**$ (779,002)**	**$ (811)**	**$ 388,169**
Balance as of June 30, 2022	**$ 590,163**	**—**	**$ —**	**—**	**$ —**	**224,782,395**	**$ 22**	**204,917,757**	**$ 20**	**$1,188,035**	**$ (787,326)**	**$ (437)**	**$ 400,314**
Vesting of employee equity units	424							361,466		(424)			**(424)**
Vesting of restricted stock units	(1,339)					1,264,613				1,339			**1,339**
Exercise of equity based awards	(961)					904,871				(594)			**(594)**
Redemption of OpCo units and retirement of Class B Common Stock	(3,623)					1,623,256	1	(1,623,256)		3,617		5	**3,623**
Equity-based compensation	1,439									7,937			**7,937**
Other comprehensive loss	(339)											(379)	**(379)**
Net income	7,489										8,324		**8,324**
Adjustment of redeemable noncontrolling interest to redemption amount	31,971									(31,971)			**(31,971)**
Balance as of September 30, 2022	**$ 625,224**	**—**	**$ —**	**—**	**$ —**	**228,575,135**	**$ 23**	**203,655,967**	**$ 20**	**$1,167,939**	**$ (779,002)**	**$ (811)**	**$ 388,169**

Vacasa, Inc.
Condensed Consolidated Statements of Equity (Deficit)
(in thousands, except share and unit data)
(unaudited)

	Redeemable Non-controlling Interests	Redeemable Convertible Preferred Units		Common Units		Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficit)
	Amount	*Units*	*Amount*	*Units*	*Amount*	*Shares*	*Amount*	*Shares*	*Amount*	*Amount*	*Amount*	*Amount*	*Amount*
Balance as of December 31, 2020	**$ —**	**267,688,054**	**$ 771,979**	**176,824,152**	**$ —**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ (577,091)**	**$ 241**	**$ (576,850)**
Equity-based compensation										5,273			**5,273**
Exercise of equity-based options				70,208						73			**73**
Remeasurement of redeemable convertible preferred units			426,101							(908)	(425,193)		**(426,101)**
Issuance of common units for consideration in a business combination				161,518,057						573,800			**573,800**
Foreign currency translation adjustments												(201)	**(201)**
Net exercise of common unit warrants				2,020,000									**—**
Net loss											(36,410)		**(36,410)**
Balance as of September 30, 2021	**$ —**	**267,688,054**	**$ 1,198,080**	**340,432,417**	**$ —**	**—**	**$ —**	**—**	**$ —**	**$ 578,238**	**$ (1,038,694)**	**$ 40**	**$ (460,416)**
Balance as of June 30, 2021	**$ —**	**267,688,054**	**$ 1,198,080**	**338,412,417**	**$ —**	**—**	**$ —**	**—**	**$ —**	**$ 575,966**	**$ (1,071,498)**	**$ 980**	**$ (494,552)**
Equity-based compensation										2,272			**2,272**
Net exercise of common unit warrants				2,020,000									**—**
Foreign currency translation adjustments												(940)	**(940)**
Net income (loss)											32,804		**32,804**
Balance as of September 30, 2021	**$ —**	**267,688,054**	**$ 1,198,080**	**340,432,417**	**$ —**	**—**	**$ —**	**—**	**$ —**	**$ 578,238**	**$ (1,038,694)**	**$ 40**	**$ (460,416)**

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

Index to Notes to Condensed Consolidated Financial Statements		
		Page
Note 1:	Description of Business	14
Note 2:	Significant Accounting Policies	14
Note 3:	Revenue	17
Note 4:	Acquisitions	18
Note 5:	Fair Value Measurements	19
Note 6:	Property and Equipment, Net	20
Note 7:	Intangible Assets, Net and Goodwill	20
Note 8:	Leases	21
Note 9:	Accrued Expenses and Other Current Liabilities	24
Note 10:	Debt	24
Note 11:	Other Long-Term Liabilities	26
Note 12:	Income Taxes	26
Note 13:	Equity and Equity-based Compensation	26
Note 14:	Net Income (Loss) Per Share	29
Note 15:	Commitments and Contingencies	31

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 1 - Description of Business

Vacasa, Inc. and its subsidiaries (the Company) operate a vertically-integrated vacation rental platform. Homeowners utilize the Company's technology and services to realize income from their rental assets. Guests from around the world utilize the Company's technology and services to search and book Vacasa-listed properties in destinations throughout North America, Belize, and Costa Rica. The Company collects nightly rent on behalf of homeowners and earns the majority of its revenue from commissions on rent and from additional reservation-related fees paid by guests when a vacation rental is booked directly through the Company's website or app, or through its distribution partners. The Company conducts its business through Vacasa Holdings LLC (Vacasa Holdings or OpCo) and its subsidiaries. The Company is headquartered in Portland, Oregon.

Vacasa, Inc. was incorporated on July 1, 2021, under the laws of the state of Delaware for the purpose of consummating the business combination (the Business Combination) contemplated by that certain business combination agreement, dated as of July 28, 2021 (as amended, the Business Combination Agreement), by and among TPG Pace Solutions Corp., a Cayman Islands exempted company (TPG Pace), Vacasa Holdings, Turnkey Vacations, Inc. (TK Newco), certain Vacasa Holdings equity holders (together with TK Newco, the Blockers), the Company, and certain other parties. On December 6, 2021, the Company consummated the Business Combination, pursuant to which, among other things, TPG Pace merged with and into the Company, the separate corporate existence of TPG Pace ceased, and the Company became the surviving corporation. The Business Combination was accounted for as a reverse recapitalization (the Reverse Recapitalization) in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this method of accounting, Vacasa, Inc. has been treated as the "acquired" company for financial reporting purposes, with Vacasa Holdings considered to be the accounting acquirer. For more details, see the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (2021 Annual Report).

Note 2 - Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of the Company, its wholly owned or majority-owned subsidiaries, and entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. All intercompany balances and transactions have been eliminated in consolidation. The financial information as of December 31, 2021 contained in this Quarterly Report is derived from the audited consolidated financial statements and notes included in the Company's 2021 Annual Report, which should be read in conjunction with these condensed consolidated financial statements. These condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information in footnote disclosures normally included in annual financial statements was condensed or omitted for the interim periods presented in accordance with GAAP. In the opinion of management, the interim data includes all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. The interim results of operations and cash flows are not necessarily indicative of those results and cash flows expected for the year.

As of September 30, 2022, the Company holds 228,575,135 units of Vacasa Holdings (OpCo Units), which represents a 52.9% ownership interest. The portion of the consolidated subsidiaries not owned by the Company and any related activity is eliminated through redeemable noncontrolling interests in the consolidated balance sheets and net income (loss) attributable to redeemable noncontrolling interests in the condensed consolidated statements of operations. The consolidated financial statements of Vacasa Holdings and its subsidiaries have been determined to be the predecessor for accounting and reporting purposes of the period prior to the Reverse Recapitalization.

Following the consummation of the Business Combination, the Company is an "emerging growth company" (EGC), as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the JOBS Act), which permits the Company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. As of January 1, 2022, the Company has elected to irrevocably opt out of the extended transition period.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions reflected in the condensed consolidated financial statements include, but are not limited to, the useful lives of property and equipment and intangibles assets, allowance for credit losses, valuation of assets acquired and liabilities assumed in business acquisitions and related contingent consideration,

valuation of warrants, valuation of Class G Common Stock, valuation of redeemable convertible preferred units, equity-based compensation, and evaluation of recoverability of long-lived assets. Actual results may differ materially from such estimates. Management believes that the estimates, and judgments upon which they rely, are reasonable based upon information available to them at the time that these estimates and judgments are made. To the extent that there are material differences between these estimates and actual results, the Company's condensed consolidated financial statements will be affected.

COVID-19 Impacts

Since early 2020, the world has been, and continues to be, impacted by the novel coronavirus (COVID-19) and its variants. While COVID-19 and measures to prevent its spread have impacted the Company in a number of ways, we believe that these impacts on the Company have diminished and will continue to diminish over time. However, the full impact and duration of COVID-19 remains uncertain and will depend on future developments, including the duration and spread of the pandemic, new strains and variants, and related actions taken by federal, state, and local government officials to prevent and manage disease spread and mitigate its economic impact, all of which remain uncertain and unpredictable.

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law on March 27, 2020. As it relates to the Company, the CARES Act allowed for deferred payment of the employer-paid portion of social security taxes through the end of 2020, with 50% due on December 31, 2021 and the remainder due on December 31, 2022. As of September 30, 2022 and December 31, 2021, the remaining deferral of $3.8 million is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets.

The Canada Emergency Wage Subsidy (CEWS) was announced on March 27, 2020. Under this program, qualifying businesses can receive a subsidy for up to 75% of their employees' wages, subject to certain limitations. The Company received wage subsidies of $0.2 million from the Canadian government as part of the CEWS for both the three and nine months ended September 30, 2022, and the Company received subsidies of $0.4 million and $1.6 million for the three and nine months ended September 30, 2021, respectively. These subsidies are included in operating costs and expenses in the condensed consolidated statement of operations.

Significant Accounting Policies

Other than the changes discussed below related to equity-based compensation and the adoption of new accounting pronouncements, there were no significant changes to the policies disclosed in Note 2, *Significant Accounting Policies* of the Company's 2021 Annual Report.

Equity-Based Compensation

The Company measures all equity-based compensation awards based on their estimated fair values on the date of grant. For awards with graded vesting features that contain only service conditions, the Company recognizes compensation expense on a straight-line basis over the requisite service period for the entire award. For awards with graded vesting features that contain either market or performance conditions, the Company recognizes compensation expense over the requisite service period for each separately vesting tranche as though each tranche of the award is, in substance, a separate award. The Company accounts for forfeitures as they occur.

Equity-based compensation awards granted subsequent to the Reverse Recapitalization consist of restricted stock units (RSUs) and performance stock units (PSUs). The fair value of RSUs is measured based on the closing market price of the underlying stock on the date of grant. The fair value of PSUs is based on certain market performance criteria and is measured using a Monte Carlo simulation pricing model.

Equity-based compensation awards granted prior to the Reverse Recapitalization consisted of stock appreciation rights (SARs), stock options, and employee equity units. The determination of the grant-date fair value of these awards utilized an option-pricing model that used the value of the Company's equity units on the date of grant, the expected term of the awards, volatility, risk-free interest rate, and discount for lack of marketability. The Company's computation of expected volatility was based on the historical volatility of selected comparable publicly traded companies over a period equal to the expected term of the award. The risk-free interest rate reflected the U.S. Treasury yield curve for a similar instrument with the same expected term in effect at the time of the grant. The value of the Company's equity units was determined by first determining the business enterprise value (BEV) of Vacasa Holdings and then allocating that equity fair value to Vacasa Holdings' redeemable convertible preferred units, common units, and common unit equivalents. The BEV was estimated primarily using a market approach, which measures the value of a business through an analysis of recent sales or offerings of comparable investments or assets and comparing a business to a group of its peer companies.

Accounting Pronouncements Adopted in Fiscal 2022

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which has subsequently been amended by ASUs 2018-01, 2018-10, 2018-11, 2018-20, 2019-01, and 2019-10. The guidance requires an entity to recognize a right-of-use asset and lease liability for all leases with terms greater than 12 months. Recognition, measurement, and presentation of expenses will depend on the classification of the lease as either a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The updated guidance became effective for the Company beginning on January 1, 2022. The Company adopted the standard using the method of adoption that allowed the Company to record the cumulative effect of initially applying the guidance at the beginning of the period of adoption. The Company elected certain practical expedients, including not reassessing whether any expired or existing contracts are or contain leases, not reassessing the lease classification for any expired or existing leases, and not reassessing initial direct costs for any existing leases. The Company also elected the practical expedient to not separate lease and non-lease components for all classes of assets. Lastly, the Company elected the short-term lease exception for all classes of assets, and therefore has not applied the recognition requirements for leases of 12 months or less. Upon adoption as of January 1, 2022, the Company recognized operating lease right-of-use assets of $35.1 million and operating lease liabilities of $36.7 million. See Note 8, *Leases*, for additional information.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments, Credit Losses (Topic 326), which was subsequently amended by ASUs 2018-19, 2019-04, 2019-05, 2019-11, and 2020-03. Topic 326 replaces the existing incurred loss impairment model with a methodology that incorporates all expected credit loss estimates, resulting in more timely recognition of losses. Under Topic 326, the Company is required to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported financial assets. It also requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses. The Company adopted Topic 326 on January 1, 2022 on a modified retrospective basis. The adoption did not have a material effect on the Company's consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires acquirers to recognize and measure contract assets and contract liabilities (deferred revenue) from acquired revenue contracts using the recognition and measurement guidance in Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606). As a result, for deferred revenue acquired in a business combination, the Company will no longer record deferred revenue at fair value and instead will record deferred revenue in accordance with Topic 606. This will generally result in an increase to goodwill and more post-acquisition revenue being recorded. The Company adopted ASU 2021-08 on January 1, 2022, and the new guidance has been applied prospectively to business combinations occurring after this date. The ongoing impact of the new guidance will be fact-dependent on the transactions within its scope.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. Key changes outlined within the new standard include hybrid tax regimes, intra-period tax allocation exception, and interim-period accounting for enacted changes in tax law. The Company adopted ASU 2019-12 on January 1, 2022. The adoption did not have a material effect on the Company's consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

The Company has not identified any recent accounting pronouncements that are expected to have a material impact on the Company's financial position, results of operations, or cash flows.

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 3 - Revenue

Revenue Disaggregation

Revenue is primarily generated from our vacation rental platform in which the Company acts as the exclusive agent on the homeowners' behalf to facilitate the reservation transaction between guests and homeowners. Vacation rental platform revenues primarily consist of the integrated agency services that the Company provides under the homeowner contract. Vacation rental platform revenues also include home care solutions provided directly to the homeowner, such as home maintenance and improvement services, linen and towel supply programs, supplemental housekeeping services, and other related services.

Other services consist of real estate brokerage and management services to community associations. The purpose of these services is to attract and retain homeowners as customers of the Company's vacation rental platform.

A disaggregation of the Company's revenues by nature of the Company's performance obligations are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Vacation rental platform	$ 401,228	$ 317,691	$ 934,811	$ 661,933
Other services	10,956	12,236	34,981	35,021
Total	$ 412,184	$ 329,927	$ 969,792	$ 696,954

Contract Liability Balances

Contract liability balances on the Company's condensed consolidated balance sheets consist of deferred revenue for amounts collected in advance of a guest stay, limited to the amount of the booking to which the Company expects to be entitled as revenue. The Company's deferred revenue balances exclude funds payable to owners and hospitality and sales taxes payable, as those amounts will not result in revenue recognition. Deferred revenue is recognized into revenue over the period in which a guest completes a stay. Substantially all of the deferred revenue balances at the end of each period are expected to be recognized as revenue within the subsequent 12 months.

Future Stay Credits

In the event a booked reservation made through our website or app is cancelled, the Company may offer a refund or a future stay credit up to the value of the booked reservation. Future stay credits are recognized upon issuance as a liability on our consolidated balance sheets. Revenue from future stay credits is recognized when redeemed by guests, net of the portion of the booking attributable to funds payable to owners and hospitality and sales taxes payable. The Company uses historical breakage rates to estimate the portion of future stay credits that will not be redeemed by guests and recognizes these amounts as breakage revenue in proportion to the expected pattern of redemption or upon expiration.

Future stay credits typically expire fifteen months from the date of issue. As part of the Company's response to the COVID-19 pandemic, certain future stay credits issued during the first three quarters of 2020 were extended from their original expiration, and the first of these future stay credits began to expire during the first quarter of 2022. Prior to the first quarter of 2022, the Company did not recognize breakage revenue associated with future stay credits. The Company determined that any estimate of breakage was fully constrained, primarily due to a lack of historical information to make the estimate since no future stay credits had yet reached their expiration date. For the three months ended September 30, 2022, breakage revenue was immaterial. For the nine months ended September 30, 2022, the Company recognized breakage revenue of $15.2 million, of which $11.1 million related to expirations that occurred during the first quarter of 2022, and $4.1 million related to actual and expected breakage associated with future stay credits expiring in later periods.

The table below presents the activity of our future stay credit liability balance (in thousands):

	Nine Months Ended September 30, 2022
Balance as of December 31, 2021	$ 30,995
Issuances	8,922
Acquired in business combinations	378
Redemptions	(19,511)
Breakage recognized in revenue	(15,158)
Foreign currency fluctuations	(42)
Balance as of September 30, 2022	$ 5,584

Costs to Obtain a Contract

The Company capitalizes certain costs it incurs to obtain new homeowner contracts when those costs are expected to be recovered through revenues generated from that contract. Capitalized amounts are amortized on a straight-line basis over the estimated life of the customer through sales and marketing expense in the condensed consolidated statement of operations. Costs to obtain a contract capitalized as of September 30, 2022 and December 31, 2021 were $22.1 million and $12.0 million, respectively, and were recorded as a component of prepaid expenses and other current assets and other long-term assets in the condensed consolidated balance sheets. The amount of amortization recorded for the three and nine months ended September 30, 2022 was $1.3 million and $3.9 million, respectively. The amount of amortization recorded for the three and nine months ended September 30, 2021 was $1.0 million and $2.8 million, respectively.

Allowance for Credit Losses

As of September 30, 2022 and December 31, 2021, the Company's allowance for credit losses related to accounts receivable was $11.8 million and $11.6 million, respectively. For the three and nine months ended September 30, 2022, the Company recognized credit loss expense of $1.6 million and $4.7 million, respectively, which were recorded as a component of general and administrative expense in the condensed consolidated statements of operations. For the three and nine months ended September 30, 2021, the Company recognized credit loss expense of $(0.2) million and $1.2 million, respectively, which were recorded as a component of general and administrative expense in the condensed consolidated statements of operations.

Note 4 – Acquisitions

The Company has expanded the number of vacation rental properties on its platform through individual additions, portfolio transactions, and strategic acquisitions. While the Company onboards individual vacation rental properties through its direct sales team, the Company has engaged in portfolio transactions and strategic acquisitions to onboard multiple homes in a single transaction. Portfolio and strategic acquisitions are generally accounted for as business combinations. The goodwill resulting from portfolio transactions and strategic acquisitions arises largely from synergies expected from combining the operations of the businesses acquired with the Company's existing operations, and from benefits derived from gaining the related assembled workforce.

Nine Months Ended September 30, 2022

During the nine months ended September 30, 2022, the Company completed 30 separate portfolio transactions, accounted for as business combinations. Total consideration for these portfolio transactions was $101.2 million, comprised of $85.9 million cash paid, net of cash and restricted cash acquired, $10.7 million of contingent consideration, and $4.6 million of deferred payments to sellers. The fair value of the contingent consideration was estimated utilizing an income approach and was based on the Company's expectation of achieving the contractually defined homeowner contract conversion and retention targets. The fair value of the deferred payments to seller recognized on the transaction date was estimated by calculating the risk adjusted present value of the deferred cash payments. The fair values of the assets acquired and liabilities assumed were based on the Company's estimates and assumptions using various market, income, and cost valuation approaches. Of the total consideration for these portfolio transactions, $73.5 million was attributable to goodwill, $55.7 million was attributable to receivables, $51.5 million was attributable to intangible assets, $73.8 million was attributable to liabilities for advanced deposits received from guests (consisting of funds payable to owners, hospitality and sales taxes payable, deferred revenues, and future

stay credits), $7.6 million was attributable to accounts payable, and the remaining amount was attributable to other acquired assets and assumed liabilities which were not material. The intangible assets primarily consist of homeowner contract intangible assets amortized over five years. Pro forma and historical post-closing results of operations for these transactions were not material to the Company's condensed consolidated statements of operations. Transaction costs associated with business combinations completed during the three and nine months ended September 30, 2022 were not material and were expensed as incurred.

During the nine months ended September 30, 2022, the Company recorded measurement period adjustments related to the TurnKey Vacation Rentals, Inc. (TurnKey) acquisition and certain portfolio transactions that occurred in prior periods. For more information about these acquisitions, see the Company's 2021 Annual Report. The impact of the measurement period adjustments was an increase to goodwill of $5.5 million, an increase to accounts receivable of $1.9 million, an increase to intangible assets of $1.5 million, and an increase to liabilities for advanced deposits received from guests (consisting of funds payable to owners, hospitality and sales taxes payable, deferred revenues, and future stay credits) of $8.7 million. The remaining changes in purchase consideration, acquired assets, and assumed liabilities were not material.

The purchase price allocation for the TurnKey acquisition was finalized as of March 31, 2022. As of September 30, 2022, the purchase price allocations for the portfolio transactions completed from the fourth quarter of 2021 through the third quarter of 2022 are preliminary, and the Company has not obtained and evaluated all of the detailed information necessary to finalize the opening balance sheet amounts in all respects. The Company recorded the purchase price allocations based upon currently available information.

Note 5 - Fair Value Measurements

The following tables set forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis (in thousands):

	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities				
Contingent consideration	$ —	$ —	$ 28,140	$ 28,140
Class G Common Stock[1]	—	—	17,593	17,593

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Liabilities				
Contingent consideration	$ —	$ —	$ 37,966	$ 37,966
Class G Common Stock[1]	—	—	61,514	61,514

(1) For more information, see Note 13, *Equity* of our 2021 Annual Report.

The carrying amounts of certain financial instruments, including cash equivalents, restricted cash, accounts receivable, and accounts payable, approximate fair value due to their short-term maturities and are excluded from the fair value tables above.

Level 3 instruments consist of contingent consideration obligations related to acquired businesses and the liabilities for contingent earnout share consideration represented by the Company's Class G Common Stock.

The contingent consideration obligations are recorded in accrued expenses and other current liabilities and other long-term liabilities on the condensed consolidated balance sheets. The fair value of the contingent consideration is estimated utilizing an income approach and based on the Company's expectation of achieving the contractually defined homeowner contract conversion and retention targets at the acquisition date. The Company assesses the fair value of these obligations at each reporting date thereafter with any changes reflected as gains and losses in general and administrative expenses in the condensed consolidated statements of operations. The charges for changes in fair value of the contingent consideration were not material for the three and nine months ended September 30, 2022 and 2021, respectively.

The contingent earnout share consideration represented by the Company's Class G Common Stock is recorded in other long-term liabilities on the condensed consolidated balance sheets. The fair value of the Class G Common Stock is estimated on a recurring basis using the Monte Carlo simulation method. The fair value is based on the simulated stock price of the Company over the remaining term of the shares. Pursuant to the Certificate of Incorporation, the Class G Common Stock is automatically converted to Class A shares at certain conversion ratios upon the occurrence of their respective triggering events. Inputs used to determine the estimated fair value of the Class G Common Stock include the remaining contractual term of the shares, the risk-free rate, the volatility of comparable companies over the remaining term, and the price of the Company's Class A Common Stock. The Company assesses the fair value of the Class G Common Stock at each reporting date with any changes reflected as other income (expense), net in the condensed consolidated statements of operations.

The following table summarizes the changes in the Company's Class G Common Stock measured and recorded at fair value on a recurring basis using significant unobservable inputs (in thousands):

	Nine Months Ended September 30,
	2022
Balance as of December 31, 2021	$ 61,514
Change in fair value of Class G Common Stock included in earnings	(43,921)
Balance as of September 30, 2022	$ 17,593

Note 6 - Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	As of September 30,	As of December 31,
	2022	2021
Land	$ 13,394	$ 13,394
Buildings and building improvements	12,470	12,665
Leasehold improvements	6,520	6,426
Computer equipment	13,244	11,471
Furniture, fixtures, and other	21,933	15,900
Vehicles	7,858	6,457
Internal-use software	50,202	43,234
Total	125,621	109,547
Less: Accumulated depreciation	(58,259)	(42,361)
Property and equipment, net	$ 67,362	$ 67,186

Note 7 - Intangible Assets, Net and Goodwill

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

	Weighted Average Useful Life Remaining (in years)	As of September 30, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Homeowner contracts	4	$ 303,857	$ (86,914)	$ 216,943
Databases, photos, and property listings	1	27,677	(22,226)	5,451
Trade names	1	9,879	(9,152)	727
Other[1]	3	3,120	(2,717)	403
Total intangible assets		$ 344,533	$ (121,009)	$ 223,524

	Weighted Average Useful Life Remaining (in years)	As of December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Homeowner contracts	5	$ 253,359	$ (48,669)	$ 204,690
Databases, photos, and property listings	1	25,659	(15,953)	9,706
Trade names	1	9,908	(8,370)	1,538
Other[1]	4	3,022	(2,457)	565
Total intangible assets		$ 291,948	$ (75,449)	$ 216,499

(1) Other intangible assets primarily consisted of non-compete agreements, websites, and domain names.

The Company's estimated future amortization of intangible assets as of September 30, 2022 is expected to be as follows (in thousands):

Year Ending December 31:	Amount
Remainder of 2022	$ 21,510
2023	57,145
2024	51,568
2025	48,721
2026	27,619
Thereafter	16,961
Total	$ 223,524

The following table summarizes the changes in the Company's goodwill balance (in thousands):

	Nine Months Ended September 30,
	2022
Balance as of December 31, 2021	$ 754,506
Acquisitions	73,461
Measurement period adjustments	5,458
Foreign exchange translation and other	(538)
Balance as of September 30, 2022	$ 832,887

There were no impairment charges in any of the periods presented in the condensed consolidated financial statements. There have been no accumulated impairments to goodwill.

Potential indicators of impairment include significant changes in performance relative to expected operating results, significant negative industry or economic trends, or a significant decline in the Company's stock price and/or market capitalization for a sustained period of time. It is reasonably possible that one or more of these impairment indicators could occur in the near term, which may result in an impairment of long-lived assets or goodwill.

Note 8 - Leases

The Company's material operating leases consist of certain corporate and field office facilities with remaining lease terms ranging from one to seven years. Some of the Company's operating leases contain renewal options with varying terms and conditions. The lease term includes renewal options only when it is reasonably certain that the Company will exercise that option. As of September 30, 2022, finance lease contracts were not material.

Since the rates implicit in the Company's operating leases are not readily determinable, the Company uses its incremental borrowing rates based on the remaining lease term to determine the present value of future lease payments. The Company's

incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms.

The components of lease cost for the three and nine months ended September 30, 2022 were as follows (in thousands):

	Three Months Ended September 30,	Nine Months Ended September 30,
	2022	2022
Operating lease cost	$ 3,645	$ 11,251
Variable lease cost	311	555
Short-term lease cost	2,179	6,231
Total lease cost	$ 6,135	$ 18,037

Of the total lease cost recorded for the three months ended September 30, 2022, $1.3 million was recorded in cost of revenue, $3.3 million was recorded in operations and support, and $1.5 million was recorded in general and administrative expense in the condensed consolidated statements of operations. Of the total lease cost recorded for the nine months ended September 30, 2022, $3.5 million was recorded in cost of revenue, $9.9 million was recorded in operations and support, and $4.6 million was recorded in general and administrative expense in the condensed consolidated statements of operations.

Rent expense for the three months ended September 30, 2021 totaled $8.2 million, of which $1.7 million was recorded in cost of revenue, $4.9 million was recorded in operations and support, and $1.6 million was recorded in general and administrative expense in the condensed consolidated statement of operations. Rent expense for the nine months ended September 30, 2021 totaled $21.0 million, of which $4.6 million was recorded in cost of revenue, $11.8 million was recorded in operations and support, and $4.6 million was recorded in general and administrative expense in the condensed consolidated statement of operations.

Amounts recognized in the condensed consolidated balance sheet related to operating leases as of September 30, 2022 were as follows (in thousands):

	As of September 30,
	2022
Assets	
Other long-term assets	$ 31,017
Liabilities	
Accrued expenses and other current liabilities	$ 9,645
Other long-term liabilities	22,880
Total lease liabilities	$ 32,525

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Maturities of operating lease liabilities as of September 30, 2022 were as follows (in thousands):

	As of September 30, 2022
Remainder of 2022	$ 2,951
2023	10,457
2024	7,393
2025	5,372
2026	3,859
Thereafter	7,118
Total lease payments	37,150
Less: Interest	(4,625)
Total lease liabilities	$ 32,525

As of December 31, 2021, future minimum lease payments for non-cancelable operating leases with an initial or remaining term greater than one year were as follows (in thousands):

	As of December 31, 2021
2022	$ 13,820
2023	8,221
2024	5,916
2025	4,936
2026	3,770
Thereafter	7,285
Total future minimum obligations	$ 43,948

Other information related to operating leases as of September 30, 2022 was as follows:

	As of September 30, 2022
Weighted-average remaining lease term (in years)	4.6
Weighted-average discount rate	5.6 %

Supplemental cash flow information related to operating leases for the nine months ended September 30, 2022 was as follows (in thousands):

	Nine Months Ended September 30, 2022
Cash paid for operating lease liabilities	$ 11,355
Lease liabilities exchanged for right-of-use assets	$ 6,486

Note 9 - Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of September 30, 2022	As of December 31, 2021
Employee-related accruals	$ 36,111	$ 25,599
Homeowner reserves	9,478	6,365
Current portion of acquisition liabilities[1]	30,010	31,444
Current portion of operating lease liabilities	9,645	—
Other	15,427	8,425
Total accrued expenses and other current liabilities	$ 100,671	$ 71,833

(1) The current portion of acquisition liabilities includes contingent consideration and deferred payments to sellers due within one year.

Note 10 – Debt

The Company's long-term debt obligations consisted of the following (in thousands):

	As of September 30, 2022	As of December 31, 2021
Other long-term debt	$ 375	$ 637
Less: current maturities[1]	(250)	(125)
Total debt	125	512

(1) Current maturities of debt are recorded within accrued expenses and other current liabilities on the condensed consolidated balance sheets.

Senior Secured Convertible Notes

On May 21, 2020, the Company issued $108.1 million in aggregate principal amount of senior secured convertible notes (D-1 Convertible Notes) pursuant to the Note Purchase Agreement (Purchase Agreement), dated May 21, 2020. The total net proceeds from the D-1 Convertible Notes offering, after deducting debt issuance costs paid by the Company, was $105.9 million. The notes were to mature on June 20, 2023, but were converted into approximately $140.4 million Series D-1 preferred units of Vacasa Holdings immediately prior to the consummation of the Reverse Recapitalization on December 6, 2021. In connection with the Reverse Recapitalization, the Series D-1 preferred units were recapitalized into units of Vacasa Holdings. For more details, see our 2021 Annual Report.

Prior to the Reverse Recapitalization, the D-1 Convertible Notes accrued cash interest daily at 3% per annum, payable annually in arrears on the anniversary date of the initial closing date. Additionally, the D-1 Convertible Notes accrued payment in kind interest fees (PIK interest) equal to 7% per annum, which was capitalized by adding the full amount of PIK interest to the principal balance on each anniversary date of the initial closing.

Paycheck Protection Program

Prior to the Company's acquisition of TurnKey, TurnKey entered into a $6.4 million note payable pursuant to the Paycheck Protection Program (PPP) under the CARES Act. Pursuant to the terms of the business combination, the then-current shareholders of TurnKey were required to set aside an amount equal to the PPP loan obligation in an escrow account for the possible repayment of the obligation assumed by the Company. The total loan obligation was repaid by the TurnKey shareholders in full in June 2021.

Revolving Credit Facility

In October 2021, the Company and its wholly owned subsidiary (the Borrower) and certain of its subsidiaries (collectively, the "Guarantors") entered into a credit agreement with JPMorgan Chase Bank, N.A. and the other lenders party thereto from time to time.

The credit agreement, as subsequently amended in December 2021 (as amended, the “Credit Agreement"; capitalized terms used herein and not otherwise defined are used as defined in the Credit Agreement), provides for a senior secured revolving credit facility in an aggregate principal amount of $105.0 million and a sub-facility for letters of credit in aggregate face amount of $40.0 million, which reduces borrowing availability under the revolving credit facility. Proceeds may be used for working capital and general corporate purposes. The Credit Agreement matures on October 7, 2026.

Borrowings under the Revolving Credit Facility are subject to interest, determined as follows:

- Alternate Base Rate (ABR) borrowings accrue interest at a rate per annum equal to the ABR plus a margin of 1.50%. The ABR is equal to the greatest of (i) the Prime Rate, (ii) the NYFRB Rate plus 0.50%, and (iii) the Adjusted LIBO Rate for a one-month interest period plus 1.0%, subject to a 1.0% floor.
- Eurocurrency borrowings accrue interest at a rate per annum equal to the Adjusted LIBO Rate plus a margin of 2.50%. The Adjusted LIBO Rate is calculated based on the applicable LIBOR for U.S. dollar deposits, subject to a 0.0% floor, multiplied by a fraction, the numerator of which is one and the denominator of which is one minus the maximum effective reserve percentage for Eurocurrency funding.

Borrowings under the Revolving Credit Facility do not amortize and are due and payable on October 7, 2026. Amounts outstanding under the Revolving Credit Facility may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty. In addition to paying interest on the principal amounts outstanding under the Revolving Credit Facility, the Company is required to pay a commitment fee on unused amounts at a rate of 0.25% per annum. The Company is also required to pay customary letter of credit and agency fees.
The Credit Agreement contains a number of covenants that, among other things and subject to certain exceptions, restrict the ability of the Borrower and its restricted subsidiaries to:

- create, incur, assume or permit to exist any debt or liens;
- merge into or consolidate or amalgamate with any other person, or permit any other person to merge into or consolidate with it, or liquidate or dissolve;
- make or hold certain investments;
- sell, transfer, lease, license or otherwise dispose of its assets, including equity interests (and, in the case of restricted subsidiaries, issue additional equity interests);
- pay dividends or make certain other restricted payments;
- substantively alter the character of the business of the Borrower and its restricted subsidiaries, taken as a whole; and
- sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its affiliates.

In addition, the Borrower and its restricted subsidiaries are required to maintain a minimum amount of consolidated revenue, measured on a trailing four-quarter basis, as of the last date of each fiscal quarter, provided that such covenant will only apply if, on such date, the aggregate principal amount of outstanding borrowings under the Revolving Credit Facility and letters of credit (excluding undrawn amounts under any letters of credit in an aggregate face amount of up to $20.0 million and letters of credit that have been cash collateralized) exceeds 35% of the then-outstanding revolving commitments. The Borrower is also required to maintain liquidity of at least $15.0 million as of the last date of each fiscal quarter.

The obligations of the Borrower and certain guarantor subsidiaries (the Guarantors) are secured by first-priority liens on substantially all of the assets of the Borrower and the Guarantors. As of September 30, 2022 and December 31, 2021, there were no borrowings outstanding under the Credit Agreement. As of September 30, 2022, there were $3.1 million of letters of credit issued under the Credit Agreement, and $101.9 million was available for borrowings. As of September 30, 2022, the Company was in compliance with all covenants under the Credit Agreement.

Note 11 - Other Long-Term Liabilities

Other long-term liabilities consisted of the following (in thousands):

	As of September 30, 2022	As of December 31, 2021
Class G Common Stock[1]	$ 17,593	$ 61,514
Long-term portion of acquisition liabilities[2]	19,949	33,301
Long-term portion of operating lease liabilities	22,880	—
Other	13,617	17,308
Total other long-term liabilities	$ 74,039	$ 112,123

(1) For more information, see Note 13, *Equity* of our 2021 Annual Report.

(2) The long-term portion of acquisition liabilities includes contingent consideration and deferred payments to sellers due after one year.

Note 12 - Income Taxes

For the three months ended September 30, 2022, the effective tax rate was a 1% expense on pre-tax income, compared to a 0% expense on pre-tax income for the three months ended September 30, 2021. For the nine months ended September 30, 2022, the effective tax rate was a 4% expense on pre-tax loss, compared to a 0% benefit on pre-tax loss for the nine months ended September 30, 2021. The effective tax rate differs from our statutory rate in both periods due to the effect of flow-through entity income and losses for which the taxable income or loss is allocated to the members and due to valuation allowance considerations in 2022.

Note 13 - Equity and Equity-based Compensation

Equity-based Award Activities

Restricted Stock Units

A summary of the restricted stock unit (RSU) activity was as follows during the period indicated:

	Restricted Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2021	—	$ —
Granted	7,574	5.62
Vested[1]	(1,302)	6.71
Forfeited[1]	(599)	6.27
Outstanding as of September 30, 2022	5,673	5.30

(1) In connection with his departure as Chief Executive Officer, Matt Roberts received accelerated vesting of 280,200 of his RSUs. The remaining 217,933 of his unvested RSUs were forfeited.

As of September 30, 2022, there was unrecognized compensation expense of $24.9 million related to unvested RSUs, which is expected to be recognized over a weighted-average period of 3.2 years.

Performance Stock Units

The Company has granted performance stock units (PSUs) to certain members of its leadership team, which vest based upon the achievement of performance criteria and requisite service. The performance criteria are based on the achievement of certain share price appreciation targets. Attainment of each share price appreciation target is measured based on either the trailing 45-day or 60-day average closing trading price of our Class A Common Stock or, in the event of a change in control, the amount per share of Class A Common Stock to be paid to a stockholder in connection with such change in control. For certain of the awards, depending on the performance achieved, the actual number of shares of Class A Common Stock issued to the

holder may range from 0% to 200% of the target number of PSUs granted. The number of PSUs granted included in the table below is based on the maximum potential achievement for all awards. In the event that performance criteria and requisite service are not achieved, the corresponding portion of the PSUs that do not vest will be forfeited.

A summary of the PSU activity was as follows during the period indicated:

	Performance Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2021	—	$ —
Granted	3,596	2.72
Vested [1]	(405)	2.33
Forfeited[1]	(840)	2.33
Outstanding as of September 30, 2022	2,351	2.93

(1) In connection with his departure as Chief Executive Officer, Matt Roberts received accelerated vesting of 404,732 of his PSUs. The remaining 840,598 of his unvested PSUs were forfeited.

As of September 30, 2022, there was unrecognized compensation expense of $6.4 million related to unvested PSUs, which is expected to be recognized over a weighted-average period of 2.9 years.

Stock Appreciation Rights

A summary of the stock appreciation rights (SARs) activity was as follows during the period indicated:

	Stock Appreciation Rights (in thousands)	Weighted Average Exercise Price
Outstanding as of December 31, 2021	5,014	$ 2.95
Exercised	(2,695)	2.68
Forfeited	(378)	4.23
Outstanding as of September 30, 2022	1,941	3.09

As of September 30, 2022, there was $1.3 million of unrecognized compensation expense for the Company's SARs that will be recognized over a weighted-average remaining recognition period of 2.5 years. As of September 30, 2022, the Company's outstanding SARs had a weighted-average remaining contractual life of 6.4 years and an intrinsic value of $0.6 million.

Stock Options

A summary of the stock options activity was as follows during the period indicated:

	Stock Options (in thousands)	Weighted Average Exercise Price
Outstanding as of December 31, 2021	5,461	$ 0.91
Exercised	(249)	0.63
Forfeited	(263)	1.49
Outstanding as of September 30, 2022	4,949	0.90

As of September 30, 2022, there was $0.5 million of unrecognized compensation expense for the Company's stock options that will be recognized over a weighted-average remaining recognition period of 1.8 years. As of September 30, 2022, the Company's outstanding stock options had a weighted-average remaining contractual life of 5.5 years and an intrinsic value of $11.0 million.

Profit Interest Units (Employee Equity Units)

A summary of the Vacasa Employee Holdings LLC employee equity units is as follows:

	Employee Equity Units (in thousands)	Weighted-Average Grant Date Fair Value
Unvested outstanding as of December 31, 2021	4,954	$ 4.34
Vested	(1,958)	4.01
Forfeited	—	—
Unvested outstanding as of September 30, 2022	2,996	4.56

As of September 30, 2022, there was $13.3 million of unrecognized compensation expense related to unvested employee equity units, which is expected to be recognized over a weighted-average period of 2.4 years.

Employee Stock Purchase Plan

In connection with the Business Combination, the Company adopted the 2021 Nonqualified Employee Stock Purchase Plan (ESPP). Under the ESPP, eligible participants may purchase shares of the Company's Class A common stock using payroll deductions, which may not exceed 15% of their total cash compensation. Offering and purchase periods begin on June 1 and December 1 of each year. Participants will be granted the right to purchase shares at a price per share that is 85% of the lesser of the fair market value of the shares at (i) the participant's entry date into the applicable one-year offering period or (ii) the end of each six-month purchase period within the offering period.

The ESPP does not meet the criteria of Section 423 of the Internal Revenue Code and is considered a non-qualified plan for federal tax purposes. The Company has treated the ESPP as a compensatory plan under GAAP.

As of September 30, 2022, there were no shares of Class A Common Stock purchased under the ESPP.

Equity-Based Compensation Expense

The Company recorded equity-based compensation expense for the periods presented in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenue	$ 225	$ —	$ 842	$ —
Operations and support	1,069	24	4,845	86
Technology and development	1,107	167	5,272	489
Sales and marketing	1,075	393	4,876	1,047
General and administrative	5,900	1,688	12,525	3,651
Total equity-based compensation expense	$ 9,376	$ 2,272	$ 28,360	$ 5,273

Vacasa Holdings LLC Equity

For the year-to-date period ended April 1, 2021, Vacasa Holdings redeemable convertible preferred units were probable of becoming redeemable in the future and were recorded at their maximum redemption amount, which was the greater of the original preferred unit issue price plus an amount equal to the preferred unpaid return or the then current fair value, at each balance sheet date. The Company recorded no remeasurement of its redeemable convertible preferred units during the three months ended September 30, 2021, and a loss of $426.1 million to remeasure its redeemable convertible preferred units to their maximum redemption values during the nine months ended September 30, 2021. Subsequent to April 1, 2021, the Company did not adjust the carrying value of the Vacasa Holdings redeemable convertible preferred units to the deemed liquidation value of such units, as a qualifying liquidation event was not probable. In connection with the Reverse Recapitalization on December 6, 2021, all of the existing holders of Vacasa Holdings preferred units exchanged their interests in

Vacasa Holdings for Class A Common Stock or Class B Common Stock and OpCo Units in Vacasa Holdings, and the Vacasa Holdings redeemable convertible preferred units are no longer outstanding.

For the nine months ended September 30, 2021, Vacasa Holdings common unit warrants were measured and recorded at fair value on a recurring basis. The Company recorded a loss of $10.3 million to remeasure the common unit warrants to their fair values during the nine months ended September 30, 2021. In connection with the Reverse Recapitalization on December 6, 2021, these warrants were net exercised in accordance with their terms and were no longer outstanding as of September 30, 2022 or December 31, 2021.

Note 14 - Net Income (Loss) Per Share

The Company calculates net income (loss) per share of Class A Common Stock in accordance with ASC 260, Earnings Per Share, which requires the presentation of basic and diluted net income (loss) per share. Basic net income (loss) per share is calculated by dividing net income attributable to Vacasa, Inc. by the weighted-average shares of Class A Common Stock outstanding without the consideration for potential dilutive shares of common stock. Diluted net income (loss) per share represents basic net income (loss) per share adjusted to include the potentially dilutive effect of RSUs, PSUs, SARs, stock options, employee equity units, purchases under the ESPP, and Class G Common Stock. Diluted net income (loss) per share is computed by dividing the net income by the weighted-average number of Class A Common Stock equivalents outstanding for the period determined using the treasury stock method and if-converted method, as applicable. During periods of net loss, diluted net loss per share is equal to basic net loss per share because the antidilutive effect of potential common shares is disregarded.

The Company analyzed the calculation of earnings (loss) per share for periods prior to the Reverse Recapitalization as described in Note 1, *Description of Business*, and determined that it resulted in values that would not be meaningful to the users of the consolidated financial statements. Therefore, loss per share information has not been presented for periods prior to the Reverse Recapitalization on December 6, 2021.

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The following is a reconciliation of basic and diluted net income (loss) per Class A common share for the three and nine months ended September 30, 2022 (in thousands, except per share data):

	Three Months Ended September 30,	Nine Months Ended September 30,
	2022	2022
Numerator for net income (loss) per class A common share calculation:		
Net income (loss) attributable to Class A Common Stockholders, basic	$ 8,324	$ (14,715)
Net income allocated to dilutive securities	95	—
Net income (loss) attributable to Class A Common Stockholders, diluted	$ 8,419	$ (14,715)
Denominator for net income (loss) per Class A common share calculation:		
Weighted-average shares outstanding, basic[1]	226,835	219,877
Effect of dilutive securities:		
Restricted stock units	253	—
Stock appreciation rights	500	—
Stock options	3,721	—
Employee equity units	1,033	—
Total effect of dilutive securities	5,507	—
Weighted-average shares outstanding, diluted[1]	232,342	219,877
Basic net income (loss) per Class A common share:		
Net income (loss) attributable to Class A Common Stockholders, basic	$ 8,324	$ (14,715)
Weighted-average shares outstanding, basic	226,835	219,877
Net income (loss) per share of Class A Common Stock, basic	$ 0.04	$ (0.07)
Diluted net income (loss) per Class A common share:		
Net income (loss) attributable to Class A Common Stockholders, diluted	$ 8,419	$ (14,715)
Weighted-average shares outstanding, diluted	232,342	219,877
Net income (loss) per share of Class A Common Stock, diluted	$ 0.04	$ (0.07)

(1) Basic and diluted weighted-average shares outstanding include restricted stock units that have vested but whose settlement into Class A common stock has not yet occurred.

Shares of the Company's Class B Common Stock and Class G Common Stock do not participate in earnings or (losses) of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings (loss) per share of Class B Common Stock and Class G Common Stock under the two-class method has not been presented.

Vacasa, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The following outstanding potentially dilutive securities were excluded from the calculation of diluted net income (loss) per Class A common share either because their impact would have been antidilutive for the period presented or because they were contingently issuable upon the satisfaction of certain market conditions (in thousands):

	Three Months Ended September 30,	Nine Months Ended September 30,
	2022	2022
OpCo units[1]	203,656	203,656
Restricted stock units	4,316	5,673
Performance stock units[2]	2,351	2,351
Stock appreciation rights	1,156	1,941
Stock options	271	4,949
Employee equity units	1,868	2,996
Employee stock purchase plan	1,721	1,721
Class G Common Stock	8,227	8,227
Common shares excluded from calculation of diluted net income (loss) per share	223,566	231,514

(1) These securities are neither dilutive or anti-dilutive for the period presented as their assumed redemption for Class A common stock would cause a proportionate increase to Net income (loss) attributable to Class A Common Stockholders, diluted.

(2) PSUs are contingently issuable upon the satisfaction of certain market conditions. As of September 30, 2022, none of the requisite market conditions have been met, and therefore all such contingently issuable shares have been excluded from the calculation of diluted loss per share of Class A Common Stock.

Note 15 – Commitments and Contingencies

Leases

See Note 8, *Leases*.

Regulatory Matters and Legal Proceedings

The Company's operations are subject to dynamic laws, rules, and regulations varying by jurisdiction. In addition, the Company has been and is currently a party to various legal proceedings, including employment and general litigation matters, which arise in the ordinary course of business. Such proceedings and claims can require the Company to expend significant financial and operational resources.

Regulatory Matters

The Company's core business operations consist of the management of short-term vacation rental stays, with such operations subject to local city and county ordinances, together with various state, U.S. and foreign laws, rules and regulations. Such laws, rules, and regulations are complex and subject to change, and in several instances, jurisdictions have yet to codify or implement applicable laws, rules or regulations. Other ancillary components of the Company's business activities include the management of long-term rental stays, homeowner association management, and real estate activity. In addition to laws governing the aforementioned business lines, the Company must comply with laws in relation to travel, tax, privacy and data protection, intellectual property, competition, health and safety, consumer protection, employment and many others. These business operations expose the Company to inquiries and potential claims related to its compliance with applicable laws, rules, and regulations. Given the shifting landscape with respect to the short-term rental laws, changes in existing laws or the implementation of new laws could have a material impact on the Company's business.

Tax Matters

Some states and localities in the United States and elsewhere in the world impose transient occupancy or lodging accommodations taxes (Lodging Taxes) on the use or occupancy of lodging accommodations or other traveler services. The

Company collects and remits Lodging Taxes on behalf of its homeowners. Such Lodging Taxes are generally remitted to tax jurisdictions within a 30 day period following the end of each month, quarter, or year end.

As of September 30, 2022 and December 31, 2021, the Company had an obligation to remit Lodging Taxes collected from guests who had stayed in these jurisdictions totaling $23.7 million and $11.1 million, respectively. These payables are recorded in hospitality and sales taxes payable on the condensed consolidated balance sheets.

The Company's potential obligations with respect to Lodging Taxes could be affected by various factors, which include, but are not limited to, whether the Company determines, or any tax authority asserts, that the Company has a responsibility to collect lodging and related taxes on either historical or future transactions or by the introduction of new ordinances and taxes that subject the Company's operations to such taxes. The Company is under audit and inquiry by various domestic tax authorities with regard to non-income tax matters. The Company has estimated liabilities in a certain number of jurisdictions with respect to state, city, and local taxes related to lodging where management believes it is probable that the Company has additional liabilities and the related amounts can be reasonably estimated. The subject matter of these contingent liabilities primarily arises from the Company's transactions with its homeowners, guests, and service contracts. The disputes involve the applicability of transactional taxes (such as sales, value-added, information reporting, and similar taxes) to services provided. As of September 30, 2022 and December 31, 2021, accrued obligations related to these estimated taxes, including estimated penalties and interest, totaled $12.0 million and $13.1 million, respectively. Due to the inherent complexity and uncertainty of these matters and judicial processes in certain jurisdictions, the final outcomes may exceed the estimated liabilities recorded.

Refer to Note 12, *Income Taxes*, for further discussion on other income tax matters.

Litigation

The Company has been and is currently involved in litigation and legal proceedings and subject to legal claims in the ordinary course of business. These include legal claims asserting, among other things, commercial, competition, tax, employment, discrimination, consumer, personal injury, negligence, and property rights. The outcomes of legal proceedings are inherently unpredictable and subject to significant judgment to determine the likelihood and amount of loss related to such matters. The Company believes that the final disposition of these proceedings, except as otherwise disclosed below or elsewhere our notes to the financial statements in this report or in our 2021 Annual Report, will not have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows.

The Company has previously disclosed that it has received notice of certain threatened claims alleged against it, including wrongful death claims, relating to a fire in 2020 at rental units managed by the Company. Although the matter remains ongoing, the Company does not expect the ultimate resolution to have a material effect upon the Company's operations or financial condition.

In the future, the Company may become party to additional legal proceedings that may subject the Company to settlements, monetary damage awards, fines, penalties, and/or injunctive orders. Furthermore, the outcome of these matters could materially adversely affect the Company's business, results of operations, and financial condition.

The Company establishes an accrued liability for loss contingencies related to legal matters when a loss is both probable and reasonably estimable. These accruals represent management's best estimate of probable losses. Such currently accrued amounts are not material to the Company's condensed consolidated financial statements. However, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Until the final resolution of legal matters, there may be an exposure to losses in excess of the amounts accrued. With respect to outstanding legal matters, based on current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows. Legal fees are expensed as incurred.

Homeowner Protection Coverage

The Company offers an Accommodations Protection Program (the Program) that covers the Company and the homeowner for up to $1.0 million per occurrence for liability arising from bodily injury or property damage suffered by a guest or a guest's invitees at a vacation rental property managed by the Company. The Program also covers up to $1.0 million per occurrence for guest-caused damage to a covered property, up to $25,000 per occurrence for damage to contents, and bedbug protection up to $15,000 for up to two occurrences per covered property. Program coverage applies only to covered incidents that occur during the period of a confirmed rental reservation for the property that is booked through the Company. The Program is administered by a third-party insurer under a commercial liability insurance policy and is subject to the policy terms and Program rules that are in effect at the time of an occurrence. The Program includes various market-standard conditions,

limitations, and exclusions. Homeowners who sign a new vacation rental services agreement with the Company are automatically enrolled in the Program and charged a fixed amount per night of each confirmed vacation rental stay. A homeowner may opt out of the Program at any time by obtaining insurance coverage that covers use of the home as a vacation rental and completing an opt-out form. If a homeowner opts out of the Program, the homeowner's insurance policies become primary for all occurrences and incidents that happen in or about the home.

Indemnification

As a matter of ordinary course, the Company provides indemnification clauses in commercial agreements where appropriate, in accordance with industry standards. As a result, the Company may be obligated to indemnify third parties for losses or damages incurred in connection with the Company's operations or its non-compliance with contractual obligations. Additionally, the Company has entered into indemnification agreements with its officers and directors and its bylaws contain certain indemnification obligations for officers and directors. It is not possible to determine the aggregate maximum potential loss pursuant to the aforementioned indemnification provisions and obligations due to the unique facts and circumstances involved in each particular situation.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and with our audited consolidated financial statements and notes thereto included in our 2021 Annual Report. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections and elsewhere in our 2021 Annual Report and in this Quarterly Report, our actual results may differ materially from those anticipated in these forward-looking statements. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

We are the leading vacation rental management platform in North America. Our integrated technology and operations platform is designed to optimize vacation rental income and home care for homeowners, offers guests a seamless, reliable and high-quality experience with exceptional service, and provides distribution partners with valuable and high-performing home listings.

We operate a vertically-integrated vacation rental management platform. We are primarily focused on the supply side of the vacation rentals sector and cultivating an expansive collection of homes in leading vacation rental destinations, allowing homeowners to earn income from their vacation homes and guests to book and experience the high-quality supply we bring online. We manage all aspects of the vacation rental experience for homeowners, from listing creation and multi-channel distribution to pricing, marketing optimization and end-to-end property care. We collect nightly rent on behalf of homeowners and earn the majority of our revenue from commissions on rent and from additional reservation-related fees paid by guests when a vacation rental is booked directly through our website or app or through our distribution partners. We also earn revenue from home care solutions offered directly to our homeowners, such as home improvement and repair services for a separately agreed upon fee and from providing real estate brokerage services and residential management services to community and homeowner associations.

Factors Affecting Our Results of Operations

Guest Demand

In September 2022, we began to experience softness and variability in guest bookings. While this trend has continued into the fourth quarter of 2022, its extent and duration remain uncertain. It is reasonably likely that continued softness and variability in guest bookings could have a material unfavorable impact on our business, financial condition, and results of operations, including the relationship between our revenue and our operating costs and expenses.

Reverse Recapitalization

On July 28, 2021, we entered into an agreement to become a publicly traded company through a business combination with TPG Pace Solutions Corp., a special purpose acquisition company. On December 6, 2021, we consummated the business combination contemplated by the business combination agreement. For more information, see our 2021 Annual Report.

TurnKey Acquisition

On April 1, 2021, we acquired the operations of TurnKey Vacation Rentals, Inc. (TurnKey), a provider of property management and marketing services for residential real estate owners in the United States. The acquisition of TurnKey advanced our strategy to create a premium standard for vacation rentals. The acquisition also increased our market density in certain regions and expanded our footprint into several other top vacation rental destinations. For more information, see our 2021 Annual Report.

Impact of COVID-19 on our Business

Since early 2020, the world has been, and continues to be, impacted by COVID-19 and its strains and variants. While COVID-19 and measures to prevent its spread have impacted our business in a number of ways, we believe that these impacts are continuing to diminish over time. Our priority has continued to be the health, safety, and support of our employees, homeowners, and guests. We have also taken measures to manage the financial impact of the pandemic to our business. Impacts of COVID-19 on our business include, but are not limited to, the following:

Health, Safety, and Support of our Employees, Homeowners, and Guests

- We have implemented safety protocols and policies to protect our field team employees.
- We have embraced greater adoption of remote work, particularly among our central team employees. The COVID-19 pandemic has highlighted that we are able to maintain most of our central business operations outside of traditional office space.
- We launched enhanced cleaning and safety practices that are intended to help prevent transmission of COVID-19. We provide substantial additional resources and use best practices communicated by the Centers for Disease Control and other public health authorities to drive our cleaning practices. Our employees are trained and expected to follow an enhanced cleaning protocol, checklists, and other written and visual materials.
- In response to the COVID-19 pandemic, we began issuing future stay credits to guests who chose to cancel within our enhanced cancellation policy. Subsequently, we began issuing future stay credits in response to a more broad variety of events that led to cancellations. As of September 30, 2022, we accrued approximately $5.6 million of unused future stay credits.

Direct Labor Costs

- The Canada Emergency Wage Subsidy (CEWS) was announced on March 27, 2020. Under this program, qualifying businesses can receive a subsidy for up to 75% of their employees' wages, subject to certain limitations. We received wage subsidies of $0.2 million from the Canadian government as part of the CEWS for both the three and nine months ended September 30, 2022 and $0.4 million and $1.6 million for the three and nine months ended September 30, 2021, respectively. These subsidies are included in operating costs and expenses in the condensed consolidated statement of operations.
- The Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act allowed for deferred payment of the employer-paid portion of social security taxes through the end of 2020, with 50% due on December 31, 2021 and the remainder due on December 31, 2022. As of September 30, 2022 and December 31, 2021, the remaining deferral of $3.8 million is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets.
- As the pandemic has progressed, we have experienced an increase in our labor costs, primarily driven by a decline in the labor force participation rate in many of our markets. We have managed these labor supply challenges through multiple measures, including rebalancing the mix of our labor force between contractors and employees and changes to our compensation structure.

The full extent to which the COVID-19 pandemic will directly or indirectly impact us over the longer term remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of COVID-19, potential new strains and variants of the virus, the extent and effectiveness of containment actions taken, including mobility restrictions, the timing, availability, and effectiveness of vaccines, and the impact of these and other factors on travel behavior in general and on our business. We have incurred and will continue to incur additional costs to address government regulations and the safety of our employees and guests.

Seasonality

Our overall business is seasonal, reflecting typical travel behavior patterns over the course of the calendar year. In addition, each market where we operate has unique seasonality, events, and weather that can increase or decrease demand for our offerings. Certain holidays can have an impact on our revenue by increasing Nights Sold on the holiday itself or during the preceding and subsequent weekends. Typically, our second and third quarters have higher revenue due to increased Nights Sold. Our Gross Booking Value (GBV) typically follows the seasonality patterns of Nights Sold. Our operations and support costs also increase in the second and third quarters as we increase our hourly staffing to handle increased activity on our platform in those periods. See additional information about GBV and Nights Sold under the "Key Business Metrics and Non-GAAP Financial Measures" heading below.

The potential ongoing effects of COVID-19, including changing travel preferences, travel restrictions, and other government regulations, may impact the typical seasonality patterns discussed above in future periods.

Components of Results of Operations

Sources of Revenue

Our revenue is primarily generated from our vacation rental platform in which we act as the exclusive agent on the homeowners' behalf to facilitate the reservation transaction between guests and homeowners. We collect nightly rent on

behalf of homeowners and earn the majority of our revenue from commissions on rent and from additional reservation-related fees paid by guests when a vacation rental is booked directly through our website or app, or through our distribution partners. In the event a booked reservation is cancelled, we may offer a refund or a future stay credit up to the value of the booked reservation. In certain instances, we may also offer a refund related to a completed stay. We account for refunds as a reduction of revenue. Future stay credits are recognized as a liability on our consolidated balance sheets. Revenue from future stay credits is recognized when redeemed by guests, net of the portion of the booking attributable to funds payable to owners and hospitality and sales taxes payable. We estimate the portion of future stay credits that will not be redeemed by guests and recognize these amounts as breakage revenue in proportion to the expected pattern of redemption or upon expiration.
We also earn revenue from home care solutions provided directly to our homeowners such as home maintenance and improvement services, linen and towel supply programs, supplemental housekeeping services, and other related services, for a separately agreed-upon fee.

In addition to our vacation rental platform, we provide other offerings such as real estate brokerage services and residential management services to community and homeowner associations. The purpose of these services is to attract and retain homeowners as customers of our vacation rental platform.

Operating Costs and Expenses

Cost of revenue, exclusive of depreciation and amortization

Cost of revenue, exclusive of depreciation and amortization, consists primarily of employee compensation costs, which include wages, benefits, and payroll taxes and outside service costs for housekeeping, home maintenance, payment processing fees for merchant fees and chargebacks, laundry expenses, and housekeeping supplies, as well as fixed rent payments on certain owner contracts.

We expect that the cost of revenue will increase on an absolute dollar basis for the foreseeable future to the extent our business continues to grow. We expect that cost of revenue as a percentage of revenue will vary from period to period over the short term and decrease over the long term as we continue to invest in our business to achieve greater scale and operational efficiency.

Operations and support

Operations and support costs consist primarily of compensation costs, which includes wages, benefits, payroll taxes, and equity-based compensation, for employees that support our local operations. The costs also include the cost of call center customer support, rent expense for local operations, and certain corporate costs.

We expect that operations and support costs will continue to increase on an absolute dollar basis for the foreseeable future to the extent our business continues to grow. We are investing in near-term initiatives to reduce customer contact rates and improve the operational efficiency of our operations and support organization, which we expect will decrease operations and support costs as a percentage of revenue over the longer term.

Technology and development

Technology and development expenses consist primarily of costs for cloud computing, software licensing and maintenance, and costs to support infrastructure, applications and overall monitoring and security of networks. Technology and development expenses also include compensation costs, which includes wages, benefits, payroll taxes, and equity-based compensation, for salaried employees and payments to contractors, net of capitalized expenses, engaged in the design, development, maintenance and testing of our platform, including our websites, mobile applications, and other products. Capitalized costs are recorded as a reduction of our technology and development expenses and are capitalized as internal-use software within property and equipment on the consolidated balance sheets. These assets are depreciated over their estimated useful lives and are reported in depreciation on our consolidated statements of operations.

We expect technology and development expenses to continue to increase in absolute dollars as we hire more software developers and expand the capabilities and scope of our platform. We anticipate technology and development expenses as a percentage of revenue may fluctuate from period to period depending on investments in product features, automation, and efficiency.

Sales and marketing

Sales and marketing expenses consist primarily of compensation costs, which includes wages, sales commissions, benefits, payroll taxes, and equity-based compensation, for our sales force and marketing personnel, payments to distribution partners for guest reservations, digital and mail-based advertising costs for homeowners, advertising costs for search engine marketing and other digital guest advertising, and brand marketing.

We expect that sales and marketing expenses will increase on an absolute dollar basis as we invest to grow our customer base and enhance our brand awareness. However, we expect sales and marketing expenses to decrease as a percentage of revenue as our business grows, although the percentage may fluctuate from period to period depending on fluctuations in the timing and extent of our sales and marketing expenses and business seasonality.

General and administrative

General and administrative expenses primarily consist of compensation costs, which includes wages, benefits, payroll taxes, and equity-based compensation, for administrative employees, including finance and accounting, human resources, communications, and legal. General and administrative costs also include professional services fees, including accounting, legal and consulting expenses, rent expense for corporate facilities and storage, insurance premiums (including director and officer insurance), office supplies, and travel and entertainment expenses.

We expect general and administrative expenses to increase in absolute dollars due to the anticipated growth of our business and to meet the increased compliance and reporting requirements associated with our operation as a public company, including in compliance, legal, investor relations, insurance, and professional services. We anticipate general and administrative expenses as a percentage of revenue to decrease over time.

Depreciation

Depreciation expense consists of depreciation on capitalized internal-use software, furniture and fixtures, buildings and improvements, leasehold improvements, computer equipment, and vehicles.

Amortization of Intangible Assets

Amortization of intangible asset expense consists of non-cash amortization expense of the acquired intangible assets, primarily homeowner contracts, which are amortized on a straight-line basis over their estimated useful lives.

We expect that depreciation and amortization expenses will vary on an absolute dollar basis depending on our level of investment in property and equipment and the rate at which we complete portfolio transactions and strategic acquisitions to support the growth in our business. We expect depreciation and amortization expenses as a percentage of revenue over the short term will vary from period to period and decrease over the long term.

Interest Income

Interest income consists primarily of interest earned on our cash and cash equivalents.

Interest Expense

Interest expense consists primarily of interest payable and the amortization of deferred financing costs related to our outstanding debt arrangements. In May 2020, we issued the D-1 Convertible Notes. While the D-1 Convertible Notes were outstanding, we accrued cash interest and paid-in-kind interest (PIK interest) at 3% and 7% per annum, respectively. In connection with the Reverse Recapitalization on December 6, 2021, the D-1 Convertible Notes converted into equity interests and are no longer outstanding.

Other income (expense), net

Other income (expense), net, consists primarily of the change in fair value of the contingent earnout share consideration represented by our Class G Common Stock, the change in fair value of Vacasa Holdings warrant derivative liabilities, and foreign currency exchange gains and losses. In connection with the Reverse Recapitalization on December 6, 2021, the Vacasa Holdings warrant derivative liabilities were net exercised in accordance with their terms and are no longer outstanding.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our revenue for these periods. The period to period comparisons of our historical results are not necessarily indicative of our results that may be expected in the future.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands)			
Revenue	$ 412,184	$ 329,927	$ 969,792	$ 696,954
Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below[1]	174,123	138,461	447,976	332,455
Operations and support[1]	76,877	55,435	196,349	132,836
Technology and development[1]	18,422	12,332	52,493	30,935
Sales and marketing[1]	75,020	49,943	196,909	114,657
General and administrative[1]	31,043	19,326	83,486	59,672
Depreciation	5,376	4,414	16,676	12,721
Amortization of intangible assets	15,490	13,979	45,771	30,778
Total operating costs and expenses	396,351	293,890	1,039,660	714,054
Income (loss) from operations	15,833	36,037	(69,868)	(17,100)
Interest income	779	6	1,220	32
Interest expense	(606)	(3,313)	(1,957)	(9,219)
Other income (expense), net	(23)	150	41,499	(10,199)
Income (loss) before income taxes	15,983	32,880	(29,106)	(36,486)
Income tax benefit (expense)	(170)	(76)	(1,073)	76
Net income (loss)	$ 15,813	$ 32,804	$ (30,179)	$ (36,410)

(1) Includes equity-based compensation as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands)			
Cost of revenue	$ 225	$ —	$ 842	$ —
Operations and support	1,069	24	4,845	86
Technology and development	1,107	167	5,272	489
Sales and marketing	1,075	393	4,876	1,047
General and administrative	5,900	1,688	12,525	3,651
Total equity-based compensation expense	$ 9,376	$ 2,272	$ 28,360	$ 5,273

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	100 %	100 %	100 %	100 %
Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization shown separately below	42 %	42 %	46 %	48 %
Operations and support	19 %	17 %	20 %	19 %
Technology and development	4 %	4 %	5 %	4 %
Sales and marketing	18 %	15 %	20 %	16 %
General and administrative	8 %	6 %	9 %	9 %
Depreciation	1 %	1 %	2 %	2 %
Amortization of intangible assets	4 %	4 %	5 %	4 %
Total operating costs and expenses	96 %	89 %	107 %	102 %
Income (loss) from operations	4 %	11 %	(7)%	(2)%
Interest income	— %	— %	— %	— %
Interest expense	— %	(1)%	— %	(1)%
Other income (expense), net	— %	— %	4 %	(1)%
Income (loss) before income taxes	4 %	10 %	(3)%	(5)%
Income tax benefit (expense)	— %	— %	— %	— %
Net income (loss)	4 %	10 %	(3)%	(5)%

Comparison of the Three Months and Nine Months Ended September 30, 2022 and 2021

Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Revenue	$ 412,184	$ 329,927	$ 82,257	25 %	$ 969,792	$ 696,954	$ 272,838	39 %

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Revenue increased by $82.3 million, or 25%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily driven by an increase of $83.5 million, or 26%, in our vacation rental platform revenue. The increase in vacation rental platform revenue was mostly driven by a combination of higher Nights Sold and higher GBV per Night Sold in the third quarter of 2022 compared to the prior year period. Nights Sold increased 12% primarily due to homes added to our platform through our individual sales approach and portfolio additions during or after three months ended September 30, 2021. GBV per Night Sold increased by 12%, primarily due to optimization of rates and fees, as well as the mix of homes on our platform.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Revenue increased by $272.8 million, or 39%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily driven by an increase of $272.9 million, or 41%, in our vacation rental platform revenue, including $15.2 million related to the recognition of breakage revenue associated with future stay credits. The increase in vacation rental platform revenue was mostly driven by a combination of higher Nights Sold and higher GBV per Night Sold in the first nine months of 2022 compared to the prior year period. Nights Sold increased 24% primarily due to our strategic acquisition of TurnKey, as well as homes added to our platform through our individual sales approach and portfolio additions during or after the nine months ended September 30, 2021. GBV per Night Sold increased by 12%, primarily due to optimization of rates and fees, as well as the mix of homes on our platform.

Cost of revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Cost of revenue	$ 174,123	$ 138,461	$ 35,662	26 %	$ 447,976	$ 332,455	$ 115,521	35 %
Percentage of revenue	42.2 %	42.0 %			46.2 %	47.7 %		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Cost of revenue increased by $35.7 million, or 26%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a $16.6 million increase in personnel-related expenses related to housekeeping, a $16.2 million increase in expenses related to our home care solutions and home supplies, and a $2.4 million increase in payment processing costs. The increase in personnel-related expenses includes an increase of $0.2 million related to equity-based compensation.

Cost of revenue as a percentage of revenue increased 20 basis points for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a 170 basis point increase in expenses related to our home care solutions and home supplies. This was partially offset by a 90 basis point decrease in costs related to our real estate brokerage services and community association management services, which comprise a smaller portion of our total revenue due to the growth of our vacation rental platform, and a 70 basis point decrease in personnel-related expenses related to housekeeping.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Cost of revenue increased by $115.5 million, or 35%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a $63.4 million increase in personnel-related expenses related to housekeeping, a $41.6 million increase in expenses related to our home care solutions and home supplies, and a $7.8 million increase in payment processing costs. The increase in personnel-related expenses includes an increase of $0.8 million related to equity-based compensation.

Cost of revenue as a percentage of revenue decreased 150 basis points for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a 110 basis point decrease in costs related to our real estate brokerage services and community association management services, which comprise a smaller portion of our total revenue due to the growth of our vacation rental platform, a 50 basis point decrease in personnel-related expenses, and a 40 basis point decrease in payment processing costs. This was partially offset by an 80 basis point increase in expense related to our home care solutions and home supplies.

Operations and support

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Operations and support	$ 76,877	$ 55,435	$ 21,442	39 %	$ 196,349	$ 132,836	$ 63,513	48 %
Percentage of revenue	18.7 %	16.8 %			20.2 %	19.1 %		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Operations and support costs increased by $21.4 million, or 39%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a $21.2 million increase in personnel-related expenses in our field operations, central operations, and customer experience teams. The increase in personnel-related expenses includes an increase of $1.0 million related to equity-based compensation.

Operations and support costs as a percentage of revenue increased 190 basis points for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a 250 basis point increase in personnel-

related expenses, of which 30 basis points related to equity-based compensation. This was partially offset by a 50 basis point decrease in facility-related and other expenses.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Operations and support costs increased by $63.5 million, or 48%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a $60.7 million increase in personnel-related expenses in our field operations, central operations, and customer experience teams. The increase in personnel-related expenses includes an increase of $4.8 million related to equity-based compensation.

Operations and support costs as a percentage of revenue increased 110 basis points for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a 180 basis point increase in personnel-related expenses, of which 40 basis points related equity-based compensation. This was partially offset by a 60 basis point decrease in facility-related expenses, driven by the increased density and scale of our business resulting in improved operating leverage.

Technology and development

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Technology and development	$ 18,422	$ 12,332	$ 6,090	49 %	$ 52,493	$ 30,935	$ 21,558	70 %
Percentage of revenue	4.5 %	3.7 %			5.4 %	4.4 %		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Technology and development expenses increased by $6.1 million, or 49%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a $3.3 million increase in software license and maintenance costs and a $2.7 million increase in personnel-related expenses. The increase in personnel-related expenses was driven by increased headcount and an increase of $0.9 million related to equity-based compensation.

Technology and development expenses as a percentage of revenue increased by 80 basis points for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a 40 basis point increase in software license and maintenance costs and a 30 basis point increase in equity-based compensation.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Technology and development expenses increased by $21.6 million, or 70%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to an $11.3 million increase in software license and maintenance costs and a $9.9 million increase in personnel-related expenses. The increase in personnel-related expenses was driven by increased headcount and an increase of $4.8 million related to equity-based compensation.

Technology and development expenses as a percentage of revenue increased by 100 basis points for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a 50 basis point increase in equity-based compensation and a 50 basis point increase in software license and maintenance costs.

Sales and marketing

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Sales and marketing	$ 75,020	$ 49,943	$ 25,077	50 %	$ 196,909	$ 114,657	$ 82,252	72 %
Percentage of revenue	18.2 %	15.1 %			20.3 %	16.5 %		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Sales and marketing expenses increased by $25.1 million, or 50%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. The increase was primarily due to a $13.0 million increase in personnel-related expenses driven by increased headcount primarily within our sales force, a $7.3 million increase in listing fees paid to our distribution partners, primarily driven by a 25% increase in GBV, and a $4.5 million increase in advertising to attract homeowners and guests to our platform. The increase in personnel-related expenses includes an increase of $0.7 million related to equity-based compensation.

Sales and marketing expenses as a percentage of revenue increased 310 basis points for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a 200 basis point increase in personnel-related expenses, of which 20 basis points was attributable to equity-based compensation, a 60 basis point increase in advertising to attract homeowners and guests to our platform, and a 30 basis point increase in listing fees paid to our distribution partners.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Sales and marketing expenses increased by $82.3 million, or 72%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The increase was primarily due to a $41.8 million increase in personnel-related expenses driven by increased headcount primarily within our sales force, a $22.5 million increase in listing fees paid to our distribution partners driven by a 39% increase in GBV, and a $17.2 million increase in advertising to attract homeowners and guests to our platform. The increase in personnel-related expenses includes an increase of $3.8 million related to equity-based compensation.

Sales and marketing expenses as a percentage of revenue increased 380 basis points for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a 250 basis point increase in personnel-related expenses, of which 30 basis points was attributable to equity-based compensation, a 110 basis point increase in advertising to attract homeowners and guests to our platform, and a 30 basis point increase in listing fees paid to our distribution partners.

General and administrative

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
General and administrative	$ 31,043	$ 19,326	$ 11,717	61 %	$ 83,486	$ 59,672	$ 23,814	40 %
Percentage of revenue	7.5 %	5.9 %			8.6 %	8.6 %		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

General and administrative expenses increased by $11.7 million, or 61%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to an $8.6 million increase in personnel-related and professional services expenses, including those related to operating as a public company, and a $1.8 million increase in credit loss expenses. The increase in personnel-related expenses includes an increase of $4.2 million related to equity-based compensation.

General and administrative expenses as a percentage of revenue increased 160 basis points for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to a 120 basis point increase in personnel-related and professional services expenses, of which 80 basis points was attributable to equity-based compensation, and a 50 basis point increase in credit loss expense.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

General and administrative expenses increased by $23.8 million, or 40%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to a $27.0 million increase in personnel-related and professional services expenses, including those related to operating as a public company, a $3.5 million increase in credit loss expense, and a $2.7 million increase in facilities expenses. These increases were partially offset by a $7.3 million decrease in costs related to the acquisition of TurnKey completed in fiscal 2021 and a $2.6 million decrease in third-party expenses incurred to prepare for the requirements of being a public company. The increase in personnel-related expenses includes an increase of $8.9 million related to equity-based compensation.

General and administrative expenses as a percentage of revenue were consistent for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The primary changes were a 140 basis point increase in personnel-related and professional services expenses to support the increasing scale of our business, of which 70 basis points was attributable to equity-based compensation, and a 30 basis point increase in credit loss expense, partially offset by a 110 basis point decrease in costs related to the acquisition of TurnKey and a 40 basis point decrease in third-party expenses incurred to prepare for the requirements of being a public company.

Depreciation and Amortization of intangible assets

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Depreciation	$ 5,376	$ 4,414	$ 962	22 %	$ 16,676	$ 12,721	$ 3,955	31 %
Percentage of revenue	1.3 %	1.3 %			1.7 %	1.8 %		
Amortization of intangible assets	$ 15,490	$ 13,979	$ 1,511	11 %	$ 45,771	$ 30,778	$ 14,993	49 %
Percentage of revenue	3.8 %	4.2 %			4.7 %	4.4 %		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Depreciation expense increased by $1.0 million, or 22%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, primarily due to continued investment in our platform, including capitalized software to support our products and services.

Amortization of intangible assets increased by $1.5 million, or 11%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, due to recent portfolio additions.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Depreciation expense increased by $4.0 million, or 31%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to continued investment in our platform, including capitalized software to support our products and services.

Amortization of intangible assets increased by $15.0 million, or 49%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily due to the strategic acquisition of TurnKey during the second quarter of 2021 and recent portfolio additions.

Interest income, Interest expense and Other income (expense), net

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
	(in thousands, except percentages)							
Interest income	$ 779	$ 6	$ 773	12,883 %	$ 1,220	$ 32	$ 1,188	3,713 %
Percentage of revenue	0.2 %	— %			0.1 %	— %		
Interest expense	$ (606)	$ (3,313)	$ 2,707	(82)%	$ (1,957)	$ (9,219)	$ 7,262	(79)%
Percentage of revenue	(0.1)%	(1.0)%			(0.2)%	(1.3)%		
Other income (expense), net	$ (23)	$ 150	$ (173)	(115)%	$ 41,499	$ (10,199)	$ 51,698	(507)%
Percentage of revenue	— %	— %			4.3 %	(1.5)%		

Three Months Ended September 30, 2022 Compared with the Same Period in 2021

Interest income increased by $0.8 million for the three months ended September 30, 2022, compared to the three months ended September 30, 2021.

Interest expense decreased by $2.7 million, or 82%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. In connection with the Reverse Recapitalization on December 6, 2021, the D-1 Convertible Notes converted into equity interests, and therefore we did not incur any interest on the D-1 Convertible Notes during the three months ended September 30, 2022.

Other income (expense), net, changed by $0.2 million, or 115%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021.

Nine Months Ended September 30, 2022 Compared with the Same Period in 2021

Interest income increased by $1.2 million for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021.

Interest expense decreased by $7.3 million, or 79%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. In connection with the Reverse Recapitalization on December 6, 2021, the D-1 Convertible Notes converted into equity interests, and therefore we did not incur any interest on the D-1 Convertible Notes during the nine months ended September 30, 2022.

Other income (expense), net, changed by $51.7 million, or 507%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. For the nine months ended September 30, 2022, other income, net, was driven by a $43.9 million decline in the fair value of contingent earnout share consideration represented by our Class G Common Stock. For the nine months ended September 30, 2021, other expense, net, was driven by an increase in the fair value of Vacasa Holdings common unit warrant derivative liabilities of $10.3 million. In connection with the Reverse Recapitalization on December 6, 2021, the Vacasa Holdings warrant derivative liabilities were net exercised and are no longer outstanding.

Key Business Metrics and Non-GAAP Financial Measures

We collect and analyze key business metrics, including Gross Booking Value (GBV), Nights Sold, and GBV per Night Sold, as well as non-GAAP financial measures to assess our performance. In addition to revenue, net income (loss), income (loss) from operations, and other results under GAAP, we use non-GAAP financial measures, including Adjusted EBITDA, Non-GAAP cost of revenue, Non-GAAP operations and support expense, Non-GAAP technology and development expense, Non-GAAP sales and marketing expense, and Non-GAAP general and administrative expense (collectively, the Non-GAAP Financial Measures) to evaluate our performance, identify trends, formulate financial projections, and make strategic decisions. We provide a reconciliation below of the Non-GAAP Financial Measures to their most directly comparable GAAP financial measures.

We believe these Non-GAAP Financial Measures, when taken together with their corresponding comparable GAAP financial measures, are useful for analysts and investors. These Non-GAAP Financial Measures allow for more meaningful comparisons of our performance by excluding items that are non-cash in nature or when the amount and timing of these items is unpredictable or one-time in nature, not driven by the performance of our core business operations or renders comparisons with prior periods less meaningful.

The key business metrics and Non-GAAP Financial Measures have significant limitations as analytical tools, should be considered as supplemental in nature, and are not meant as a substitute for any financial information prepared in accordance with GAAP. We believe the Non-GAAP Financial Measures provide useful information to investors and others in understanding and evaluating our results of operations, are frequently used by these parties in evaluating companies in our industry, and provide useful measures for period-to-period comparisons of our business performance. Moreover, we present the key business metrics and Non-GAAP Financial Measures because they are key measurements used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting.

The Non-GAAP Financial Measures have significant limitations as analytical tools, including that:

- these measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- these measures do not reflect changes in, or cash requirements for, our working capital needs;

- Adjusted EBITDA does not reflect the interest expense, or the cash required to service interest or principal payments, on our debt;
- some of these measures exclude stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy;
- Adjusted EBITDA and Non-GAAP general and administrative expense do not include one-time costs related to strategic business combinations;
- these measures do not reflect our tax expense or the cash required to pay our taxes; and
- with respect to Adjusted EBITDA, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and such measures do not reflect any cash requirements for such replacements.

In the future we may incur expenses or charges such as those being adjusted in the calculation of these Non-GAAP Financial Measures. Our presentation of these Non-GAAP Financial Measures should not be construed as an inference that future results will be unaffected by unusual or nonrecurring items, and our Non-GAAP Financial Measures may be calculated differently from similarly titled metrics or measures presented by other companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands, except GBV per Night Sold)			
Gross Booking Value (GBV)	$ 968,692	$ 776,150	$ 2,139,566	$ 1,536,228
Nights Sold	2,058	1,840	5,051	4,071
GBV per Night Sold	$ 471	$ 422	$ 424	$ 377

Gross Booking Value

GBV represents the dollar value of bookings from our distribution partners as well as those booked directly on our platform related to Nights Sold during the period and cancellation fees for bookings cancelled during the period (which may relate to bookings made during prior periods). GBV is inclusive of amounts charged to guests for rent, fees, and the estimated taxes paid by guests when we are responsible for collecting tax.

Growth in GBV reflects our ability to attract homeowners through individual additions, portfolio transactions or strategic acquisitions, retain homeowners and guests, optimize the availability and sale throughput of nights. Growth in GBV also reflects growth in Nights Sold and the pricing of rents, fees, and estimated taxes paid by guests.

Through the three months ended September 30, 2022, GBV increased to $968.7 million, a 25% increase compared to the same period in 2021. The increase was primarily driven by growth in Nights Sold and the optimization of rates and fees, which led to an increase in the GBV per Night Sold.

Through the nine months ended September 30, 2022, GBV increased to $2,139.6 million, a 39% increase compared to the same period in 2021. The increase was primarily driven by the growth of new homes on our platform and Nights Sold and the optimization of rates and fees, which led to an increase in the GBV per Night Sold.

We experience seasonality in our GBV that is consistent with the seasonality of Nights Sold as described below. As we continue to add new homes to our platform, optimize their pricing and distribution, retain homeowners and guests, and grow Nights Sold, we expect GBV to continue to grow.

Nights Sold

We define Nights Sold as the total number of nights stayed by guests on our platform in a given period. Nights Sold is a key measure of the scale and quality of homes on our platform and our ability to generate demand and manage yield on behalf of our homeowners. We experience seasonality in the number of Nights Sold. Typically, the second and third quarters of the year each have higher Nights Sold than the first and fourth quarters, as guests tend to travel during the peak travel season.

Through the three months ended September 30, 2022, Nights Sold increased to 2.1 million, or 12%, compared to the same period in 2021. The increase in Nights Sold was driven by growth of new homes on our platform.

Through the nine months ended September 30, 2022, Nights Sold increased to 5.1 million, or 24%, compared to the same period in 2021. The increase in Nights Sold was driven by growth of new homes on our platform.

As we continue to add new homes to our platform in existing and new markets and optimize their availability, pricing, occupancy, and distribution, we expect Nights Sold to continue to grow.

Gross Booking Value per Night Sold

GBV per Night Sold represents the dollar value of each night stayed by guests on our platform in a given period. GBV per Night Sold reflects the pricing of rents, fees, and estimated taxes paid by guests.

Growth in GBV per Night Sold reflects our ability to optimize pricing and throughput of the homes on our platform, which helps to create higher performing vacation rental homes. There is a strong relationship between GBV and Nights Sold, and these two variables are managed in concert with one another. Our proprietary pricing algorithms are continually evaluating the trade-offs between price and occupancy to optimize the mix of Nights Sold and GBV per Night Sold with the goal of maximizing homeowner income.

Through the three months ended September 30, 2022, GBV per Night Sold increased to $471, or 12%, compared to the same period in 2021. The increase in GBV per Night Sold was primarily driven by optimization of rates and fees, as well as the mix of homes on our platform.

Through the nine months ended September 30, 2022, GBV per Night Sold increased to $424, or 12%, compared to the same period in 2021. The increase in GBV per Night Sold was primarily driven by optimization of rates and fees, as well as the mix of homes on our platform.

We continue to optimize existing supply, drive platform innovation, and add new enhancements to expand our technological advantage to help improve our yield management.

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss) excluding: (1) depreciation and acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable; (2) interest income and expense; (3) any other income or expense not earned or incurred during our normal course of business; (4) any income tax benefit or expense; (5) equity-based compensation costs; (6) one-time costs related to strategic business combinations; and (7) restructuring costs. We believe this measure is useful for analysts and investors as this measure allows for more meaningful period-to-period comparisons of our business performance. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature or the amount and timing of these items is unpredictable or one-time in nature, not driven by the performance of our core business operations and renders comparisons with prior periods less meaningful. Adjusted EBITDA as a percentage of Revenue is calculated by dividing Adjusted EBITDA for a period by Revenue for the same period.

Seasonal trends in our Nights Sold impact Adjusted EBITDA for any given quarter. Typically, the second and third quarters of the year have higher Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue, as fixed costs are allocated across a larger number of guest reservations. We expect Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue to fluctuate in the near term due to this seasonality and as we continue to invest in our supply growth engine and technology platform and improve over the medium to long term as we achieve operating leverage from scale and density.

In the three months ended September 30, 2022, Adjusted EBITDA was $46.1 million, compared to $56.9 million in the same period in 2021. The unfavorable change in Adjusted EBITDA is a reflection of increases in our operating costs and expenses, as discussed above. In the three months ended September 30, 2022, Adjusted EBITDA as a percentage of Revenue was 11%, compared to 17% in the same period in 2021.

In the nine months ended September 30, 2022, Adjusted EBITDA was $21.5 million, compared to $39.6 million in the same period in 2021. The unfavorable change in Adjusted EBITDA is a reflection of increases in our operating costs and expenses, as discussed above. In the nine months ended September 30, 2022, Adjusted EBITDA as a percentage of Revenue was 2%, compared to 6% in the same period in 2021.

The following table reconciles net income (loss) to Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands, except percentages)			
Net income (loss)	$ 15,813	$ 32,804	$ (30,179)	$ (36,410)
Add back:				
Depreciation and amortization of intangible assets	20,866	18,393	62,447	43,499
Interest income	(779)	(6)	(1,220)	(32)
Interest expense	606	3,313	1,957	9,219
Other income (expense), net	23	(150)	(41,499)	10,199
Income tax benefit (expense)	170	76	1,073	(76)
Equity-based compensation	9,376	2,272	28,360	5,273
Business combination costs[1]	61	165	541	7,679
Restructuring[2]	—	—	—	249
Adjusted EBITDA	$ 46,136	$ 56,867	$ 21,480	$ 39,600
Adjusted EBITDA as a percentage of Revenue	11 %	17 %	2 %	6 %

(1) Represents third-party costs associated with the strategic acquisition of TurnKey, and third-party costs associated with our Reverse Recapitalization in 2021.

(2) Represents costs associated with the wind-down of a significant portion of our international operations.

Non-GAAP Operating Expenses

We calculate Non-GAAP cost of revenue, Non-GAAP operations and support expense, Non-GAAP technology and development expense, and Non-GAAP sales and marketing expense by excluding the non-cash expenses arising from the grant of equity-based awards. We calculate Non-GAAP General and administrative expense by excluding the non-cash expenses arising from the grant of equity-based awards, and one-time costs related to strategic business combinations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands)			
Cost of revenue	$ 174,123	$ 138,461	$ 447,976	$ 332,455
Less: equity-based compensation	225	—	842	—
Non-GAAP cost of revenue	$ 173,898	$ 138,461	$ 447,134	$ 332,455
Operations and support	$ 76,877	$ 55,435	$ 196,349	$ 132,836
Less: equity-based compensation	1,069	24	4,845	86
Non-GAAP operations and support	$ 75,808	$ 55,411	$ 191,504	$ 132,750
Technology and development	$ 18,422	$ 12,332	$ 52,493	$ 30,935
Less: equity-based compensation	1,107	167	5,272	489
Non-GAAP technology and development	$ 17,315	$ 12,165	$ 47,221	$ 30,446
Sales and marketing	$ 75,020	$ 49,943	$ 196,909	$ 114,657
Less: equity-based compensation	1,075	393	4,876	1,047
Non-GAAP sales and marketing	$ 73,945	$ 49,550	$ 192,033	$ 113,610
General and administrative	$ 31,043	$ 19,326	$ 83,486	$ 59,672
Less: equity-based compensation	5,900	1,688	12,525	3,651
Less: business combination costs[1]	61	165	541	7,679
Non-GAAP general and administrative	$ 25,082	$ 17,473	$ 70,420	$ 48,342

(1) Represents third-party costs associated with the strategic acquisition of TurnKey, and third-party costs associated with our Reverse Recapitalization in 2021.

Liquidity and Capital Resources

Since our founding, our principal sources of liquidity have been from proceeds we have received through the issuance of equity and debt financing. We have incurred significant operating losses and generated negative cash flows from operations as we have invested to support the growth of our business. To execute on our strategic initiatives to continue to grow our business, we may incur operating losses and generate negative cash flows from operations in the future, and as a result, we may require additional capital resources. These capital resources may be obtained through additional equity offerings, which will dilute the ownership of our existing stockholders, or debt financings, which may contain covenants that restrict the operations of our business. In the event that additional financing is required from outside sources, we may not be able to raise the financing on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

As of September 30, 2022, we had cash and cash equivalents of $150.8 million. In addition, as of September 30, 2022, $101.9 million was available for borrowing under our Revolving Credit Facility (as defined below). Our primary requirements for liquidity and capital are to finance working capital requirements, capital expenditures and other general corporate purposes. In addition, following the Reverse Recapitalization, we expect to need cash to make payments under the Tax Receivable Agreement. For more details regarding the Tax Receivable Agreement, see our 2021 Annual Report. We expect our operations will continue to be financed primarily by equity offerings, debt financing, and cash and cash equivalents. We believe our existing

sources of liquidity will be sufficient to fund operations, working capital requirements, capital expenditures, and debt service obligations for at least the next 12 months.

Our future capital requirements will depend on many factors, including, but not limited to our growth, our ability to attract and retain new homeowners and guests that utilize our services, the continuing market acceptance of our offerings, the timing and extent of spending to enhance our technology, and the expansion of sales and marketing activities. Further, we may in the future enter into arrangements to acquire or invest in businesses, products, services, and technologies.

Reverse Recapitalization

In connection with the Reverse Recapitalization, we received net proceeds of $302.6 million. We used these proceeds to pay additional transaction costs of $8.4 million, and the remaining $294.2 million of cash proceeds were contributed to our balance sheet.

Senior Secured Convertible Notes

In May 2020, we entered into a note purchase agreement with certain of our existing investors pursuant to which we issued $108.1 million in aggregate principal amount of D-1 Convertible Notes. The D-1 Convertible Notes accrued cash interest daily at 3% per annum, payable annually in arrears on the anniversary date of the initial closing date. Additionally, the D-1 Convertible Notes accrued PIK interest equal to 7% per annum, capitalized by adding the full amount of PIK interest to the principal balance on each anniversary date of the initial closing. In connection with the Reverse Recapitalization, the D-1 Convertible Notes converted into equity interests and are no longer outstanding as of September 30, 2022.

Revolving Credit Facility

In October 2021, we entered into a credit agreement, which, as subsequently amended in December 2021 (as amended, the Credit Agreement), provides for a senior secured revolving credit facility in an aggregate principal amount of $105.0 million (Revolving Credit Facility). The Revolving Credit Facility includes a sub-facility for letters of credit in an aggregate face amount of $40.0 million, which reduces borrowing availability under the Revolving Credit Facility. As of September 30, 2022, there were no borrowings outstanding and there were $3.1 million of letters of credit issued under the Credit Agreement.

Borrowings under the Revolving Credit Facility are subject to interest, determined as follows:

- Alternate Base Rate (ABR) borrowings accrue interest at a rate per annum equal to the ABR plus a margin of 1.50%. The ABR is equal to the greatest of (i) the Prime Rate, (ii) the NYFRB Rate plus 0.50%, and (iii) the Adjusted LIBO Rate for a one-month interest period plus 1.0%, subject to a 1.0% floor.
- Eurocurrency borrowings accrue interest at a rate per annum equal to the Adjusted LIBO Rate plus a margin of 2.50%. The Adjusted LIBO Rate is calculated based on the applicable LIBOR for U.S. dollar deposits, subject to a 0.00% floor, multiplied by a fraction, the numerator of which is one and the denominator of which is one minus the maximum effective reserve percentage for Eurocurrency funding.

In addition to paying interest on the principal amounts outstanding under the Revolving Credit Facility, we are required to pay a commitment fee on unused amounts at a rate of 0.25% per annum. We are also required to pay customary letter of credit and agency fees.

The Credit Agreement contains customary covenants. In addition, we are required to maintain a minimum amount of consolidated revenue, measured on a trailing four-quarter basis, as of the last date of each fiscal quarter, provided that such covenant will only apply if, on such date, the aggregate principal amount of outstanding borrowings under the Revolving Credit Facility and letters of credit (excluding undrawn amounts under any letters of credit in an aggregate face amount of up to $20 million and letters of credit that have been cash collateralized) exceeds 35% of the then-outstanding revolving commitments. We are also required to maintain liquidity of at least $15.0 million as of the last date of each fiscal quarter.

See Note 10, *Debt* to our condensed consolidated financial statements for additional information.

Cash Flows

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

	Nine Months Ended September 30,	
	2022	2021
	(in thousands)	
Net cash provided by operating activities	$ 6,994	$ 76,290
Net cash used in investing activities	(103,473)	(71,997)
Net cash used in financing activities	(30,354)	(9,725)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	(480)	(84)
Net decrease in cash, cash equivalents and restricted cash	$ (127,313)	$ (5,516)

Operating Activities

Net cash provided by operating activities was $7.0 million for the nine months ended September 30, 2022, primarily due to a net loss of $30.2 million, offset by $49.0 million of non-cash items including depreciation, amortization of intangible assets, reduction in the carrying amount of operating lease right-of-use assets, fair value adjustment on derivative liabilities, and equity-based compensation expense. Additional uses of cash flows resulted from changes in working capital, including a $28.2 million decrease in funds payable to owners, a $26.4 million increase in prepaid expenses and other assets, and a $26.2 million decrease in deferred revenue and future stay credits, partially offset by a $65.4 million decrease in accounts receivable driven by the settlement of amounts owed by the prior owners of acquired businesses managed under transition services agreements.

Net cash provided by operating activities was $76.3 million for the nine months ended September 30, 2021, primarily due to a net loss of $36.4 million, offset by $67.7 million of non-cash items related to depreciation, amortization of intangible assets, fair value adjustment on warrant derivative liabilities, equity-based compensation expense and PIK interest related to our D-1 Convertible Notes. Additional sources of cash flows resulted from changes in working capital, including a $17.6 million increase in funds payable to owners and a $9.6 million increase in hospitality and sales taxes payable as a result of increased bookings on our platform, partially offset by a $16.5 million decrease in deferred revenue and future stay credits driven by the usage of future stay credits during the period.

Investing Activities

Net cash used in investing activities was $103.5 million for the nine months ended September 30, 2022, primarily due to $87.7 million of cash paid for business combinations, net of cash and restricted cash acquired, $8.4 million of cash paid for purchases of property and equipment, and $7.4 million of cash paid for capitalized internally developed software costs.

Net cash used in investing activities was $72.0 million for the nine months ended September 30, 2021, primarily due to net cash paid for business acquired of $63.5 million and $4.9 million of cash paid for capitalized internally developed software costs.

Financing Activities

Net cash used in financing activities was $30.4 million for the nine months ended September 30, 2022, primarily due to $28.1 million of cash payments for business combinations.

Net cash used in financing activities was $9.7 million for the nine months ended September 30, 2021, primarily due to $9.4 million of cash payments for business combinations.

Material Cash Requirements from Contractual and Other Obligations

As of September 30, 2022, there were no material changes outside the ordinary course of business to the contractual obligations from the information disclosed in our 2021 Annual Report.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with GAAP, which requires us to make certain estimates in the application of our accounting policies based on the best assumptions, judgments, and opinions of our management. There have been no significant changes to our critical accounting policies and estimates from those disclosed in our 2021 Annual Report. For a description of our critical accounting policies, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2021 Annual Report.

JOBS Act Accounting Election

We meet the definition of an emerging growth company under the JOBS Act, which permits us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. As of January 1, 2022, we have elected to irrevocably opt out of the extended transition period.

Recent Accounting Pronouncements

See Note 2, *Significant Accounting Policies* to our condensed consolidated financial statements included elsewhere in this Quarterly Report for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in connection with our business, which primarily relate to fluctuations in interest rates.

Inflation Risk

In recent periods, inflation has increased in the United States and other markets in which we operate. To date, we do not believe these increases have had a material impact on our business, results of operations, cash flows, or financial condition. The prospective impact of inflation on our business, results of operations, cash flows, and financial condition is uncertain and will depend on future developments that we may not be able to accurately predict.

Interest Rate Fluctuation Risk

We are exposed to interest rate risk related primarily to our investment portfolio. Changes in interest rates affect the interest earned on our total cash, cash equivalents, and marketable securities and the fair value of those securities. Future borrowings under our Revolving Credit Facility, if any, may also be susceptible to interest rate risk.

Our cash and cash equivalents primarily consist of cash deposits and marketable securities. We do not enter into investments for trading or speculative purposes. Because our cash equivalents generally have short maturities, the fair value of our portfolio is relatively insensitive to interest rate fluctuations. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 100 basis points increase or decrease in interest rates would not have had a material impact on our condensed consolidated financial statements as of September 30, 2022.

As we do not have any borrowing under our Revolving Credit Facility as of September 30, 2022, we are not currently exposed to the risk related to fluctuations in interest rates to the extent the Alternate Base Rate exceeds the floor.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

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

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2022, our disclosure controls and procedures were effective at the reasonable assurance level.

As permitted by related SEC staff interpretive guidance for newly acquired businesses, the operations of one of our portfolio transactions (the Acquired Business) were excluded from the evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2022. The operations of the Acquired Business were excluded from the evaluation of the effectiveness of our disclosure controls and procedures only for the period (not beyond one year from the date of acquisition) and extent to which the operations had not yet been integrated into our existing control environment. The Acquired Business represented approximately 1.7% of our total assets (excluding goodwill and intangible assets) as of September 30, 2022. The Acquired Business represented approximately 1.7% and 0.9% of revenues for the three and nine months ended September 30, 2022, respectively.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended September 30, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are currently involved in, and may in the future be involved in, legal proceedings, claims, and government investigations in the ordinary course of business. These include proceedings, claims, and investigations relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, consumer rights, personal injury, and property rights. See the information under the "Litigation" caption in Note 15, *Commitments and Contingencies* to our condensed consolidated financial statements, which we incorporate here by reference.

Depending on the nature of the proceeding, claim, or investigation, we may be subject to settlements, monetary damage awards, fines, penalties, or injunctive orders. Furthermore, the outcome of these matters could materially adversely affect our business, results of operations, and financial condition. The outcomes of legal proceedings, claims, and government investigations are inherently unpredictable and subject to significant judgment to determine the likelihood and amount of loss related to such matters. While it is not possible to determine the outcomes, we believe based on our current knowledge that the resolution of all such pending matters will not, either individually or in the aggregate, have a material adverse effect on our business, results of operations, cash flows, or financial condition.

Item 1A. Risk Factors

Other than the risk factors below, there have been no material changes to the risk factors disclosed in Part I, Item 1A, Risk Factors in our 2021 Annual Report. Our business, operations and financial results are subject to various risks and uncertainties that could materially adversely affect our business, results of operations, financial condition, and the trading price of our Class A Common Stock. You should carefully read and consider the risks and uncertainties described below as well as those included in our 2021 Annual Report, together with all of the other information in our 2021 Annual Report and this Quarterly Report and other documents that we file with the U.S. Securities and Exchange Commission. The risks and uncertainties described in our 2021 Annual Report and this Quarterly Report may not be the only ones we face.

Our 2021 Annual Report includes a detailed discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in the 2021 Annual Report.

Risks Related to Our Business and Industry

A future impairment of our long-lived assets or goodwill could adversely affect our results of operations and financial condition.

We evaluate our long-lived assets or asset groups for indicators of possible impairment by comparing the carrying amount to future net undiscounted cash flows expected to be generated by such asset or asset group and its eventual disposal when events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. We review goodwill for impairment by initially considering qualitative factors to determine whether it is more likely than not that the fair value of our reporting unit is less than its carrying amount, including goodwill, as a basis for determining whether it is necessary to perform a quantitative analysis. If it is determined that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative analysis is performed to identify goodwill impairment. For additional information, see Note 2, *Significant Accounting Policies* to our consolidated financial statements included in our 2021 Annual Report.
Potential indicators of impairment include significant changes in performance relative to expected operating results, significant negative industry or economic trends, or a significant decline in our stock price and/or market capitalization for a sustained period of time. If one or more of these impairment indicators occur, this could result in an impairment of long-lived assets or goodwill. Future impairment of our long-lived assets or goodwill could be material and could adversely affect our results of operations and financial condition.

Risks Related to Ownership of our Class A Common Stock

Future sales of our Class A Common Stock in the public market could cause the market price of our Class A Common Stock to decline significantly, even if our business is doing well.

The market price of our Class A Common Stock could decline as a result of sales of a large number of shares in the market or the perception that such sales could occur. Lock-up restrictions applicable to a significant portion of our Class A Common Stock outstanding (as well as the shares of our Class A Common Stock issuable upon the exercise and/or settlement of outstanding equity awards) expired in June 2022. Such shares of Class A Common Stock are now eligible for sale in the public market, subject to compliance with applicable securities laws.

Furthermore, the holders (OpCo Unitholders) of common units (OpCo Units) of Vacasa Holdings LLC (OpCo), other than Vacasa, Inc., will have the right, pursuant to the Fourth Amended and Restated Limited Liability Company Agreement of OpCo, to cause OpCo to acquire all or a portion of their vested OpCo Units, which may be settled for, at our election, shares of Class A Common Stock at a redemption ratio of one share of Class A Common Stock for each OpCo Unit redeemed (subject to conversion rate adjustments for stock splits, stock dividends and reclassification) or an equivalent amount of cash and, in each case, the cancellation of an equal number of shares of such OpCo Unitholder's Class B Common Stock. Any shares of Class A Common Stock we may issue in connection with such redemptions will also be eligible for sale in the public market subject to compliance with applicable securities laws.

As restrictions on the resale of shares of our Class A Common Stock expire or otherwise lapse, including in connection with the availability of registration statements covering such shares, the market price of our Class A Common Stock could decline significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These sales, or the possibility that these sales may occur, might also make it more difficult for us to raise capital through the issuance and sale of equity securities in the future at a time and at a price that we deem appropriate.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The documents listed in the Exhibit Index of this Quarterly Report are herein incorporated by reference or are filed with this Quarterly Report, in each case as indicated herein.

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	File Number	Date	Exhibit	
3.1	Amended and Restated Certificate of Incorporation of the Company.	8-K	001-41130	12/9/21	3.1	
3.2	Amended and Restated Bylaws of the Company.	8-K	001-41130	12/9/21	3.2	
10.1#†	Offer letter, dated August 22, 2022, between Vacasa LLC and Robert Greyber					*
10.2#†	Change in Control and Retention Agreement, dated September 6, 2022, between Vacasa LLC and Robert Greyber					*
10.3#†	Separation and Release Agreement, dated August 22, 2022 between Vacasa LLC and Matthew Roberts					*
10.4#	Form of Performance Share Unit Agreement for Awards Issued Under the 2021 Incentive Award Plan					*
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					

101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

** Furnished herewith.

† Exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted exhibits will be furnished to the Securities and Exchange Commission upon request.

\# Indicates management contract or compensatory plan.

Signatures

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

Vacasa, Inc.
(Registrant)

November 9, 2022	By:	/s/ Robert Greyber
(Date)	Name:	Robert Greyber
	Title:	Chief Executive Officer
		(Principal Executive Officer)

November 9, 2022	By:	/s/ Jamie Cohen
(Date)	Name:	Jamie Cohen
	Title:	Chief Financial Officer
		(Principal Financial Officer)

Exhibit 10.1

vacasa

August 22, 2022

Robert Greyber

Employment Offer – Chief Executive Officer

Dear Rob,

Vacasa LLC (the "Company") is pleased to offer you a position on the terms set forth in this letter.

Title and Term: Commencing on September 6, 2022 (the "Start Date"), you will be employed as Chief Executive Officer of the Company and Vacasa, Inc., reporting to the Vacasa, Inc. Board of Directors (the "Board"). Your employment hereunder will continue until either the Company or you provide 30 days written notice (the "Notice Period") to the other to terminate the employment relationship or, if sooner, until your death or termination due to your total and permanent disability as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended. Assuming your continued employment pursuant to this offer letter, you will be appointed to serve as a member of the Board as soon as practicable on or after your Start Date; provided, that if such appointment has not occurred before the filing date of Vacasa, Inc.' s definitive annual proxy statement for 2023, you will be nominated for election by the shareholders of Vacasa, Inc. at Vacasa, Inc.'s 2023 annual shareholders meeting to serve as a member of the Board.

Location of Position: Your position is primarily located in the Seattle metropolitan area of Washington. The Company understands that you will remain a resident of Washington, but you agree to travel to Portland, Oregon from time to time as reasonably necessary to perform your duties and responsibilities as Chief Executive Officer and as otherwise requested by the Board. In the future, the Board may determine to change the primary location of your position to Portland, in which case you will be permitted to remain a resident of Washington but will be required to travel to Portland on a weekly or biweekly basis as necessary to perform your duties and responsibilities as Chief Executive Officer. The Company will pay or otherwise reimburse you for reasonable costs for flights to and from Washington and Portland. You will be provided Company accommodations and the Company will reimburse you for standard living expenses for the time spent in Portland in the performance of your duties and responsibilities hereunder. All reimbursement requests made pursuant to this section are subject to the Company's reimbursement policy, including appropriate substantiation for any such requests. To the extent deemed taxable to you, all payments and reimbursements pursuant to this section will be fully grossed up for applicable taxes using such methodology as is reasonably and in good faith determined by the Company.

At-Will Employment: The Company is an at-will employer. This means that you may terminate your employment with the Company at any time and for any reason whatsoever, with or without cause or advance notice other than the Notice Period. Likewise, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice other than the Notice Period. The at-will employment relationship cannot be changed except in a writing signed by the person or persons specified in the paragraph below titled "Additional Provisions." Upon termination, you will be paid any earned but unpaid compensation for which you are eligible.

Salary: You will be paid a base salary at the rate of $600,000 per annum (as may be increased from time to time, the "Base Salary"), which will be paid in accordance with Company payroll practices and subject to applicable deductions and withholdings.

Annual Bonus Opportunity: You will be eligible for an annual bonus of up to 100% of your then-current Base Salary, subject to meeting certain performance criteria as will be set by the Board in its discretion after consultation with you. Any bonus that may become payable to you will be paid no later than March 15 of the calendar year after the calendar year as to which the performance relates.

Benefits; Indemnification Agreement: You will be eligible to participate in the Company's benefit plans, programs and arrangements in accordance with their terms, including applicable eligibility requirements. The Company currently offers the following benefits: i) medical insurance; ii) dental insurance; iii) vision insurance;

iv) eligibility to participate in the Company 401(k) plan; and v) standard holiday pay. You will also be eligible to take time off in accordance with the Company's non-accrued vacation policy, and for paid sick leave in accordance with Company policy and applicable law. All benefits are subject to change and the full terms and conditions applicable to your eligibility for benefits are set forth in the benefit plan documents or the Employee Handbook. If this description of benefits differs from the terms and conditions set forth in the plan documents or the Employee Handbook, the plan documents or Employee Handbook will control. In addition, Vacasa, Inc. will enter into an Indemnification and Advancement Agreement (the "Indemnification Agreement") with you that is attached hereto as Exhibit A.

Initial Equity Awards: On your Start Date, Vacasa, Inc. will grant you an award of Vacasa, Inc. restricted stock units ("RSUs") and an award of Vacasa, Inc. performance-stock units ("PSUs") in respect of shares of Vacasa, Inc. Class A common stock ("Common Stock"), each under the Vacasa, Inc. 2021 Incentive Award Plan (the "Plan"). The number of RSUs and PSUs underlying each award will be determined by dividing $6,250,000 by the trailing average closing trading price of a share of Vacasa, Inc. Class A common stock over the 25 consecutive trading days ending on and including August 18, 2022.

The RSU award will vest as to 25% of the total RSUs on the first anniversary of the grant date, and as to 1/16th of the total RSUs on each quarterly anniversary thereafter, subject to your continued service to the Company through the applicable vesting date. Once granted, the RSU award will be subject to the terms of the Plan and an RSU award agreement substantially in the form most recently approved by the Board or its compensation committee, which terms will supersede the description of the award in this letter agreement.

The PSU award will be subject to the terms of the Plan, and the vesting and other terms set forth in the PSU award agreement attached hereto as Exhibit B.

Refresh Equity Awards: Subject to your continued employment with the Company, commencing in 2023, you will be eligible to participate in Vacasa, Inc.'s annual refresh equity award program. Any such refresh awards will consist of an award of RSUs and an award of PSUs under Vacasa, Inc.'s then-current equity incentive plan. Unless a higher grant value is determined in the discretion of the Board or its compensation committee at the time of grant, assuming that the Board or its compensation committee sets a four-year time-vesting schedule for a refresh award, the number of RSUs and PSUs underlying each refresh award will be determined by dividing $1,500,000 for each of the RSU and the PSU refresh awards by the trailing average closing trading price of a share of Vacasa, Inc. Class A common stock over the 20 consecutive trading days ending with the trading day immediately preceding the grant date. If less than a four-year time-vesting schedule applies to a refresh award, then the $1,500,000 value of the award shall be proportionately adjusted (e.g., for a three year time-vesting schedule, the value of the award would be $1,125,000). Each refresh RSU award shall vest on a quarterly basis over a period no longer than four years (with an equal number of RSUs included in such award eligible to vest on each such quarterly vesting date), subject to your continued service with the Company through the applicable vesting date unless otherwise provided in the applicable award agreement. Each refresh PSU award shall have performance metrics and other terms that are consistent with the refresh PSU awards granted to the Company's other senior executives for the applicable year, as determined by the Board or its compensation committee. Once granted, each refresh award will be subject to the terms of Vacasa, Inc.'s then-current equity incentive plan and an award agreement evidencing the award.

Potential Termination Payments and Benefits: You will be eligible for the severance and change in control benefits set forth in the Change in Control and Retention Agreement attached hereto as Exhibit C (the "Retention Agreement"), subject to the terms and conditions thereof.

Notice Period and Vesting Cessation: During the Notice Period, the Company, in its sole discretion, may require that you do not report to work but remain available to perform any transition duties reasonably requested by the Company, provided that, in such case, the Company nonetheless will continue to pay you your then-current Base Salary for the duration of the Notice Period. In the event that (I) either (a) your employment is terminated by the Company for Cause (as defined in the Retention Agreement), or (b) your employment is terminated by you without Good Reason (as defined in the Retention Agreement), the vesting of any then outstanding Vacasa, Inc. equity awards (each, an "Equity Award") will cease as of the first day of the Notice Period, (II) your employment is terminated due to your death or your Disability (as defined in the Retention Agreement), the vesting of any then outstanding Equity Awards will cease as of date of such termination, or (III) either (a) your employment is terminated by the Company without Cause or (b) your

employment is terminated by you for Good Reason, the vesting of any then outstanding Equity Awards will cease as of the last date of the Notice Period (each such date on which vesting ceases in any of clauses (I) through (III), as applicable, the "Vesting Cessation Date"), and, following the Vesting Cessation Date, except as otherwise provided in the Retention Agreement or in an award agreement evidencing an Equity Award, you no longer will be eligible to vest in any remaining, unvested portion of any then outstanding Equity Awards and such unvested portion shall be forfeited for no consideration. The Vesting Cessation Date may be modified, amended or superseded only in a written agreement, in accordance with the procedures set forth below under "Additional Provisions," that specifically references this provision in this letter agreement.

Section 409A: The parties agree that this letter agreement will be interpreted to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and guidance promulgated thereunder to the extent applicable (collectively "Code Section 409A"), and all provisions of this letter agreement and other documents and arrangements referenced herein will be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. In no event whatsoever will the Company, Vacasa Holdings LLC or any of their respective subsidiaries or successors (the "Company Group") or any of their respective directors, officers, agents, attorneys, employees, executives, shareholders, members, managers, trustees, fiduciaries, representatives, principals, accountants, insurers, successors or assigns of such company have any liability, responsibility or obligation to indemnify or reimburse you or to hold you harmless for any additional tax, interest or penalties that may be imposed on you as a result of the application Code Section 409A or any damages for failing to comply with Code Section 409A.

With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits incurred during your employment, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits, to be provided in any other taxable year, and (iii) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense occurred. With regard to any provision herein that provides for a tax gross-up payment, the payment will be made on or before the last day of your taxable year following the taxable year in which you remit the related taxes.

To the extent necessary to comply with Section 409A, references to the termination of your employment or similar terms will be considered references to your separation from service within the meaning of Code Section 409A. The Company reserves the right to amend this letter agreement as it considers necessary or advisable, in its sole discretion and without your consent, to comply with any provision required to avoid the imposition of the additional tax imposed under Code Section 409A or to otherwise avoid income recognition under Code Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this letter agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulations Section 1.409A-2(b)(2).

Company Policies and Conflicts: As a Company employee, you are expected to abide by the Company's rules and standards. You agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. Similarly, you agree not to bring any information to the Company of your former employer, and that, in performing your duties for the Company, you will not in any way utilize any such information or any third party confidential information of any other entity.

Confidentiality and Restrictive Covenants Agreement: It is a condition of this offer that you must sign an At-Will Employment, Confidential Information, Non-Competition, Non-Solicitation and Invention Assignment Agreement in the form attached hereto as Exhibit D (the "Confidentiality Agreement").

Dispute Resolution Agreement: The Company has adopted a Dispute Resolution Agreement, which is attached hereto as Exhibit E (the "DR Agreement"), under which disputes that might arise would be resolved through arbitration. Please review the DR Agreement. If you do not wish to be bound by the dispute resolution

procedures outlined in the DR Agreement, you must follow the instructions in paragraph 2 of the DR Agreement.

Certain Expenses: Upon your submission no later than 30 days after the date of this letter agreement of appropriate itemized proof and verification of reasonable and customary fees incurred by you in obtaining advice from third-party advisors associated with the review, negotiation and execution of this letter agreement and related matters (including the attachments hereto), the Company shall reimburse you for such fees no later than 60 days after the date of this letter agreement, up to a maximum aggregate cap of $100,000.

Additional Provisions: To agree to the terms and conditions of this letter agreement, please sign and date this letter agreement in the space provided below and return it to me. This letter agreement, along with the Confidentiality Agreement, DR Agreement, Retention Agreement, Indemnification Agreement and agreements relating to the initial RSU and PSU awards, set forth the terms of your employment with the Company and supersede any prior representations or agreements regarding the same, whether written or oral. Except to the limited extent specified under the section above titled "Section 409A," this letter agreement may not be modified or amended except by a written agreement signed by the Chair of the Board and you. This offer of employment will terminate if it is not accepted, signed and returned by August 23, 2022. Further, this offer of employment will be null and void if you fail to commence employment with the Company on September 6, 2022.

(*signature page follows*)

Sincerely,

_/s/ Jeff Parks_____
Jeff Parks
Chair of the Board
Vacasa, Inc.

Agreed and Accepted:

_/s/ Robert Greyber_____ _August 23, 2022_____
Signature – Robert Greyber Date

Exhibit 10.2

VACASA LLC

CHANGE IN CONTROL AND RETENTION AGREEMENT

This Change in Control and Retention Agreement (the "**Agreement**") is made between Vacasa LLC (the "**Company**") and Robert Greyber (the "**Executive**"), effective as of September 6, 2022 (the "**Effective Date**").

This Agreement provides certain protections to the Executive in connection with a change in control of the Company or in connection with the involuntary termination of the Executive's employment under the circumstances described in this Agreement.

The Company and the Executive agree as follows:

1. Term of Agreement. This Agreement will continue indefinitely until terminated by written consent of the parties hereto. Notwithstanding the previous sentence, if Executive becomes entitled to benefits pursuant to Section 3 of this Agreement, the Agreement will terminate when all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and the Executive acknowledge that the Executive's employment is and will continue to be at-will, as defined under applicable law.

3. Severance Benefits.

(a) Qualifying Termination. On a Qualifying Termination (as defined below), the Executive will be eligible to receive the following payments and benefits from the Company:

(i) Cash Severance. A single, lump sum payment equal to the sum of (A) twelve (12) months of the Executive's Salary (as defined below), (B) the Executive's target annual bonus for the year in which the Qualifying Termination occurs, (C) the Executive's pro-rated target annual bonus for the year in which the Qualifying Termination occurs, determined by multiplying the Executive's target annual bonus for such year by a fraction, the numerator of which equals the number of days Executive was employed by the Company during the calendar year in which the termination occurs, and the denominator of which equals three hundred and sixty-five (365), and (D) any earned but unpaid annual bonus for the year before the year in which the Qualifying Termination occurs, in each case, less applicable withholdings.

(ii) COBRA Reimbursement. Subject to Section 3(e), the Company will reimburse the Executive for the cost of coverage under COBRA (as defined below) for the Executive and the Executive's eligible dependents, if any, at the rates then in effect, subject to any subsequent changes in rates that are generally applicable to the Company's active employees (the "**COBRA Coverage**"), until the earliest of (A) a period of twelve (12) months from the date of the Executive's termination of employment, (B) the date upon which the Executive (and the Executive's eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(b) Qualifying CIC Termination. On a Qualifying CIC Termination (as defined below), the Executive will be eligible to receive the following payments and benefits from the Company:

(iii) Cash Severance and COBRA Reimbursements. The payments and benefits set forth under Sections 3(a)(i) and 3(a)(ii) above.

(iv) Equity Awards. The Executive will receive vesting acceleration (and exercisability, as applicable) as to 100% of those Vacasa, Inc. equity awards ("**Awards**") that, on the date of the Qualifying CIC Termination, are then outstanding and unvested that vest solely based on continued

service over time (including for this purpose the portion of any Award with performance-based vesting conditions that vests solely based on continued service over time). In the case of an Award subject to performance-based vesting conditions, unless otherwise specified in the applicable Award agreement governing such Award, the Board shall determine in its sole discretion whether the portion of such Award that is subject to unmet performance-based vesting conditions shall remain eligible to vest and the terms and conditions to which such vesting is subject. For the avoidance of doubt, in the event of the Executive's Qualifying Pre-CIC Termination (as defined below), any unvested portion of the Executive's then-outstanding Awards will remain outstanding until the earlier of (x) three (3) months following the Qualifying Termination or (y) the occurrence of a Change in Control, solely so that any benefits due on a Qualifying Pre-CIC Termination can be provided if a Change in Control occurs within three (3) months following the Qualifying Termination (provided that in no event will the Executive's Awards remain outstanding beyond the Award's maximum term to expiration). If no Change in Control occurs within three (3) months following a Qualifying Termination, any unvested portion of the Executive's Awards will automatically and permanently be forfeited on the third (3rd) month following the date of the Qualifying Termination without having vested.

(c) Death/Disability CIC Termination. On a Death/Disability CIC Termination (as defined below), the Executive will be eligible to receive the benefits set forth under Section 3(b)(ii) above to the same extent as if the Death/Disability CIC Termination were a Qualifying CIC Termination.

(d) Other Terminations. If the termination of the Executive's employment with the Company Group is not a Qualifying Termination or a Death/Disability CIC Termination, then the Executive will not be entitled to receive severance or other benefits.

(a) Conditions to Receipt of COBRA Coverage. The reimbursement of Executive's COBRA Coverage under Section 3(a)(ii) above is subject to the Executive electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for the Executive and the Executive's eligible dependents, if any. If the Company determines in its sole discretion that it cannot reimburse the COBRA Coverage without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of any COBRA Coverage, the Company will provide to the Executive a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to the monthly COBRA premium that the Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualifying Termination (which amount will be based on the premium rates applicable for the first month of COBRA Coverage for the Executive and any of eligible dependents of the Executive) (each, a "**COBRA Replacement Payment**"), which COBRA Replacement Payments will be made regardless of whether the Executive elects COBRA continuation coverage and will end on the earlier of (x) the date upon which the Executive obtains other employment or (y) the date the Company has paid an amount totaling the number of COBRA Replacement Payments equal to the number of months in the applicable COBRA Coverage period. For the avoidance of doubt, the COBRA Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings. Notwithstanding anything to the contrary under this Agreement, if the Company determines in its sole discretion at any time that it cannot provide the COBRA Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Executive will not receive the COBRA Replacement Payments or any reimbursement for further COBRA Coverage.

(b) Non-Duplication of Payment or Benefits. For purposes of clarity, in the event of a Qualifying Pre-CIC Termination, any severance payments and benefits to be provided to the Executive under Section 3(b) will be reduced by any amounts that already were provided to the Executive under Section 3(a). Notwithstanding any provision of this Agreement to the contrary, if the Executive is entitled to any cash severance, continued health coverage benefits, or vesting acceleration of any Awards (other than under this Agreement) by operation of applicable law or under a plan, policy, contract, or arrangement sponsored by or to which any member of the Company Group is a party ("**Other Benefits**"), then the corresponding severance payments and benefits under this Agreement will be reduced by the amount of Other Benefits paid or provided to the Executive.

(c) Death of the Executive. In the event of the Executive's death before all payments or benefits the Executive is entitled to receive under this Agreement have been provided, the unpaid amounts will be provided to the Executive's designated beneficiary, if living, or otherwise to the Executive's personal representative in a single lump sum as soon as possible following the Executive's death.

(e) Transfer Between Members of the Company Group. For purposes of this Agreement, if the Executive is involuntarily transferred from one member of the Company Group to another, the transfer will not be a termination without Cause.

(f) Exclusive Remedy. In the event of a termination of the Executive's employment with the Company Group, the provisions of this Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, or in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in this Agreement.

4. Accrued Compensation. On any termination of the Executive's employment with the Company Group, the Executive will be entitled to receive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to the Executive under any Company-provided plans, policies, and arrangements.

5. Conditions to Receipt of Severance Benefits.

(g) Release of Claims. The Executive's receipt of any severance payments or benefits under Section 3 upon the Executive's Qualifying Termination or Death/Disability CIC Termination is subject to the Executive (or the Executive's estate's) signing and not revoking a release agreement substantially in the form attached hereto as Exhibit A (the "**Release**" and that requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the 60th day following the Executive's Qualifying Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 3.

(h) Payment Timing. Any lump sum severance or additional payments under Sections 3(a)(i) and 3(a)(ii) will be provided on the first regularly scheduled payroll date of the Company following the date the Release becomes effective and irrevocable (the "**Severance Start Date**"), subject to any delay required by Section 5(d) below. Any taxable installments of any COBRA-related severance benefits that otherwise would have been made to the Executive on or before the Severance Start Date will be paid on the Severance Start Date, and any remaining installments thereafter will be provided as specified in the Agreement.

(i) Return of Company Property. The Executive's receipt of any severance payments or benefits under Section 3 upon the Executive's Qualifying Termination or Death/Disability CIC Termination (other than due to the Executive's death) is subject to the Executive returning all documents and other property provided to the Executive by any member of the Company Group (with the exception of a copy of the Company employee handbook, the Executive's address book and personnel documents specifically relating to the Executive), developed or obtained by the Executive in connection with his or her employment with the Company Group, or otherwise belonging to the Company Group.

(j) Section 409A. The Company intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any formal guidance promulgated under Section 409A of the Code (collectively, "**Section 409A**") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**") will be paid or otherwise provided until the Executive has a "separation from service" within the meaning of Section 409A. If, at the time of the Executive's termination of employment, the Executive is a "specified employee" within the meaning of

Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following the Executive's termination of employment. To the extent necessary to comply with Section 409A, references to the termination of Executive's employment or similar terms will be considered references to the Executive's separation from service within the meaning of Section 409A. The Company reserves the right to amend this Agreement as it considers necessary or advisable, in its sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group have any responsibility, liability or obligation to reimburse, indemnify, or hold harmless the Executive for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

(k) Resignation of Officer and Director Positions. The Executive's receipt of any severance payments or benefits under Section 3 upon the Executive's Qualifying Termination or Death/Disability CIC Termination (other than due to the Executive's death) is subject to the Executive's compliance with the requirements of Section 10.

6. Limitation on Payments.

(l) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company Group member or any other party whether in connection with the provisions in this Agreement or otherwise (the "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of the Payment or (y) a lesser amount that would result in no portion of the Payment being subject to the Excise Tax, whichever of those amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Executive's receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: (A) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced); (B) cancellation of equity awards that were granted "contingent on a change in ownership or control" within the meaning of Section 280G of the Code in the reverse order of date of grant of the awards (that is, the most recently granted equity awards will be cancelled first); (C) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the awards (that is, the vesting of the most recently granted equity awards will be cancelled first); and (D) reduction of employee benefits in reverse chronological order (that is, the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced). In no event will the Executive have any discretion with respect to the ordering of Payment reductions. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Agreement, and the Company Group will have no responsibility, liability or obligation to reimburse, indemnify, or hold harmless the Executive for any of those payments of personal tax liability.

(m) Determination of Excise Tax Liability. The Company will select a professional services firm (the "**Firm**") that is reasonably acceptable to the Executive to make all determinations required under this Section 6, which determinations will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 6, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm reasonably may request in order to make determinations under this Section 6. The Company will bear the costs and make all

payments for the Firm's services in connection with any calculations contemplated by this Section 6. The Company will have no liability to the Executive for the determinations of the Firm.

7. Definitions. The following terms referred to in this Agreement will have the following meanings:

(n) "**Board**" means the Board of Directors of Vacasa, Inc.

(o) "**Cause**" means the occurrence of any of the following: (a) the Executive's engaging in illegal or gross misconduct that is materially injurious to the Company (or its successor); (b) the Executive being convicted of, or the Executive's plea of no contest to, a felony involving moral turpitude; (c) the Executive's engaging in fraud, misappropriation, embezzlement or other dishonesty with respect to the Company (or its successor or affiliate, as applicable) other than in good faith expense accounting disputes; or (d) the Executive's willful and material breach of any of the Executive's obligations under any written agreement with the Company (or its successor or affiliate, as applicable). Any termination for "Cause" will require Board approval, and the Executive will be given the opportunity to appear in person before the entire Board in order to explain the Executive's position on the allegations or claims that constitute "Cause". The Board (excluding the Executive if the Executive is at such time a member of the Board) shall make all determinations relating to termination, including without limitation any determination regarding Cause; provided that any determination regarding whether "Cause" exists shall be subject to de novo review by the arbitrator pursuant to Section 11(f).

(p) "**Change in Control**" has the meaning set forth in the Company's 2021 Incentive Award Plan.

Notwithstanding the foregoing, to the extent any of the amounts due hereunder constitute nonqualified deferred compensation subject to Section 409A, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(q) "**Change in Control Period**" means the period beginning three (3) months prior to a Change in Control and ending on the date following a Change in Control on which all Awards that are held by the Executive immediately prior to the Change in Control and that remain outstanding and held by him after the Change in Control and vest based on continued service to the Company over time have become fully vested.

(r) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(s) "**Code**" means the Internal Revenue Code of 1986, as amended.

(t) "**Company Group**" means the Company and its subsidiaries.

(u) "**Confidentiality Agreement**" means the At-Will Employment, Confidential Information, Non-Competition, Non-Solicitation and Invention Assignment Agreement between the Executive and the Company.

(v) "**Death/Disability CIC Termination**" means a termination of the Executive's employment with the Company due to the Executive's death or Disability that occurs during the Change in Control Period.

(w) "**Disability**" means a total and permanent disability as defined in Section 22(e)(3) of the Code.

(x) "**Good Reason**" means the Executive's resignation from employment with the Company Group within ninety (90) days following the cure period (discussed below) of the Company (or its successor or affiliate, as applicable) in connection with any of the following events without the Executive's written consent: (a) a material reduction in the Executive's annual base salary or target bonus; (b) a material reduction in the Executive's title, authority, duties or responsibilities; provided that a reduction in title, authority, duties or responsibilities solely by virtue of the Company being acquired and made part of a larger entity will not constitute a material reduction under this clause (b); (c) a change by more than sixty (60) miles in the geographic location of the Executive's principal place of work and (d) any material breach of the terms of this Agreement. The Executive will not resign for Good Reason without first providing the Company (or its successor or affiliate, as applicable) with written notice within ninety (90) days following the initial existence of the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice, during which such grounds have not been cured. Notwithstanding the foregoing, if the Company requires that Executive's position be primarily located in Portland, Oregon, or that Executive travel to the Company's Portland, Oregon offices on a weekly or biweekly basis in the performance of Executive's duties, such requirements shall not constitute "Good Reason" hereunder.

(y) "**Qualifying Termination**" means a termination of the Executive's employment either (i) by a Company Group member without Cause (excluding by reason of the Executive's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period (a "**Qualifying CIC Termination**") or outside of the Change in Control Period.

(z) "**Qualifying Pre-CIC Termination**" means a Qualifying CIC Termination that occurs prior to the date of the Change in Control.

(aa) "**Salary**" means the Executive's annual base salary as in effect immediately prior to the Executive's Qualifying Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive's annual base salary in effect immediately prior to the reduction) or, if the Executive's Qualifying Termination is a Qualifying CIC Termination and the amount is greater, at the level in effect immediately prior to the Change in Control.

8. Successors. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of the Executive upon the Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of the Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of the Executive's right to compensation or other benefits will be null and void.

9. Notice.

(ab) General. All notices and other communications required or permitted under this Agreement shall be in writing and will be effectively given (i) upon actual delivery to the party to be notified, (ii) upon transmission by email, (iii) 24 hours after confirmed facsimile transmission, (iv) 1 business day after deposit with a recognized overnight courier, or (v) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the

Executive, at the address the Executive shall have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

Vacasa LLC
850 NW 13th Avenue
Portland, OR 97209
Attention: Chief Legal Officer
Email: lisa.jurinka@vacasa.com

(ac) Notice of Termination. Any termination by a Company Group member for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 9(a) of this Agreement. The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of the notice or, in the case of a Qualifying Termination relating to a Good Reason resignation by the Executive, ninety (90) days after the end of any applicable cure period).

10. Resignation. The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company Group, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect the resignations.

11. Miscellaneous Provisions.

(ad) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any payment be reduced by any earnings that the Executive may receive from any other source except as specified in Section 3(e).

(ae) Waiver; Amendment. With the exception of any modifications pursuant to Section 5(d), no provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(af) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(ag) Entire Agreement. This Agreement, together with the agreements evidencing the Executive's new hire restricted stock unit and performance stock unit Awards, and the Executive's employment offer letter, Confidentiality Agreement and Dispute Resolution Agreement with the Company, constitute the entire agreement of the parties and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of this Agreement, including, for the avoidance of doubt, any term sheet.

(ah) Choice of Law. This Agreement will be governed by the laws of the State of Washington without regard to Washington's conflicts of law rules that may result in the application of the laws of any jurisdiction other than Washington. To the extent that any lawsuit is permitted under this Agreement, The Executive hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in Washington for any lawsuit filed against the Executive by the Company.

(ai) Arbitration. The Executive and the Company agree that if any dispute, controversy or claim should arise between the Executive and the Company (including claims against its employees, officers, board members, equity holders, agents, successors and assigns) relating or pertaining to or arising out of this Agreement, the dispute will be submitted to binding arbitration before a neutral arbitrator conducted in accordance with the dispute resolution agreement signed by the Executive and Company. This means that disputes will be decided by an arbitrator rather than a court or jury, and that both the Executive and the Company waive their respective rights to a court or jury trial. The Executive and the Company understand that the arbitrator's decision will be final and exclusive and cannot be appealed. This subsection 11(f) shall survive termination of this Agreement.

(aj) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(ak) Withholding. All payments and benefits under this Agreement will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local, and/or foreign taxes required to be withheld from the payments or benefits and make any other required payroll deductions. No member of the Company Group will pay the Executive's taxes arising from or relating to any payments or benefits under this Agreement.

(al) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature page follows.]

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer.

COMPANY VACASA LLC

By: /s/ Lisa Jurinka

Name: Lisa Jurinka

Title: Chief Legal Officer and Secretary

Date: 06-Sep-2022

EXECUTIVE /s/ Robert Greyber

Robert Greyber

Date: 06-Sep-2022

Exhibit 10.3

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement ("**Agreement**") is made by and between Matthew Roberts ("**Employee**") and Vacasa LLC (the "**Company**") (collectively referred to as the "**Parties**" or individually referred to as a "**Party**").

WHEREAS, Employee's employment with the Company will end as of the Separation Date (as defined below); and

WHEREAS, Employee and the Company want to establish the obligations of the Parties including, without limitation, all amounts due and owing to Employee.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

1. Separation Date. Employee's status as an employee, officer and director of the Company, and as a director and/or officer of each of its parents, subsidiaries and affiliates, shall end effective as of September 6, 2022 the ("**Separation Date**"). Employee hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Employee's status as an officer of the Company and as a director and/or officer of each of its parents, subsidiaries and affiliates as of the Separation Date.

2. Transition Period. From the date hereof through the Separation Date (the "**Transition Period**"), Employee will remain employed by the Company as its Chief Executive Officer. During the Transition Period, Employee will continue to be paid base salary at the rate in effect on the date of this Agreement, be eligible for all employee benefit plans available to senior executives of the Company and continue to vest into outstanding equity awards in accordance with their terms. All payments made to Employee during the Transition Period will be subject to required withholding taxes and authorized deductions.

3. Final Paycheck: Accrued Wages and Expenses. Employee shall be entitled to the following in connection with Employee's separation from employment on the Separation Date, regardless of whether Employee executes the Release (as defined below).

a. *Final Paycheck*. As soon as administratively practicable on or after the Separation Date, the Company will pay Employee all accrued but unpaid base salary and all accrued and unused vacation earned through the Separation Date, subject to standard payroll deductions and withholdings.

b. *Business Expenses*. The Company shall reimburse Employee for all outstanding expenses incurred prior to the Separation Date which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to any Company policy or requirement with respect to expense reimbursement.

4. Severance Payments and Benefits. Without admission of any liability, fact or claim, subject to (i) the execution of this Agreement, (ii) Employee's employment terminating on the Separation Date, (iii) Employee's continued compliance with the terms and conditions of the At-Will Employment, Confidential Information, and Invention Assignment Agreement between Employee and the Company dated February 21, 2020 (the "**Confidentiality Agreement**"), and (iv) Employee's delivery to the Company of a copy of the Release Agreement attached hereto as Exhibit A signed on or after the Separation Date, that becomes effective and irrevocable within 30 days following the Separation Date (the "**Release**"):

c. *Cash Severance*. The Company shall pay Employee an amount equal to his annual base salary, at the rate in effect immediately prior to the Separation Date. Such payment shall be made in a cash lump sum on the Company's first regular payroll date following the date the Release becomes effective and irrevocable.

d. *COBRA Reimbursement*. The Company will reimburse Employee for the cost of coverage under COBRA (as defined below) for Employee and Employee's eligible dependents, if any, at the rates in effect on the Separation Date, subject to any subsequent changes in rates that are generally

applicable to the Company's active employees (the "**COBRA Coverage**"), until the earliest of (A) a period of 12 months following the Separation Date, (B) the date upon which Employee (and Employee's eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which Employee ceases to be eligible for coverage under COBRA. The reimbursement of Employee's COBRA Coverage under this Section is subject to Employee electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for Employee and Employee's eligible dependents, if any. If the Company determines in its sole discretion that it cannot reimburse the COBRA Coverage without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of any COBRA Coverage, the Company will provide to Employee a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to the monthly COBRA premium that Employee would be required to pay to continue his group health coverage in effect on the Separation Date (which amount will be based on the premium rates applicable for the first month of COBRA Coverage for Employee and any of eligible dependents of Employee) (each, a "**COBRA Replacement Payment**"), which COBRA Replacement Payments will be made regardless of whether Employee elects COBRA continuation coverage and will end on the earlier of (x) the date upon which Employee obtains other employment or (y) the date the Company has paid an amount totaling the number of COBRA Replacement Payments equal to the number of months in the applicable COBRA Coverage period. For the avoidance of doubt, the COBRA Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings. Notwithstanding anything to the contrary under this Agreement, if the Company determines in its sole discretion at any time that it cannot provide the COBRA Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), Employee will not receive the COBRA Replacement Payments or any reimbursement for further COBRA Coverage.

e. *Equity Awards*. Employee currently holds an award of Vacasa, Inc. restricted stock units ("**RSUs**") and an award of Vacasa, Inc. performance stock units ("**PSUs**"), each of which was granted to Employee on February 4, 2022 under the Vacasa, Inc. 2021 Incentive Award Plan (the "**RSU Award**" and the "**PSU Award**," respectively). As of the date of this Agreement, (i) 498,133 unvested RSUs remain subject to the RSU Award, and (ii) 1,245,330 unvested PSUs remain subject to the PSU Award. Effective as of the date the Release becomes effective and irrevocable, Employee shall vest into 280,200 of the unvested RSUs subject to the RSU Award and 404,732 of the unvested PSUs subject to the PSU Award. The remaining unvested portion of the RSU Award and PSU Award, after applying the vesting in the previous sentence, shall terminate without consideration on the Separation Date.

5. Confidentiality. Employee agrees (to the extent not publicly filed) to maintain in complete confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "**Agreement Information**"). Except as required by law, and to the extent not publicly filed, Employee may disclose Agreement Information only to Employee's immediate family members, the Court in any proceedings to enforce the terms of this Agreement, Employee's counsel, and Employee's accountant and any professional tax advisor to the extent that they need to know the Agreement Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Agreement Information to all other third parties. Employee agrees that Employee will not publicize, directly or indirectly, any Agreement Information.

6. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

7. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement.

8. No Representations. Employee represents that Employee has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

9. Severability. In the event that any provision or any portion of any provision of this Agreement becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

10. Attorneys' Fees. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

11. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and the person signing on behalf of the Company below (or such other representative of the Company specifically authorized to agree to modifications of this Agreement).

12. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

13. Counterparts. This Agreement may be executed in counterparts and electronically or by facsimile, and each counterpart and electronic copy or facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

14. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party. Employee acknowledges that:

(1) Employee has read this Agreement;

(2) Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel;

(3) Employee understands the terms and consequences of this Agreement and of the releases it contains;

(4) Employee is fully aware of the legal and binding effect of this Agreement; and

(5) Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

(*signature page follows*)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

MATTHEW ROBERTS, an individual

Dated: August 22, 2022_____ /s/ Matt Roberts

MATTHEW ROBERTS

VACASA LLC

Dated: August 22, 2022_____ By: /s/ Jeff Parks

Exhibit 10.4

VACASA, INC.
2021 INCENTIVE AWARD PLAN

PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

Vacasa, Inc., a Delaware corporation, (the "***Company***"), pursuant to its 2021 Incentive Award Plan, as amended from time to time (the "***Plan***"), hereby grants to the holder listed below (the "***Participant***"), an award of performance stock units ("***Performance Stock Units***" or "***PSUs***"). Each vested Performance Stock Unit represents the right to receive, in accordance with the Performance Stock Unit Award Agreement attached hereto as **Exhibit A** (the "***Agreement***"), one share of Common Stock (each, a "***Share***") based on the Company's achievement of certain performance goals over the applicable performance period. This award of PSUs is subject to all of the terms and conditions set forth herein and in the Agreement and the Plan, each of which are incorporated herein by reference. Capitalized terms not specifically defined in this Performance Stock Unit Award Grant Notice (the "***Grant Notice***") and the Agreement but defined in the Plan will have the same definitions as in the Plan.

Participant:	[___]
Grant Date:	[___]
Total Number of PSUs:	[___]
Expiration Date:	[___]
Vesting Schedule:	Two requirements must be satisfied on or before the Expiration Date specified above in order for a PSU to vest: a service-based requirement (a "***Service Requirement***") and a performance-based requirement (the "***Performance Requirement***"). Except as otherwise provided below, no PSUs will vest (in whole or in part) if only one (or if neither) of such requirements is satisfied on or before the earlier of the Expiration Date or the date of the Participant's Termination of Service, and any PSUs that remain unvested as of such earlier date shall be automatically forfeited without payment of any consideration therefor. If both the Service Requirement and the Performance Requirement are satisfied on or before the Expiration Date with respect to a PSU, the vesting date of the PSU will be the first date upon which both of those requirements are satisfied with respect to that particular PSU. Service Requirement [___] Performance Requirement The Performance Requirement will be satisfied as set forth on **Exhibit B**.
Termination of Service:	Except as otherwise set forth above, all PSUs that have not become vested on or prior to the date of a Termination of Service will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

If the Company uses an electronic stock administration system and the fields in the Grant Notice are blank or the information is otherwise provided in a different format electronically, the blank fields and other information shall be deemed incorporated herein from the electronic stock administration system and considered part of this Grant Notice. In addition, the Company's signature below shall be deemed to have occurred by the Company's input of the PSUs in such electronic stock administration system and the Participant's signature below shall be deemed to have occurred by the Participant's online acceptance of the PSUs through such electronic stock administration system

By the Participant's signature below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Plan, the Agreement and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing

this Grant Notice and fully understands all provisions of the Plan, the Agreement and this Grant Notice. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Agreement or this Grant Notice. In addition, by signing below, the Participant also agrees that the Company, in its sole discretion, may satisfy any withholding obligations in accordance with Section 2.6(b) of the Agreement by (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs, (ii) instructing a broker on the Participant's behalf to sell shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs and submit the proceeds of such sale to the Company, or (iii) using any other method permitted by Section 2.6(b) of the Agreement or the Plan.

VACASA, INC.:	**PARTICIPANT:**
By:	By:
Print Name:	Print Name: _____
Title:	
Address:	Address:

EXHIBIT A
TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the Performance Stock Unit Award Grant Notice (the "***Grant Notice***") to which this Performance Stock Unit Award Agreement (this "***Agreement***") is attached, Vacasa, Inc., a Delaware corporation (the "***Company***"), has granted to the Participant the number of performance stock units ("***Performance Stock Units***" or "***PSUs***") set forth in the Grant Notice under the Company's 2021 Incentive Award Plan, as amended from time to time (the "***Plan***"). Each PSU that vests represents the right to receive one share of Common Stock (each, a "***Share***") based on the Company's achievement of certain performance goals and the Participant's satisfaction of certain service-vesting criteria.

ARTICLE I.

GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of PSUs under the Plan in consideration of the Participant's past or continued employment with or service to the Company or any Subsidiaries and for other good and valuable consideration.

2.2 Unsecured Obligation. Unless and until the PSUs have vested in the manner set forth in Article 2 hereof, the Participant will have no right to receive Common Stock under any such PSUs. Prior to actual payment of any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule. Subject to Section 2.5 hereof, the PSUs shall vest and become nonforfeitable with respect to the applicable portion thereof according to the vesting schedule set forth in the Grant Notice and as set forth on **Exhibit B** thereof (rounding down to the nearest whole Share).

2.4 Consideration to the Company. In consideration of the grant of the award of PSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

2.5 Forfeiture, Termination and Cancellation. The PSUs shall be subject to the forfeiture and termination provisions set forth in the Grant Notice and **Exhibit B** thereof.

2.6 Issuance of Common Stock upon Vesting.

(a) As soon as administratively practicable following the vesting of any PSUs pursuant to Section 2.3 hereof, but in no event later than the earlier of three months after such vesting date or March 15 of the year after the year of vesting (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code), the Company shall

deliver to the Participant (or any transferee permitted under Section 3.2 hereof) a number of Shares equal to the number of PSUs subject to this Award that vest on the applicable vesting date. Notwithstanding the foregoing, in the event Shares cannot be issued pursuant to Section 10.7 of the Plan, the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Administrator determines that Shares can again be issued in accordance with such Section.

(b) As set forth in Section 10.5 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the PSUs. The Company shall not be obligated to deliver any Shares to the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Participant resulting from the grant or vesting of the PSUs or the issuance of Shares.

2.7 Conditions to Delivery of Shares. The Shares deliverable hereunder may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue Shares deliverable hereunder prior to fulfillment of the conditions set forth in Section 10.7 of the Plan.

2.8 Rights as Stockholder. The holder of the PSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the PSUs and any Shares underlying the PSUs and deliverable hereunder unless and until such Shares shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article IX of the Plan.

ARTICLE III.

OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 Transferability. The PSUs shall be subject to the restrictions on transferability set forth in Section 10.1 of the Plan.

3.3 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences in connection with the PSUs granted pursuant to this Agreement (and the Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the PSUs and the issuance of Shares with respect thereto and that the Participant is not relying on the Company for any tax advice.

3.4 Binding Agreement. Subject to the limitation on the transferability of the PSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.5 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the PSUs in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges

that the PSUs, including the Share Appreciation Targets, are subject to adjustment, modification and termination in certain events as provided in this Agreement and Article IX of the Plan.

3.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.7 Participant's Representations. If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of such issuance, the Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or appropriate by the Company or its counsel.

3.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.9 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any other Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

3.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; *provided, however,* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of the Participant.

3.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

3.13 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.14 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any of its Subsidiaries, which rights are hereby expressly reserved, to discharge or to terminate for any reason whatsoever, with or without cause, the services of the Participant at any time.

3.15 Entire Agreement. The Plan, the Grant Notice and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

3.16 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "***Section 409A***"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.17 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

* * * * *

EXHIBIT B
TO PERFORMANCE STOCK UNIT GRANT NOTICE

Performance Conditions

[___]

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Greyber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 of Vacasa, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

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

   (b) [omitted];

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

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

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

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

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

Date: November 9, 2022

By: /s/ Robert Greyber

Robert Greyber

Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jamie Cohen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 of Vacasa, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

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

   (b) [omitted];

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

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

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

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

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

Date: November 9, 2022

By: /s/ Jamie Cohen

Jamie Cohen

Chief Financial Officer

(principal financial officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Vacasa, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 9, 2022

By: /s/ Robert Greyber

Robert Greyber
Chief Executive Officer
(principal executive officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Vacasa, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 9, 2022

By: /s/ Jamie Cohen
Jamie Cohen
Chief Financial Officer
(principal financial officer)