

Risk Factors Comparison 2025-02-25 to 2024-02-21 Form: 10-K

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Our operations and financial results and an investment in our common stock are subject to various risks and uncertainties. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this Annual Report on Form 10-K, including our consolidated financial statements and related notes. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations.

Risks Related to Our Business and Industry We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price and the value of your investment could decline. Our results of operations have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance. In particular, you should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. Even if our revenue continues to increase, our revenue growth rate may decline in the future as a result of a variety of factors, including the maturation of our business. Overall growth of our revenue depends on a number of factors as described in more detail under the heading Part I, Item 1. “ Business ” in this Annual Report on Form 10-K, as well as the factors set forth below. We may not successfully accomplish any of our objectives and, as a result, it is difficult for us to forecast our future results of operations. If the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, we may be unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability. In addition to the other risks described herein, factors that may affect our results of operations include the following:

- fluctuations in demand for or pricing and usage of our platform and products;
- our ability to attract new customers and retain existing customers;
- customer expansion rates;
- integration of new products;
- timing and amount of our investments and capital expenditures related to successfully optimizing, utilizing and expanding our data center facilities;
- the investment in and integration of new products and features relative to investments in our existing infrastructure and products;
- our ability to control costs, including our operating expenses, and the timing of payment for expenses;
- the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments and other non-cash charges;
- the amount and timing of costs associated with recruiting, training and integrating new employees and retaining and motivating existing employees;
- the effects of acquisitions, ~~including the recent Paperspace acquisition and previous Cloudways acquisition,~~ and their integration;
- general economic conditions, both domestically and internationally, and economic conditions specifically affecting industries in which our customers participate;
- ~~the impact of new accounting pronouncements;~~ • changes in regulatory or legal environments that may cause us to, among other elements, be unable to continue operating in a particular market, remove certain customers from our platform, and / or incur expenses associated with compliance;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers or new entrants into our market;
- **significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our products and platform capabilities;**
- our ability to control fraudulent registrations and usage of our platform, reduce bad debt and lessen capacity constraints on our data centers, servers and equipment; and
- ~~significant security breaches of, technical difficulties with, or interruptions to, the impact delivery and use of our products and platform capabilities.~~ • **new accounting pronouncements** our products and platform capabilities.

Any of these and other factors, or the cumulative effect of some of these factors, may cause our results of operations to vary significantly. If our results of operations fall below the expectations of investors and securities analysts who follow our stock, the price of our common stock could decline substantially, and we could face costly lawsuits, including securities class action suits. ~~We have a history of operating losses and we may not be able to sustain profitability in the future. We have incurred significant losses in the past and continue to have an accumulated deficit.~~ While we have experienced revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of sales to sustain or increase our growth or maintain profitability in the future. We also expect our costs and expenses will increase in future periods, which could negatively affect our future results of operations if our revenue also does not increase. Our efforts to grow our business may be costlier than we expect, or the rate of our growth in revenue may be slower than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications or delays, and other unknown events. If we are unable to sustain profitability, the value of our business and common stock may significantly decrease. In addition, we expect to continue to expend substantial financial and other resources on:

- our technology infrastructure, including systems architecture, scalability, availability, performance, security, hardware, equipment and other capital expenditures, including expenses to increase or maintain data center capacity and to successfully optimize and operate data center facilities;
- ~~our sales and marketing organization to engage our existing and prospective customers, increase brand awareness and drive adoption of our products;~~ • **our sales and marketing organization to engage our existing and prospective customers, increase brand awareness and drive adoption of our products;**
- product development, including the development of new products and new functionality for our platform as well as investments in both further optimizing our existing products and infrastructure and expanding our integrations and other add-ons to existing products and services;
- ~~acquisitions or~~ • **our sales and marketing organization to engage our existing and prospective customers, increase brand awareness and drive adoption of our products;**
- strategic investments **and acquisitions**; and
- general administration, including increased legal and accounting expenses. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, and other unknown factors that may result in losses in future periods. If our revenue growth does not

meet our expectations in future periods, our business, financial position and results of operations may be harmed, and we may not sustain profitability in the future. ~~We have identified a material weakness in our internal control over financial reporting, and our management has concluded that our internal control over financial reporting and disclosure controls and procedures were not effective as of the end of the period covered by this report. While we are working to remediate the identified material weakness, we cannot assure you that additional material weaknesses or significant deficiencies will not occur in the future. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our common stock. The Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We identified a material weakness in our internal control over financial reporting, which continued to exist as of December 31, 2023. The material weakness was caused by inadequate controls over our tax processes, described in more detail under the heading Part II, Item 9A. “Controls and Procedures” in this Annual Report on Form 10-K. We have commenced efforts to remediate the material weakness as described in more detail under the heading Part II, Item 9A. “Controls and Procedures” in this Annual Report on Form 10-K. The material weakness in our internal control over financial reporting will not be considered remediated until the controls operate for a sufficient period of time and management has concluded, through testing, that these controls operate effectively. If we do not successfully remediate the material weakness, or if other material weaknesses or other deficiencies arise in the future, we may be unable to accurately report our financial results, which could cause our financial results to be materially misstated and require restatement. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the control deficiencies that led to a material weakness in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses.~~ If we are unable to **expand usage of our platform by existing customers,** attract new customers, **and / or** retain existing customers **and / or** ~~expand usage of our platform by such~~ customers, we may not achieve the growth we expect, which would adversely affect our results of operations and financial condition. In order to grow our business, we must continue to **expand the usage by our existing customers on our platform,** attract new customers in a cost-effective manner and enable these customers to realize the benefits associated with our products and services. Our business is usage-based and it is important for our business and financial results that our paying customers maintain or increase their usage of our platform and purchase additional products from us. Historically, we have relied on our self-service customer acquisition model for a significant majority of our revenue. We complement our self-service customer acquisition model with a sales force focused on inside sales, targeted outside sales and partnership opportunities to drive revenue growth. If our self-service customer acquisition model is not as effective as we anticipate or our sales force is not successful at growing our customer base, specifically our **higher Higher spend Spend customers Customers,** our future growth will be impacted. In addition, we must persuade potential customers that our products offer significant advantages over those of our competitors. As our market matures, our products evolve, and competitors introduce lower cost or differentiated products that are perceived to compete with our platform and products, our ability to maintain or expand usage of our platform could be impaired. Even if we do attract new customers, the cost of new customer acquisition, product implementation and ongoing customer support may prove higher than anticipated, thereby impacting our profitability. Other factors, many of which are out of our control, may now or in the future impact our ability to add new customers in a cost-effective manner, include: • potential customers’ commitments to existing platforms or greater familiarity or comfort with other platforms or products; • our failure to expand, retain, and motivate our sales and marketing personnel; • our failure to obtain or maintain industry security certifications for our platform and products; • negative media, industry, or financial analyst commentary regarding our platform and the identities and activities of some of our customers; • the perceived risk, commencement, or outcome of litigation; and • deteriorating general economic conditions. The ~~vast~~ majority of our contracts with our customers are based on our terms of service, which do not require our customers to commit to a specific contractual period, and which permit the customer to terminate their contracts or decrease usage of our products and services without advance notice. ~~Our~~ **These** customers generally have no obligation to maintain their usage of our platform. This ease of termination could cause our results of operations to fluctuate significantly from quarter to quarter. Our customer retention may decline or fluctuate as a result of a number of factors, including our customers’ satisfaction with the security, performance, and reliability of our products, our prices and usage plans, our customers’ budgetary restrictions, the perception that competitive products provide better or less expensive options, negative public perception of us or our customers, and deteriorating general economic conditions. As a result, we may face high rates of customer churn if we are unable to meet our customer needs, requirements and preferences. Our future financial performance also depends in part on our ability to expand our existing customers’ usage of our platform and sell additional products to our existing customers. Conversely, our paying customers may reduce their usage to lower-cost pricing tiers if they do not see the marginal value in maintaining their usage at a higher-cost pricing tier, thereby impacting our ability to increase revenue. In order to expand our commercial relationships with our customers, existing customers must decide that the incremental cost associated with such an increase in usage or subscription to additional products is justified by the additional functionality. Our customers’ decision whether to increase their usage or subscribe to additional products is driven by a number of factors, including customer satisfaction with the security, performance, and reliability of our platform and existing products, the functionality of any new products we may offer, general economic conditions, and customer reaction to our pricing model. If our efforts to expand our relationships with our existing customers are not successful, our financial condition and results of operations may materially suffer. In addition, to encourage awareness, usage, familiarity and adoption of our platform and products, we may offer a credit or other incentives to new customers who sign up for and use our platform. To the extent that we are unable to successfully retain customers after use

of the initial incentives, we will not realize the intended benefits of these marketing strategies and our ability to grow our revenue will be adversely affected. **We are focused on expanding the number of Higher Spend Customers on our platform, both through expanding usage by existing customers and attracting new Higher Spend Customers. Net new sales to Higher Spend Customers involve risks that may not be present or that are present to a lesser extent with sales to smaller customers. Sales to Higher Spend Customers involve risks that may not be present or that are present to a lesser extent with sales to smaller customers, such as longer sales cycles, more complex customer requirements, substantial upfront sales costs, and less predictability in completing some of our sales. For example, Higher Spend Customers may require considerable time to evaluate and test our solutions and those of our competitors prior to making a decision on whether to subscribe to our platform. As a result, we may spend substantial time and resources on our sales efforts without any assurance that our efforts will produce a sale. Moreover, Higher Spend Customers often begin to deploy our products on a limited basis, but nevertheless demand configuration, integration services and pricing negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our products widely enough across their organization to justify our substantial upfront investment.** The market for our platform and solutions may develop more slowly or differently than we expect. It is difficult to predict customer adoption rates and demand for our products and services, the entry of competitive products or services or the future growth rate and size of the Infrastructure- as- a- Service (IaaS), Platform- as- a- Service (PaaS) **and Software- as- a- Service (SaaS)**, and artificial intelligence and machine learning (AI / ML) markets. The expansion of these markets depends on a number of factors, including the cost, performance, and perceived value associated with cloud computing platforms as an alternative to more established and legacy systems, the ability of cloud computing platform providers to address heightened data security and privacy concerns, and the cost and effort associated with converting or transition from current systems to cloud- based systems. If we or other **the markets in which we operate. The cloud computing platform providers experience security incidents, loss of customer data, disruptions or other similar problems, the market for these applications as a whole, including our platform and products, may could be negatively affected by a number of factors, many of which are outside of our control. For example, demand for our products and services could be negatively impacted if we or other providers in our space experience security incidents, loss of customer data, disruptions or other similar problems.** If there is a reduction in demand caused by a lack of customer acceptance, technological challenges, weakening economic conditions, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in information technology spending or otherwise, either now or in the future, the market for our platform and products might not continue to develop or might develop more slowly than we expect, which would adversely affect our business, financial condition and results of operations. In addition, new technological developments, including the development and use of generative artificial intelligence, are rapidly evolving and we are not certain as to the success of our AI / ML products (such as the provision of AI / ML infrastructure and platform services in connection with our recent acquisition of Paperspace) and the complexities associated with the current or future regulatory requirements as well as social and ethical considerations relating to the AI / ML market. Our core customer base consists of startups and growing digital businesses **technology companies**. As these **customers** individuals and organizations grow, if we are unable to meet their evolving needs, we may not be able to retain them as customers. Our business will also suffer if the market for our solutions proves less lucrative than projected or if we fail to effectively acquire and service such users. We expect that our path to growth will, in part, rely on scaling our platform to meet the needs of our customers as they increase usage of our platform. Accordingly, if such customers fail to grow as expected, then our path to growth may be adversely affected. In addition, our inability to offer both suitable services to support their businesses at scale and suitable and appropriately priced services for the initial state of their business, could adversely affect our business, financial condition and results of operations. We believe that the markets for startups and growing digital businesses are underserved, and we intend to continue to devote substantial resources to such the markets **market for our Higher Spend Customers and the broader market for growing technology companies**. However, these customers and potential customers frequently may have limited budgets and may choose to allocate resources to items other than our solutions, especially in times of economic uncertainty or recessions. If these markets fail to be as lucrative as we project or we are unable to market and sell our services to such customers effectively, our ability to grow our revenues quickly and achieve or maintain profitability will be harmed. **Our artificial intelligence and machine learning (AI / ML) products and services** We are focused on attracting higher spend customers to our platform. Sales to higher spend customers involve risks that may not be **successful, which could adversely affect our business operating results or financial condition. While we believe that the AI / ML offerings and services that we offer to customers will drive significant growth in our business, the AI / ML landscape is rapidly evolving and may create risks and challenges for our business. If we fail to develop and timely offer the right AI / ML offerings, if such offerings fail to meet our customers' demands, if such offerings fail to operate as expected, or if our competitors launch AI / ML offerings more quickly or more successfully than we do, we may lose our competitive position, our products may become obsolete, we may experience brand or reputational harm and our business, operating results or financial condition could be adversely affected. In addition, the markets for AI / ML offerings or AI / ML- enabled products and services may not develop in the manner or time periods we anticipate, or at all. If domestic or global economies worsen, overall spending on the development of AI- related products and services may decrease, which would adversely impact demand for our products and services in these markets. Even if the demand for such products and services develops in the manner or in the time periods we anticipate, if we do not have timely and competitively- priced products and services that meet our customers' needs, we may miss a significant opportunity and our business, operating results and financial condition could be materially and adversely affected. Also, because the markets for AI / ML- related products and services are still emerging, demand for these products and services may be unpredictable and may vary significantly from one period to another. See Risk Factor entitled " Our increased focus on the development and use of artificial intelligence and machine learning may result in**

reputational harm, liability or other adverse consequences to our business, results of operations or financial results” below. We use artificial intelligence- based tools in our business operations that may present risks and challenges to or our. Our use of third- party artificial intelligence- based technology may present new risks and challenges to our business. In an effort to enhance internal efficiencies, we currently use and may continue to explore the additional usage of internally- developed and third- party AI / ML platforms, offerings and tools, including AI chatbots and generative AI products (AI / ML technology), in our internal operations. The development and use of AI / ML technology present various privacy and security risks that may impact our business. AI / ML technology is subject to privacy and data security laws, as well as increasing regulation and scrutiny. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages. We have developed policies governing the use of AI / ML technology to help reasonably ensure that such AI / ML technology is used in a trustworthy manner by our employees, contractors, and authorized agents and that such AI / ML technology is developed and used in a trustworthy manner by our employees, contractors, and authorized agents and that our assets, including intellectual property, competitive information, financial information, personal data we may collect or process, and customer information, are protected present to a lesser extent with sales to smaller customers. Sales- Any failure by our personnel, contractors or other agents to higher spend customers involve risks- adhere to our established policies could violate confidentiality obligations or applicable laws and regulations (including data privacy laws), jeopardize our intellectual property rights, cause or contribute to unlawful discrimination, result in the misuse of personally identifiable information, or introduce greater vulnerabilities to cybersecurity attacks or malware into our systems. Because the use of AI / ML technology is relatively new and rapidly evolving, we cannot be certain that may- our policies or adherence to them will offer us sufficient protection or that the use of such technologies will not harm be present or- our that are present to a lesser- reputation, financial condition or operating results and certain privacy laws extent extend rights with sales to consumers (smaller customers, such as longer sales cycles the right to delete certain personal data) and regulate automated decision making . more complex- which may be incompatible with our use of AI / ML. We also could be subject to claims from providers of third- party AI / ML technologies that we are using their products, tools or outputs in a manner that is inconsistent with their terms of use, and such claims may result in costly legal proceedings. The use of third- party AI / ML technology by our business partners with access to our confidential information, including personal data, customer requirements- data , confidential information substantial upfront sales costs, and less predictability in completing some of- trade secrets, may continue to increase. This carries increased risk that it could lead to the misuse our - or sales. For example- disclosure of such information , which could negatively impact us, including higher spend customers may require considerable time to evaluate and test- our solutions and- ability to realize those-- the benefits of our competitors prior- intellectual property. The use of AI / ML technology by our business partners may lead to making novel and urgent cybersecurity risks, which could have a decision- material adverse effect on whether to subscribe to- our operations and reputation as well as the operations of any of our business partners. Finally, the use of AI / ML technology also presents emerging ethical issues and if our use of third- party AI / ML technology becomes controversial, we may experience brand our- or platform- reputational harm, competitive harm or legal liability . As- Any of these risks could be difficult to eliminate or manage and, if not addressed, could have a material adverse effect on our business, results of operations, financial condition and future prospects. See also the Risk Factor entitled “ Our increased focus on the development and use of artificial intelligence and machine learning may result in reputational harm , liability we may spend substantial time and resources on our- or sales- efforts without any assurance that our efforts will produce a sale. Moreover, higher spend customers often begin to deploy our products on a limited basis, but nevertheless demand configuration, integration services and pricing negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our products widely enough across their- other organization- adverse consequences to justify our business, results of operations our- or substantial upfront investment- financial results ” below . If we fail to timely release updates and new features to our platform and adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, or customer needs, our platform and products may become less competitive. Our ability to attract new users and customers, expand our customer base, and increase revenue from existing customers depends in large part on our ability to enhance and improve our existing platform and products, increase adoption and usage of our platform and products, and introduce new products and capabilities. The markets in which we compete are relatively new and- subject to rapid technological change, evolving industry standards, and changing regulations, as well as changing customer needs, requirements and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis, anticipate and respond to customer demands and preferences, address business model shifts, optimize our go- to- market execution by improving our cost structure, align sales coverage with strategic goals, improve channel execution and strengthen our services and capabilities in our areas of strategic focus. If we were unable to enhance our products and platform capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our products, our business, financial condition and results of operations could be adversely affected. We expect that the number of integrations and tools we will need to support will continue to expand as current and prospective customers adopt new technologies, and we will have to develop new or upgraded versions of our platform and products to work with those new platforms. This development effort may require significant engineering, sales and marketing resources, all of which would adversely affect our business. Any failure of our platform or products to operate effectively with future technologies and tools could reduce the demand for our platform and products. If we are unable to respond to these changes in a cost- effective manner, our platform may become less marketable and less competitive or obsolete, and our business, financial condition and results of operations

could be adversely affected. We rely on third- party data center providers to ensure the functionality of our platform and products. If our data center providers fail to meet the requirements of our business, or if our data center facilities experience damage, interruption or a security breach, our ability to provide access to our platform and maintain the performance of our network could be negatively impacted. We lease space with third- party data center providers located in the United States, India, Germany, the United Kingdom, Canada, the Netherlands, Singapore and Australia. Our business is reliant on these data center facilities. Given that we lease this data center space, we do not control the operation of these third- party facilities. Consequently, we may be subject to service disruptions as well as failures to provide adequate support for reasons that are outside of our direct control. All of our data center facilities and network infrastructure are vulnerable to damage or interruption from a variety of sources including earthquakes, floods, fires, power loss, system failures, computer vulnerabilities, physical or electronic break- ins, human error, malfeasance or interference, including by employees, former employees, or contractors, terrorism and other catastrophic events. We and our data centers have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes and capacity constraints, due to an overwhelming number of customers accessing our platform simultaneously. Data center facilities housing our network infrastructure may also be subject to local administrative actions, changes to legal or permitting requirements, labor disputes, litigation to stop, limit, or delay operations, and other legal challenges, including local government agencies seeking to gain access to customer accounts for law enforcement or other reasons. In addition, while we have entered into various agreements for the lease of data center space, equipment, maintenance and other services, the third party could fail to live up to the contractual obligations under those agreements. Other factors, many of which are beyond our control, that can affect the delivery, performance, and availability of our platform and products include: • the development, maintenance, and functioning of the infrastructure of the internet as a whole; • the performance and availability of third- party telecommunications services with the necessary speed, data capacity, and security for providing reliable internet access and services; • the failure of our redundancy systems, in the event of a service disruption at one of the facilities hosting our network infrastructure, to redistribute load to other components of our network; • the failure of our disaster recovery and business continuity plans; and • decisions by the owners and operators of the co- location and ISP- partner facilities where our network infrastructure is deployed or by global telecommunications service provider partners who provide us with network bandwidth to terminate our contracts, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy, breach their contracts with us, or prioritize the traffic of other parties. The occurrence of any of these factors, or our inability to efficiently and cost- effectively fix such errors or other problems that may be identified, could damage our reputation, negatively impact our relationship with our customers, or otherwise materially harm our business, results of operations, and financial condition. The components of our global network are interrelated, such that disruptions or outages affecting one or more of our network data center facilities may increase the strain on other components of our network. In addition, the failure of any of our data center facilities for any significant period of time could place a significant strain upon the ongoing operation of our business, as we have only limited redundant functionality for these facilities, and there may be concentration issues regarding the storing and backup of customer data. Such a failure of a core data center facility could degrade and slow down our network, reduce the functionality of our products for our customers, impact our ability to bill our customers, and otherwise materially and adversely impact our business, reputation, and results of operations. In addition, if we do not optimize and operate these data center facilities efficiently, or if we fail to expand our data centers to meet increased customer demand, it could result in either lack of available capacity (resulting in poor service performance or technical issues) or excess data center capacity (resulting in increased unnecessary costs), both of which could result in the dissatisfaction or loss of customers and cause our business, results of operations and financial condition to suffer. As we continue to add product and service capabilities, our data center networks become increasingly complex and operating them becomes more challenging. The terms of our existing data center agreements and leases vary in length and expire on various dates. Upon the expiration or termination of our data center facility leases, we may not be able to renew these leases on terms acceptable to us, if at all. Even if we are able to renew the leases on our existing data centers, rental rates, which will be determined based on then- prevailing market rates with respect to the renewal option periods and which will be determined by negotiation with the landlord after the renewal option periods, may increase from the rates we currently pay under our existing lease agreements. Migrations to new facilities could also be expensive and present technical challenges that may result in downtime for our affected customers. There can also be no assurances that our plans to mitigate customer downtime for affected customers will be successful. **If we or our systems or those of the third -party service providers parties with whom we work or our data are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and actual penalties; disruptions to or our suspected security incident business operations; loss of revenue or profits; loss of customers; and other adverse consequences. In the ordinary course of or our unauthorized business, we and the third parties otherwise obtain with whom we work, process, collect, receive, store, process, generate, use, transfer, disclose, make access accessible to, protect or prevent access to, our platform or our customers' secure, dispose of, transmit, and share (collectively, " process ") proprietary, confidential, and sensitive data or our , including personal data, customer data, intellectual property, and trade secrets (collectively, " sensitive or proprietary data, we may incur significant liabilities and our reputation and business may be harmed. Our platform and products involve the storage and transmission of data, including personally identifiable information , and "). security Security incidents (including breaches of security) or unauthorized access to our platform and products could have in the past and may in the future result in the loss of our or our customers' or users' data, litigation, disruptions to our business operations, indemnity obligations, fines, penalties, disputes, regulatory investigations and actions, and other liabilities. Cyber- attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties with whom**

we work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors. Our platform, information technology systems, networks and physical facilities, and those of our vendors, the third parties with whom we work, have been in the past and may continue in the future to be breached, and sensitive and proprietary data may have been and could be otherwise compromised. We have in the past and may in the future also be impacted by and the target of cyber-attacks by third parties seeking unauthorized access to our or our customers’ or users’ sensitive or proprietary data or to disrupt our ability to provide our services. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these will be effective and our security measures, or those of our third parties – party service providers that store or otherwise process sensitive information certain of our and our customers’ or users’ data on our behalf, could be breached or we could suffer a loss of our sensitive information or our customers’ or users’ data. We take steps designed to detect, mitigate and remediate vulnerabilities in our information technology systems (such as our hardware and / or software, including that of third parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities including on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. We rely on third parties – party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts including, without limitation, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. Our ability to monitor our these third parties information – party service providers’ data security practices is limited, and these third parties may not have adequate information security measures in place. Cyber-attacks, computer malware, viruses, supply chain attacks, social engineering (including through deep fakes, which may be increasingly more difficult to identify as fake, and spear phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by AI, and general hacking – other similar threats have become more prevalent in our industry, particularly against cloud services. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. In addition, errors due to the action or inaction of our employees, contractors, or others with authorized access to our network could lead to a variety of security incidents. If our the third – party service providers parties with whom we work experience a security incident or other interruption, we could have in the past and may in the future experience adverse consequences. While we may be entitled to damages if our the third – party service providers parties with whom we work fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. Further We employ a shared responsibility model where our customers are responsible for using, configuring and otherwise implementing security measures related to our platform, services and products in a manner that meets applicable cybersecurity standards, complies with laws, and addresses their information security risk. In certain cases where our customers choose not to implement, or incorrectly implement, those features or measures, misuse our services, or otherwise experience their own vulnerabilities, policy violations, credential exposure or security incidents, even if we are not the cause of a resulting customer security issue or incident, our customer relationships reputation, and revenue in the future may be adversely impacted. We do not directly control content that our customers or users store, use, or access in our products. If our customers or users use our products for the transmission or storage of sensitive personally identifiable information and our security measures are or are believed to have been weak or breached, our reputation could be damaged, our business may suffer, and we could incur significant liability. In addition, our existing security measures and remediation efforts may not be effective against current or future security threats. We expend significant resources or modify our business activities to try to protect against security incidents. Further to the risks associated with experiencing a security incident, third parties may gather, collect or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, our sensitive information could be leaked, disclosed, or revealed as a result of or in connection with our employees’, personnel’s, or vendors’ use of generative AI technologies. Applicable data privacy and security obligations may require us, or we have voluntarily chosen, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents, or to take other actions, such as providing credit monitoring and identity theft protection services. Such disclosures and related actions can be costly, and the disclosure or the failure to comply with such applicable requirements could lead to adverse consequences. Because there are many different mechanisms that can cause security breaches and such mechanisms continue to evolve, we may be unable to anticipate attempted security breaches, react in a timely manner or implement adequate preventative measures. Third parties may also conduct attacks designed to temporarily deny customers or users access to our cloud services. Any security breach or other security incident, or the perception that one has

occurred, could result in a loss of customer confidence in the security of our platform and damage to our brand, reduce the demand for our products, disrupt normal business operations, require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to legal liabilities, including litigation, regulatory enforcement, and indemnity obligations, and adversely affect our business, financial condition and results of operations. These risks are likely to increase as we continue to grow and process, store, and transmit increasingly large amounts of data. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages or claims related to our data privacy and security obligations. Additionally, although we maintain cybersecurity insurance coverage, we cannot be certain that such coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition and results of operations. In addition, our customers require and expect that we and / or our service providers **the third parties with whom we work** maintain industry- related compliance certifications, such as SOC 1, SOC 2, SOC 3, PCI-DSS, NIST 800-53, and others. There are significant costs associated with maintaining existing and implementing any newly- adopted industry- related compliance certifications, including costs associated with retroactively building security controls into services which may involve re- engineering technology, processes and staffing. The inability to maintain applicable compliance certifications could result in monetary fines, disruptive participation in forensic audits due to a breach, security- related control failures, customer contract breaches, customer churn and brand and reputational harm. We may not be able to successfully manage our growth, and if we are not able to grow efficiently, our business, financial condition and results of operations could be harmed. The growth and expansion of our business will continue to require additional management, operational and financial resources. As usage of our platform grows, we will need to devote additional resources to improving and maintaining our infrastructure and integrating with third- party applications. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support, to serve our growing customer base, and to improve our information technology and financial infrastructure, operating and administrative systems and our ability to effectively manage headcount, capital and processes, including by reducing costs and inefficiencies. Any failure of or delay in these efforts could result in impaired system performance and reduced customer satisfaction, which would negatively impact our revenue growth and our reputation. Even if we are successful in our expansion efforts, they will be expensive and complex, and require the dedication of significant management time and attention. We cannot be sure that the expansion of and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures could harm our business, financial condition and results of operations. In addition, we must also continue to effectively manage our capital expenditures by maintaining and expanding our data center capacity, servers and equipment, grow in geographies where we currently have a small presence and ensure that the performance, features and reliability of our service offerings and our customer service remain competitive in a rapidly changing technological environment. If we fail to manage our growth, the quality of our platform and products may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers and employees. If we underestimate or overestimate our data center capacity requirements and our capital expenditures on data centers, servers and equipment, our results of operations could be adversely affected. The costs of building out, leasing and maintaining our data centers constitute a significant portion of our capital and operating expenses. To manage our capacity while minimizing unnecessary excess capacity costs, we continuously evaluate our short and long- term data center capacity requirements in order to effectively manage our capital expenditures. We may be unable to project accurately the rate or timing of increases in volume of usage on our platform or to successfully allocate resources to address such increases, and may underestimate the data center capacity needed to address such increases, and in response, we may be unable to increase our data capacity, and increase our capital expenditures on servers and other equipment, in an expedient and cost- effective manner to address such increases. If we underestimate our data center capacity requirements and capital expenditure requirements, we may not be able to provide our platform and products to current customers or service the expanding needs of our existing customers and may be required to limit new customer acquisition or enter into leases or other agreements for data centers, servers and other equipment that are not optimal, all of which may materially and adversely impair our results of operations. In addition, many of our data center sites are subject to multi- year leases. If our capacity needs are reduced, or if we decide to close a data center, we may nonetheless be committed to perform our obligations under the applicable leases including, among other things, paying the base rent for the balance of the lease term and continuing to pay for any servers or other equipment. If we overestimate our data center capacity requirements and capital expenditures, and therefore secure excess data center capacity and servers or other equipment, our operating margins could be materially reduced. Finally, the costs of operating our data centers have increased and may increase in the future due to rising energy prices as a result of global geopolitical issues. We rely on a limited number of suppliers for certain components of the equipment we use to operate our network and any disruption in the availability of these components could delay our ability to expand or increase the capacity of our platform or replace defective equipment. We do not manufacture the products or components we use to build our platform and the related infrastructure. We rely on a limited number of suppliers for several components of the equipment we use to operate our platform and provide products to our customers. Our reliance on these suppliers exposes us to risks, including: • reduced control over production costs and constraints based on the then current availability, terms, and pricing of these components; • competition with larger cloud computing companies and other consumers with respect to high demand equipment, such as GPUs; • limited ability to control the quality, quantity and cost of our products or of their components; • the potential for binding price or purchase commitments with our suppliers at higher than market rates; • limited ability to adjust production volumes in response to our customers' demand

fluctuations; • labor and political unrest at facilities we do not operate or own; • geopolitical disputes, **regulatory restrictions and sanctions** disrupting our supply chain; • business, legal compliance, litigation and financial concerns affecting our suppliers or their ability to manufacture and ship our products in the quantities, quality and manner we require; • impacts on our supply chain from adverse public health developments, including outbreaks of contagious diseases; and • disruptions due to floods, earthquakes, storms and other natural disasters, particularly in countries with limited infrastructure and disaster recovery resources. In addition, we are continually working to expand and enhance our platform features, technology and network infrastructure and other technologies to accommodate substantial increases in the volume of usage on our platform, the amount of content we host and our overall total customers. We may be unable to project accurately the rate or timing of these increases or to successfully allocate resources to address such increases, and may underestimate the data center capacity needed to address such increases, and our limited number of suppliers may not be able to quickly respond to our needs, which could have a negative impact on customer experience and our financial results. In the future, we may be required to allocate additional resources, including spending substantial amounts, to build, purchase or lease data centers and equipment and upgrade our technology and network infrastructure in order to handle increased customer usage, and our suppliers may not be able to satisfy such requirements. In addition, our network or our suppliers' networks might be unable to achieve or maintain data transmission capacity high enough to process orders or download data effectively or in a timely manner. Our failure, or our suppliers' failure, to achieve or maintain high data transmission capacity could significantly reduce consumer demand for our products. Such reduced demand and resulting loss of traffic, cost increases, or failure to accommodate new technologies could harm our business, revenue and financial condition. ~~In connection with the introduction of our AI/ML offerings after our acquisition of Paperspace, we introduced GPUs in our data centers. Since demand for GPUs is at an all time high, we have faced and may continue to face supply chain issues, which may impact our ability to service AI/ML customers, which in turn could impact our ability to expand our revenue and will impact our results of operations.~~ If we do not or cannot maintain the compatibility of our platform with third- party applications that our customers use in their businesses, our business will be harmed. Because our customers choose to integrate our products with certain capabilities provided by third- party providers, the functionality and popularity of our platform depends, in part, on our ability to integrate our platform and applications with developer tools and other third- party applications. These third parties may change the features of their technologies, restrict our access to their applications, or alter the terms governing use of their applications in a manner that is adverse to our business. Such changes could functionally limit or prevent our ability to use these third- party technologies in conjunction with our platform, which would negatively affect adoption of our platform and harm our business. If we fail to integrate our platform with third- party applications that our customers use, we may not be able to offer the functionality that our customers need, which would harm our business. We rely heavily on the reliability, security and performance of our internally developed systems and operations. Any difficulties in maintaining these systems may result in damage to our brand, service interruptions, decreased customer service or increased expenditures. The reliability and continuous availability of the software, hardware and workflow processes underlying our internal systems, networks and infrastructure and the ability to deliver our products are critical to our business. Any interruptions resulting in our inability to timely deliver our products, or materially impacting the efficiency or cost with which we provide our products, would harm our brand, profitability and ability to conduct business. If third- party vendors increase their prices and we are unable to successfully pass those costs on to our customers, it could have a substantial effect on our results of operations. We rely on our relationships with third- party software providers and other partners for certain essential financial and operational services, and a failure or disruption in these services could materially and adversely affect our ability to manage our business effectively. We rely on third- party software providers and other partners for many essential financial and operational services to support our business, including, without limitation, encryption and authentication technology, infrastructure operations, certain database services, employee email, content delivery to customers, back- office support, credit card processing and other functions. These vendors provide their services to us via a cloud- based model instead of software that is installed on our premises. As a result, we depend upon these vendors to provide us with services that are always available and are free of errors or defects that could cause disruptions in our business processes. Any failure by these vendors to do so, or any disruption in our ability to access the internet, would materially and adversely affect our ability to manage our operations. In addition, although we have developed systems and processes that are designed to protect customer and user data and prevent data loss and other security breaches, including systems and processes designed to reduce the impact of a security breach at a third- party service provider, such measures cannot provide absolute security. Furthermore, if these services become unavailable or are no longer available to us on commercially reasonable terms due to circumstances beyond our control, such as an acquisition of our third- party provider, our expenses could increase, our ability to access certain data could be interrupted, and our processes for providing certain services to our customers could be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could adversely affect our business. Performance problems or defects associated with our platform may adversely affect our business, financial condition and results of operations. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times and as our customer base grows and our platform becomes more complex. If our platform is unavailable or if our customers are unable to access our platform within a reasonable amount of time or at all, we may experience a loss of customers, lost or delayed market acceptance of our platform, delays in payment to us by customers, injury to our reputation and brand, legal claims against us, significant cost of remedying these problems and the diversion of our resources. In addition, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations, as well as our reputation, may be adversely affected. Further, the software technology underlying our platform is inherently complex and may contain material defects or errors, particularly when new products are first introduced or when new features or capabilities are released. We have from time to time found defects or errors in our platform, and new defects or errors

in our existing platform or new products may be detected in the future by us or our users. We cannot assure you that our existing platform and new products will not contain defects. Any real or perceived errors, failures, vulnerabilities, or bugs in our platform could result in negative publicity or lead to data security, access, retention or other performance issues, all of which could harm our business. The costs incurred in correcting such defects or errors may be substantial and could harm our business. Moreover, the harm to our reputation and legal liability related to such defects or errors may be substantial and could similarly harm our business. The markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition and results of operations could be harmed. The markets that we serve are highly competitive and rapidly evolving. With the introduction of new technologies and innovations, we expect the competitive environment to remain intense. We compete primarily with large, diversified technology companies that focus on large enterprise customers and provide cloud computing as just a portion of the **products and services and products** that they offer. The primary vendors in this category include Amazon (AWS), Microsoft (Azure), Google (GCP), IBM (IBM Cloud), Alibaba (Alibaba Cloud) and Oracle (Oracle Cloud). We also compete with smaller **and / or** niche cloud service providers that typically target individuals and smaller businesses, simple use cases **and / or** narrower geographic markets. **Some examples Examples** in this category include OVHcloud, Vultr, Akamai (Linode), Hetzner, **Vultr, Contabo, Scaleway, UpCloud,** and Heroku. Our **Cloudways AI / ML offerings compete with providers of AI / ML infrastructure and services, including the same large, diversified technology companies, Amazon (AWS), Microsoft (Azure), and Google (GCP), and smaller more infrastructure- focused companies such as Coreweave and Lambda Labs. Finally, our Managed Hosting** offering competes with digital agencies and other managed hosting providers, including Kinsta and WP Engine. ~~Finally, since our recent acquisition of Paperspace, we now compete with other providers of AI / ML infrastructure, including Coreweave and Lambda Labs.~~ We may also face increased competition from other companies that are using AI / ML applications, some of whom may develop more effective methods than we and any of our business partners have, which could have a material adverse effect on our business, results of operations or financial condition. Our competitors vary in size and in the breadth and scope of the products offered. Many of our competitors and potential competitors, particularly our larger competitors, have substantial competitive advantages as compared to us, including greater name recognition and longer operating histories, larger sales and marketing and customer support budgets and resources, the ability to bundle products together, larger and more mature intellectual property portfolios, greater resources to make acquisitions and greater resources for technical assistance and customer support. Further, other potential competitors not currently offering competitive solutions may expand their product or service offerings to compete with our products and platform capabilities, or our current and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and product offerings in our addressable market. In addition, some of our actual and potential competitors have been acquired by other larger enterprises and have made or may make acquisitions or may enter into partnerships or other strategic relationships that may provide more comprehensive offerings than they individually had offered or achieve greater economies of scale than us. Further, new entrants not currently considered to be competitors may enter the market through acquisitions, partnerships or strategic relationships. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, and customer requirements. An existing competitor or new entrant could introduce new technology that reduces demand for our products and platform capabilities. For all of these reasons, we may not be able to compete successfully against our current or future competitors, and this competition could result in the failure of our platform to continue to achieve or maintain market acceptance, any of which would harm our business, results of operations, and financial condition. We may be unable to accurately predict the optimal pricing necessary to attract new customers and retain existing customers. Our pricing model subjects us to various challenges that could make it difficult for us to derive sufficient value from our customers. We have in the past changed our pricing model from time to time and in the future may need to make further changes to the pricing model. As the market for our products matures, or as new competitors introduce new products or services that compete with ours, we may be unable to attract new customers using the same pricing models as we have used historically. Pricing decisions may also impact the mix of adoption among our customers and negatively impact our overall revenue. We generally charge our customers for their usage of our platform, and the add- on features and functionality they choose to enable. We do not know whether our current or potential customers or the market in general will continue to accept this pricing model going forward and, if it fails to gain acceptance, our business could be harmed. In addition, certain customers may demand substantial price concessions. As a result, in the future we may be required to reduce our prices or develop new pricing models, which could adversely affect our revenue, gross margin, profitability, financial position, and cash flow. If we fail to effectively **integrate onboard our new chief members of our executive officer leadership team and successfully senior management management** the chief executive officer transition or if we fail to retain and motivate members of our **executive leadership team and senior** management team and other key employees **in light of our chief executive officer succession plan**, our business and future growth prospects could be harmed. **On February 12, Our success largely depends on our ability to effectively integrate new members of our executive leadership team and senior management. In 2024, we hired Padmanabhan Srinivasan joined the company in the role of chief executive officer (CEO) and as a Chief Executive Officer, Chief Product and Technology Officer, Chief Ecosystem and Growth Officer and Chief Revenue Officer, in addition to other member members of our board senior management. The ability of directors and our former CEO departed the these members of leadership and senior management to understand our business, operations, and strategic plans will be critical to the company Company and our management' s ability to make informed decisions about our strategic direction and operations. If the Ensuring that executives and management gain detailed knowledge of our operations may take time and resources. An inadequate transition may cause disruption to our new CEO is not successfully managed and Mr. Srinivasan is not effectively onboarded, it could have an adverse impact on our business due to, among other things, diverting management' s attention away from the Company' s financial and operational goals be viewed negatively by our or customers, employees or investors causing a deterioration in morale.**

Additionally, our success and future growth depend largely upon the continued services of our executive **leadership team** officers and key employees, some **members of senior management** whom have departed in recent months, and our ability to effectively recruit to replace any departing executive officers and key employees. If we fail to motivate or retain our executive officers or other key employees in light of **our CEO transition**, **retain our executive leadership team, members of senior management** and in connection with other **key** executive departures, **one or more of such employees, our success and future growth** may **leave be impacted**. Our executive officers and other key employees are employed on an at-will basis, which means that these personnel could terminate their employment with us at any time. The loss of one or more of our executive officers, or the failure by our executive team to effectively work with our employees and lead our company, could harm our business. **In the event of such employee departures, if we fail to enable the effective transfer of knowledge and facilitate smooth transitions, the operating results and future growth for our business could be adversely affected. Furthermore, the morale and productivity of the workforce could be disrupted.** If we fail to retain and motivate, or fail to attract qualified personnel to support our operations, our business and future growth prospects would be harmed. In order to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for engineers experienced in cloud computing, infrastructure solutions, and AI / ML. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. Volatility or lack of performance in our stock price may affect our ability to recruit and retain key employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed. In addition, since our equity awards are typically communicated to employees in dollar amounts, a decreasing share price may also require us to increase the number of shares that we include in employee equity awards, which has and may continue to affect our outstanding share count and cause dilution to existing shareholders. We have in the past and may in the future undertake internal restructuring activities that could result in disruptions to our business or otherwise materially harm our results of operations or financial condition. We have in the past and may in the future undertake internal restructuring activities in an effort to better align our resources with our business strategy. **For example, in 2023 we completed a restructuring that resulted in a reduction in our workforce.** We incur substantial costs to implement restructuring plans, and our restructuring activities may subject us to reputational risks and litigation risks and expenses. There can be no assurance that any restructuring activities that we undertake will achieve the cost savings, operating efficiencies or other benefits that we may initially expect. In addition, restructuring activities may result in loss of institutional knowledge and expertise, attrition beyond our intended reduction-in-force, or a negative impact on employee morale and productivity or our ability to attract highly-skilled employees. Internal restructurings can also require a significant amount of time and focus from management and other employees, which may divert attention from commercial operations. While we **took** **take** actions to mitigate these risks **for the restructuring that took place in 2023**, there can be no certainty that such efforts to mitigate **were are** effective. If any internal restructuring activities we have undertaken or undertake in the future fail to achieve some or all of the expected benefits therefrom, our business, results of operations and financial condition could be materially and adversely affected. Our corporate culture has contributed to our success and if we cannot maintain this culture as we grow and expand geographically, we could lose the innovation, creativity and entrepreneurial spirit we have worked hard to foster, which could harm our business. We believe our corporate culture of **rapid innovation, teamwork, and attention to customer support** has been a key contributor to our success to date. If we do not continue to maintain our corporate culture as we grow and expand to new geographies or as a result of any reductions in workforce, we may be unable to foster the innovation, creativity and entrepreneurial spirit we believe we need to support our growth. We have in the past and may in the future be named as a defendant in **litigation, including** securities class action lawsuits and stockholder derivative lawsuits. **Any** These types of lawsuits could result in substantial damages, divert management's time and attention from our business, and have a material adverse effect on our results of operations. **These lawsuits** **Lawsuits** may be costly to defend or pursue and are uncertain in their outcome. **On** **We have in the past and may in the future be involved in litigation, including securities class action lawsuits and stockholder derivative lawsuits. For example, in** September 12, 2023, a putative class action lawsuit was filed in the United States District Court for the Southern District of New York, against us and certain of our current and former executive officers for alleged violations of **the** U. S. federal securities laws. **In December 2023**, **which** we were named a nominal defendant in two putative stockholder derivative actions filed in the United States District Court for the District of Delaware against our directors and our former chief executive officer and member of the board. The complaints in the two lawsuits alleged, among other things, violations of federal law and breaches of fiduciary duty, in relation to substantially the same factual allegations as **was subsequently** the above-described federal class action lawsuit. As described in more detail under Part I, Item 3, "Legal Proceedings", each of these lawsuits has been voluntarily dismissed without prejudice. These types of lawsuits **Lawsuits** are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors and their outcomes are necessarily uncertain. We could be forced to expend significant resources and incur significant expense in the defense of any **additional** lawsuits of this nature. Monitoring, initiating and defending against legal actions are time-consuming for our management, may be expensive and may detract from our ability to fully focus our internal resources on our business activities. We may not be successful in having **any** these types of lawsuits dismissed or settled within the limits of our insurance coverage. There also could be adverse publicity associated with **these any such** lawsuits that could negatively affect public perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. If we fail to maintain and enhance our brands, our ability to expand our customer base will be impaired and our business, financial condition and results of operations may suffer. We believe that maintaining and enhancing our brands are important to

support the marketing and sale of our existing and future products to new customers and expand sales of our platform and products to existing customers. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining and enhancing our brands will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable products that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop new functionality and use cases, and our ability to successfully differentiate our products and platform capabilities from competitive products. Our brand promotion activities may not generate customer awareness or yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. As noted below in "Risks Related to Our Intellectual Property," there also are risks that we may not be able to adequately enforce and protect our trademark rights in our brands. If we fail to successfully promote and maintain our brands, our business, financial condition and results of operations may suffer. Our ability to maintain customer satisfaction depends in part on the quality of our customer support. Failure to maintain high- quality customer support could have an adverse effect on our business, results of operation, and financial condition. We believe that the successful use of our platform and products requires a high level of support and engagement for many of our customers, particularly our business customers. In order to deliver appropriate customer support and engagement, we must successfully assist our customers in deploying and continuing to use our platform and products, resolving performance issues, addressing interoperability challenges with the customers' existing IT infrastructure, and responding to security threats and cyber- attacks and performance and reliability problems that may arise from time to time. Because our platform and products are designed to be highly configurable and to rapidly implement customers' reconfigurations, if customers make errors in configuring our platform and products, they may experience significant disruption to their workloads on our platform. ~~Our support organization faces additional challenges associated with our international operations, including those associated with delivering support, training, and documentation in languages other than English.~~ Increased demand for customer support, without corresponding increases in revenue, could increase our costs and adversely affect our business, results of operations, and financial condition. In addition, we rely on our user community to serve as a resource for questions on any part of our platform. Members of our user community are not obligated to participate in discussions with other users, and to the extent they do not, our customers' ability to find answers to questions about our platform or services may suffer. If we are unable to develop self- service support resources that are easy to use and that our customers utilize to resolve their technical issues, or if our customers choose not to take advantage of these self- service support services, our customers' experience with our platform may be negatively impacted. There can be no assurance that we will be able to hire sufficient support personnel as and when needed, particularly if our sales exceed our internal forecasts. To the extent that we are unsuccessful in hiring, training, and retaining adequate support resources, our ability to provide high- quality and timely support to our customers will be negatively impacted, and our customers' satisfaction and their usage of our platform could be adversely affected. ~~Our use of third- party artificial....., financial condition and future prospects.~~ Unfavorable conditions in our industry or the global economy, or reductions in information technology spending, could limit our ability to grow our business and negatively affect our results of operations. Our results of operations may vary based on the impact of unfavorable changes in our industry or the global economy on us or our customers and potential customers. Adverse changes in macroeconomic conditions can significantly harm demand for our products and make it more challenging to forecast our operating results and make business decisions, including regarding prioritization of investments in our business. Unfavorable conditions in the economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, supply chain disruptions, inflationary pressures, interest rates, financial and credit market fluctuations, volatility in the capital markets, liquidity concerns at, and failures of, banks and other financial institutions, international trade relations, **economic sanctions**, political turmoil, political instability and transitions of power in regions where we operate ~~including in Pakistan following the most recent general election~~, natural catastrophes, outbreaks of contagious diseases, warfare and terrorist attacks on the United States, Europe or elsewhere, including military actions affecting Russia, Ukraine, the Middle East or elsewhere could cause a decrease in business investments in information technology and negatively affect the growth of our business and our results of operations. Geopolitical risks, including those arising from trade tension and / or the imposition of trade tariffs **(including recent U. S. tariffs imposed or threatened to be imposed and any retaliatory actions taken by other countries)**, terrorist activity or acts of civil or international hostility, are increasing. While we do not currently have employees or direct operations in any region with ongoing military conflict, we **may** have customers with business activities in these countries and regions. Based on ongoing military conflicts and associated sanctions imposed by the U. S. government, our ability to receive payments from customers in those regions and our ability to realize revenues from those customers may be impacted. Further, due to political uncertainty and military actions, we and the third parties upon which we rely may be vulnerable to a heightened risk of cyber- attacks, computer malware, viruses, supply chain attacks, social engineering (including spear phishing and ransomware attacks) and general hacking that could materially disrupt our systems and operations. Further, fluctuations in inflation rates and interest rates could have a material and adverse effect on our business, financial condition or results of operations. Economic weakness, customer financial difficulties and constrained spending on information technology operations could adversely affect our customers' ability or willingness to subscribe to our service offerings, delay purchasing decisions and lengthen our sales cycles, reduce the usage of our products and services, or increase churn, all of which could have an adverse effect on our sales and operating results. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate worsen from present levels, our business, results of operations and financial condition could be materially and adversely affected. The full impact of any conflict, economic slowdown or other factor on our business operations and financial performance remains uncertain and will depend on future developments, including the severity and duration and its impact on our customers and third- party providers, as well as regional and global economic conditions. Any such disruptions may also exacerbate the impact of other risks described in this Annual Report on Form 10- K. Our current

operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges. **Our workforce and our customer base are international in scope and our customers base internationally are spread across approximately 190 countries.** We are continuing to adapt to and develop strategies to address international markets, but there is no guarantee that such efforts will have the desired effect. ~~For example, we anticipate that we will need to establish relationships with new partners in order to expand into certain countries, and if we fail to identify, establish and maintain such relationships, we may be unable to execute on our expansion plans.~~ We expect that our international activities will continue to grow for the foreseeable future as we continue to pursue opportunities in existing and new international markets, which will require significant dedication of management attention and financial resources. Our current and future international business and operations involve a variety of risks, including: • slower than anticipated availability and adoption of cloud- based infrastructures and platforms by international businesses; • the need to adapt and localize our products for specific countries; • potential changes in **laws, regulations, sanctions or trade relations, regulations, or laws**; • more stringent regulations relating to **data privacy and data security** and the unauthorized use of, or access to, commercial and personal **information data**, particularly in Europe; • challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction; • greater difficulty collecting accounts receivable and longer payment cycles; • payment issues and other foreign currency risks, including fluctuations in exchange rates; • inflation in certain regions where we operate; • laws and business practices favoring local competitors or general market preferences for local vendors; • political instability or terrorist activities; • an outbreak of a contagious disease or a natural disaster that may cause us or our third- party providers and / or customers to temporarily suspend our or their respective operations in the affected city or country; and • adverse tax burdens and foreign exchange restrictions that could make it difficult to repatriate earnings and cash. If we invest substantial time and resources to further expand our international operations and are unable to do so successfully and in a timely manner, our business and results of operations will suffer. We are exposed to fluctuations in currency exchange rates and interest rates, which could negatively affect our results of operations and our ability to invest and hold our cash. Our sales are **currently** primarily denominated in U. S. dollars, and therefore, our revenue is generally not subject to foreign currency risk. However, the current strengthening of the U. S. dollar increases the real cost of our platform to our customers outside of the United States, which could adversely affect our results of operations. Our operating expenses incurred outside the United States are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully hedge against the risks associated with currency fluctuations, our results of operations could be adversely affected. Our international operations may subject us to potential adverse tax consequences. ~~We are expanding our international operations to better support our growth into international markets.~~ The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one- time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. Our tax provision could also be impacted by changes in accounting principles, changes in U. S. federal, state, or international tax laws applicable to corporate multinationals, other fundamental law changes currently being considered by many countries, and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. For example, the Organisation for Economic Co- operation and Development (OECD) has been spearheading a multilateral effort on proposals, commonly referred to as " BEPS 2. 0 ", which, ~~if and~~ to the extent implemented, **would will** make important changes to the international tax system. These proposals are based on two " pillars ", involving the reallocation of taxing rights in respect of certain multinational enterprises above a fixed profit margin to the jurisdictions in which they carry on business (Pillar One) **(based on the thresholds, we currently expect to be outside the scope of the Pillar One proposals, but could fall within their scope in the future)** and imposing a minimum effective corporate tax rate on certain multinational enterprises (Pillar Two). A number of countries in which we conduct business have enacted ~~with effect from January 1, 2024~~, or are in the process of enacting, core elements of the Pillar Two rules. **The OECD has issued administrative guidance providing transition and safe harbor rules around the implementation of Pillar Two.** Based on our current understanding of the minimum revenue thresholds, we currently expect to be outside the scope of ~~both the proposed Pillar One and Pillar Two proposals but could fall within their scope in the future, which could increase our tax obligations and require us to incur additional material costs to ensure compliance with any such rules in the countries where we do business.~~ We are **monitoring developments** ~~unable to predict whether any future changes will occur and~~ **evaluating**, if so, the **potential impact impacts** of such changes ~~these new rules~~, including on **our effective** the U. S. federal income tax **rates** ~~considerations relating to the purchase, ownership and disposition of our common stock~~ **eligibility to qualify for the transition and safe harbor rules**. We could be required to collect additional taxes or be subject to other tax liabilities or obligations that may increase the costs our clients would have to pay for our products and adversely affect our results of operations. An increasing number of jurisdictions have considered or adopted laws to impose tax obligations on companies without a physical presence in the jurisdiction. The Supreme Court of the United States has ruled that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer' s state. State or local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit sales and use taxes in their jurisdictions. Similarly, many foreign jurisdictions have considered or adopted laws that impose

obligations related to value-added taxes, digital services taxes, or other taxes on companies without a physical presence in the foreign jurisdiction. A successful assertion by one or more state or local governments or foreign jurisdictions requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. Obligations to calculate, collect and remit sales, value-added, digital services, or other taxes in jurisdictions in which we have no physical presence could also create additional administrative burdens for us, put us at a competitive disadvantage if similar obligations are not imposed on our competitors, and decrease our future sales, which could have a material adverse effect on our business and results of operations. Our ability to use our net operating losses and other tax credits to offset future taxable income may be subject to certain limitations. As of December 31, ~~2023~~ **2024**, we had net operating losses (NOL) carryforwards for federal, state and foreign income tax purposes and other tax credit carryforwards for federal and state tax purposes. Certain of these NOL carryforwards and tax credit carryforwards will expire in various years beginning in ~~2038~~ **2029** for federal purposes and ~~2025~~ **2030** for state purposes if not utilized. Our ability to utilize our NOL carryforwards and other tax credit carryforwards to offset taxable income may be subject to certain limitations. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the Code), a corporation that undergoes an “ownership change” (as defined under Section 382 of the Code and applicable Treasury Regulations) is subject to limitations on its ability to utilize its pre-change NOLs or other tax credits to offset future taxable income. We **have experienced ownership changes under Section 382 of the Code in the past and** may experience a future ownership change under Section 382 of the Code that could affect our ability to utilize the NOLs to offset our income. Furthermore, our ability to utilize NOLs and tax credits of companies that we have acquired or may acquire in the future may be subject to limitations. There is also a risk that regulatory changes, such as suspensions on the use of NOLs or other tax credits, or other unforeseen reasons, could cause our existing NOLs or tax credits to expire or otherwise be unavailable to reduce current or future income tax liabilities, including for state tax purposes. For these reasons, we may not be able to utilize a material portion of the NOLs and tax credits reflected on our balance sheet, which could potentially result in increased future tax liability to us and could adversely affect our operating results and financial condition. Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations. Our effective tax rate could increase due to several factors, including: • changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; • changes in tax laws, tax treaties, and regulations or the interpretation of them; • changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business; • the outcome of ~~current and~~ future tax audits, examinations, or administrative appeals; and • limitations or adverse findings regarding our ability to do business in some jurisdictions. Any of these developments could adversely affect our results of operations. Our leverage could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry, divert our cash flow from operations for debt payments and prevent us from meeting our debt obligations. In November 2021, we issued \$ 1.5 billion aggregate principal amount of 0 % convertible senior notes due 2026 in a private placement. As of December 31, ~~2023~~ **2024**, we had no outstanding indebtedness, but significant borrowing capacity, under our credit facility with KeyBank National Association, as administrative agent, and the other lenders party thereto. We may not be able to refinance our existing indebtedness because of our amount of debt, debt incurrence restrictions under our debt agreements or adverse conditions in credit markets generally. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would result in an adverse effect on our financial condition and results of operations. Although our credit agreement contains restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables. In addition, in connection with our acquisition of Paperspace, we acquired a number of equipment leases, which remain outstanding. Pursuant to the terms of the equipment leases, we may be restricted from engaging in certain activities. Our credit agreement currently imposes and any other debt we incur may impose significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities. The credit agreement that governs our credit facility imposes significant operating and financial restrictions on us. These restrictions limit the ability of our subsidiaries, and effectively limit our ability to, among other things: • incur or guarantee additional debt or issue disqualified equity interests; • pay dividends and make other distributions on, or redeem or repurchase, capital stock; • make certain investments; • incur certain liens; • enter into transactions with affiliates; • merge or consolidate; • enter into agreements that restrict the ability of restricted subsidiaries to make certain intercompany dividends, distributions, payments or transfers; and • transfer or sell assets. Any other indebtedness we incur could impact our business and financial condition in one or more of the following ways: • requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness; • exposing us to increased interest expense; • making it more difficult for us to satisfy our obligations with respect to our indebtedness; • restricting us from making strategic acquisitions; • limiting our ability to obtain additional financing for working capital, capital expenditures, product development, satisfaction of debt service requirements, acquisitions and general corporate or other purposes; • increasing our vulnerability to adverse economic, industry or competitive developments; and • limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who may be better positioned to take advantage of opportunities that our leverage prevents us from exploiting. As a result of any of the existing restrictions described above or any other restrictions arising from our indebtedness, we could be limited as to how we conduct our business and we may be unable to raise additional debt or equity financings to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to

maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders or amend the covenants. Our failure to comply with any of the existing restrictions described above or any other restrictions associated with the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected. We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all. We have historically funded our operations through equity and debt financings and sales of our products. We cannot be certain if our operations will continue to generate sufficient cash to fully fund our ongoing operations or the growth of our business. If our ongoing operations, growth and any other investments to support our business cannot be funded by our operations, we may be required to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests. Our inability to obtain adequate financing on terms satisfactory to us, when we require it, could significantly limit our ability to continue to support our business growth, respond to business challenges, expand our operations or otherwise capitalize on our business opportunities due to lack of sufficient capital. Even if we are able to raise such capital, we cannot assure you that it will enable us to achieve better operating results or grow our business. Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition and results of operations. We have in the past and may in the future seek to acquire or invest in businesses, joint ventures, products and platform capabilities, or technologies that we believe could complement or expand our services and platform capabilities, enhance our technical capabilities, or otherwise offer growth opportunities. Any such acquisition or investment may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and platform capabilities, personnel or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, if we do not have sufficient internal expertise to integrate and grow the acquired business, their infrastructure is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. In addition, we could face risk related to liability for activities of any acquired company prior to the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities, and litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former stockholders or other third parties, and our efforts to limit such liabilities could be unsuccessful. Finally, we may need to implement or improve the controls, procedures and policies of any acquired company, and we may face risks if any of those controls, procedures or policies are insufficiently effective. If we are unsuccessful in integrating or growing any acquired business, the acquisition may not result in the synergies and other benefits we had expected to achieve, and the revenue and operating results of the combined company could be adversely affected. In addition, the acquisition may not ultimately strengthen our competitive position or could be viewed negatively by our customers, investors or securities analysts. ~~In July 2023, we acquired Paperspace, a leading provider of cloud infrastructure as a service for highly scalable applications leveraging GPUs, in order to enable customers to more easily test, develop and deploy AI/ML applications and augment and enhance existing AI/ML applications. The acquisition of Paperspace introduced risks inherent in all acquisitions including our limited experience in operating GPU-accelerated infrastructure products and we may encounter difficulties assimilating or integrating the business, technologies, data, platform, personnel or operations of Paperspace. Additionally, Paperspace's business relies on third-party components, particularly GPUs, which may require significant capital expenditure and may be difficult to procure given the current elevated demand in the AI/ML space. Any disruption of relationships with third-party suppliers and vendors could adversely affect the functionality and availability of the business. If we are unsuccessful in integrating Paperspace or growing the business in the coming years, the acquisition may not result in the synergies and other benefits we had expected to achieve, and the revenue and operating results of the combined company could be adversely affected.~~ Our business could be disrupted by catastrophic occurrences and similar events. Our platform and the public cloud infrastructure on which our platform relies are vulnerable to damage or interruption from catastrophic occurrences, such as earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, criminal acts, sabotage, other intentional acts of vandalism and misconduct, geopolitical events, disease, and similar events. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems at our facilities or the facilities of our public cloud providers could result in disruptions, outages, and other performance and quality problems. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster and to execute successfully on those plans in the event of a disaster or emergency, our business would be seriously harmed. Risks Related to Our Regulatory Environment Activities of our customers or the content on their websites could subject us to liability. We provide products and services that enable our customers and users to exchange information and engage in various online activities, and our products and services include substantial user-generated

content. For instance, customers and users include content on their Droplets, post or generate content on our website's community section, and offer applications and integrations through our marketplace. Customer or user content or activity may be infringing, illegal, hostile, offensive, unethical, or inappropriate, may violate our terms of service or a customer's own policies, or may be intended to, or inadvertently, circumvent or threaten the confidentiality, integrity, security or availability of information or network services of other products, services, or systems, including, for example, by launching various attacks. From time to time, we are subject to legal claims **or regulatory enforcement actions** arising from the conduct of certain of our customers and may be subject to additional lawsuits or regulatory enforcement actions relating to the content or actions by our customers or users. Even if claims against us are ultimately unsuccessful, defending against such claims will increase our legal expenses and divert management's attention from the operation of our business, which could adversely impact our business and results of operations, and our brand, reputation, and financial results may be harmed. We (like other intermediary online service providers) rely primarily on two sets of laws in the United States to shield us from legal liability with respect to user activity. The Digital Millennium Copyright Act (DMCA), provides service providers a safe harbor from monetary damages for copyright infringement claims, provided that service providers comply with various requirements designed to stop or discourage infringement on their platforms by their users. Section 230 of the Communications Decency Act (CDA), protects providers of an interactive computer service from liability with respect to most types of content provided over their service by others, including users. Both the DMCA safe harbor and Section 230 of the CDA face regular and current, calls for revision. For example, a variety of bills have been introduced in the U. S. Congress that would seek to make changes to the scope of Section 230 of the CDA, including legislation in the U. S. Congress that, if enacted, would narrow the protections of Section 230 of the CDA. Enactment of this legislation or an unfavorable outcome of the FCC rulemaking could limit our ability to rely on the protections of Section 230 of the CDA. Furthermore, recent litigation has created uncertainty with respect to the applicability of DMCA protections to companies that host substantial amounts of user content. For these reasons and others, now or in the future, the DMCA, CDA, and similar provisions may be interpreted as not applying to us or may provide us with incomplete or insufficient protection from claims. We do not typically monitor the content, activities, or Droplets of our customers or users, so inappropriate content may be posted or activities executed before we are able to take protective action, which could subject us to legal liability. Even if we comply with legal obligations to remove or disable content, we may continue to allow use of our products or services by individuals or entities who others find hostile, offensive, or inappropriate. The activities or content of our customers or users may lead us to experience adverse political, business and reputational consequences, especially if such use is high profile. Conversely, actions we take in response to the activities of our customers or users, up to and including banning them from using our products, services, or websites, may harm our brand and reputation. In addition to liability based on our activities in the United States, we may also be deemed subject to laws in other countries that may not have the same protections or that may impose more onerous obligations on us, which may impose additional liability or expense on us, including additional theories of intermediary liability. For example, in 2019, the European Union approved a copyright directive that will impose additional obligations on online platforms, and failure to comply could give rise to significant liability. Other recent laws in Germany (extremist content), Australia (violent content), India (intermediary liability) and Singapore (online falsehoods), as well as other new similar laws, may also expose cloud- computing companies like us to significant liability. We may incur additional costs to comply with these new laws, which may have an adverse effect on our business, results of operations, and financial condition. Potential litigation could expose us to claims for damages and affect our business, financial condition and results of operations. Our business could be affected by the enactment of new governmental regulations regarding the internet or the application of additional or different existing governmental regulation to our business, products, or services. The legal and regulatory environment pertaining to the internet and products and services such as ours, both in the United States and internationally, is uncertain and may change. New laws may be passed, existing but previously inapplicable or unenforced laws may be deemed to apply, legal safe harbors may be narrowed, and courts may issue decisions affecting existing regulations or leading to new ones. Furthermore, legal and regulatory authorities, both in the United States and internationally, may characterize or recharacterize us and our business, products, or services in ways that would apply additional or different regulations to us. These changes could affect, among other things, areas related to our business such as the following: • the liability of online service providers for actions by customers or users, including fraud, illegal content, spam, phishing, libel and defamation, hate speech, infringement of third- party intellectual property and other abusive conduct; • other claims based on the nature and content of internet materials; • user data privacy and security issues; • consumer protection risks; • evolving regulatory framework for AI / ML; • digital marketing aspects; • characteristics and quality of services, including changes to networking relationships and anti- circumvention technologies; • the contractual terms within our terms of service and other agreements with customers; • cross- border e- commerce issues; and • ease of access by our users to our platform. New laws or regulations, or new applications or interpretations of existing laws or regulations, could hinder growth and decrease acceptance, both of the internet and online services, or of our specific products or services, both generally or with respect to certain uses or industries. Such legal changes could increase our costs of doing business, subject our business to increased liability for non-compliance, or prevent us from marketing or delivering our services over the internet or in specific jurisdictions, thereby materially harming our business and results of operations. In addition, certain jurisdictions may attempt to require us to establish a corporate presence in the country, which, if we were to comply, may also increase our exposure to government requests for censorship and to data breaches in general and, in the case of noncompliance, may subject us to fines or being blocked from doing business in the region. The success of our business depends on our customers' continued and unimpeded access to our platform on the internet and, as a result, also depends on internet providers and the related regulatory environment. Our customers must have internet access in order to use our platform. Some internet providers may take measures that affect their customers' ability to use our platform, such as degrading the quality of the content we transmit over their lines, giving that content lower priority, giving other content higher priority than ours, blocking our content entirely, or attempting to charge their

customers more for using our platform. On multiple occasions, the FCC has adopted and later repealed net neutrality rules that bar internet providers from blocking or slowing down access to online content, thereby protecting services like ours from such interference. The FCC's actions follow changes in the composition of commissioners at the FCC. Currently, there are no federal net neutrality rules; however, on October 19, 2023, the FCC sought comment on a proposal to readopt net neutrality rules essentially in the form they were adopted in 2018. We cannot predict whether or when the FCC will adopt new rules or the impact of any rules that may be adopted on our operations or business. Changes to party composition and control in Congress, statehouses or state legislatures may create at least the possibility that Congress or states may enact laws on net neutrality, though the prospects for such actions are uncertain. Certain states have adopted or are adopting or considering legislation or executive actions that would regulate the conduct of broadband providers. California's net neutrality law took effect in 2021, and a similar law in Vermont is subject to a pending challenge, but went into effect on April 20, 2022. We cannot predict whether future FCC net neutrality rules or other state initiatives will be enforced, modified, overturned or vacated by legal action of a court, federal legislation or the FCC. In addition, the status of state regimes may be affected by the FCC's action in its new network neutrality proceeding. To the extent network operators attempt to interfere with our platform, extract fees from us to deliver our platform or from customers for the use of our platform, or otherwise engage in discriminatory practices, our business could be adversely impacted. Within such a regulatory environment, we could experience discriminatory or anti-competitive practices that could impede our domestic and international growth, cause us to incur additional expense, or otherwise harm our business. The adoption of any new laws or regulations, or the application or interpretation of existing laws or regulations to the internet, could impact our customers' continued and unimpeded access to our platform on the internet. Our increased focus on the development and use of artificial intelligence and machine learning, including through our recent acquisition of Paperspace, may result in reputational harm, liability or other adverse consequences to our business, results of operations or financial results. We continue to invest make investments in areas of strategic focus as we seek to develop new, innovative offerings and improve our existing offerings. In July 2023, we acquired Paperspace in order to expand into the AI / ML product space. The investment in AI / ML offerings, which within our existing product portfolio may result in new or enhanced governmental or regulatory scrutiny, litigation, confidentiality, privacy or security risks, ethical concerns, or other complications that could adversely affect our business, reputation, or financial results. The increasing focus on the risks and strategic importance of AI / ML technologies has already resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI / ML. Several jurisdictions around the world, including the European Union's recently adopted Artificial Intelligence Act, and may in the future result in additional restrictions impacting some of U. S. federal government and certain U. S. states, have proposed, enacted or product are considering laws governing the development and use of service offerings. Complying with multiple regulations from different jurisdictions related to AI / ML states, have proposed, enacted or are considering laws governing the development and use of AI / ML, such as the EU's AI Act. We expect other jurisdictions will adopt similar laws. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our use of AI / ML. These obligations may make it harder for us to conduct our business using AI / ML, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI / ML, or prevent or limit our use of AI / ML. For example, the FTC has required other companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI / ML where they allege the company has violated privacy and consumer protection laws. If Any sensitive information (including confidential, competitive, proprietary, or personal data) that we cannot use input into a third- party generative AI / ML platform or that could increase be leaked our- or cost of doing business or may change disclosed to others, including if sensitive information is used to train the third parties' AI / ML model. Additionally, where an AI / ML model ingests personal data and makes connections using such data, the those way technologies may reveal other personal or sensitive information generated by the model. Moreover, AI / ML models may create flawed, incomplete, or inaccurate outputs, some of which may appear correct. This may happen if the inputs that we operate in certain jurisdictions the model relied on were inaccurate, incomplete or flawed (including if a bad actor "poisons" the AI / ML with bad inputs or logic), or if the logic of the AI / ML is flawed (a so- called "hallucination"). Furthermore, concerns regarding third- party use of AI / ML for purposes contrary to governmental interests, including concerns relating to the misuse of AI / ML applications, models, and solutions, could result in restrictions on AI / ML products, for example those that can be used for training, refining, and deploying large language models (LLMs). Such restrictions could If we cannot use AI / ML or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage. Furthermore, unfavorable developments with evolving laws and regulations affecting AI / ML- related products may limit global adoption the ability of downstream customers and users worldwide to acquire, impede deploy, and use systems that include our strategy products and services, and negatively impact our business long- term expectations in this area. For example, there is significant uncertainty in the U. S. courts as to how AI / ML technologies affect intellectual property ownership, including copyright protections, and financial results the use of AI / ML- related technology in the development of our products or implementation of AI / ML features in our products could expose us or our customers to claims of copyright infringement or misappropriation. We may not be able to anticipate how to respond to or comply with these rapidly evolving frameworks, and we may need to expend resources to adjust our offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. The cost of complying with such frameworks could be significant and may increase our operating expenses. Because AI / ML technology is highly complex and rapidly developing, it is not possible to predict all legal, operational or technological risks that may arise relating offering AI / ML products. It is also unclear how our status as an infrastructure provider for customers developing and deploying AI / ML applications as opposed to developing such applications ourselves will affect the applicability of these regulations on our offerings. We and the third parties with whom we work are subject to stringent and changing privacy evolving U. S. and foreign laws, regulations, and rules, contractual obligations,

industry standards, information security policies and contractual obligations related to data privacy and security. Our (or the third parties with whom we work) actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences. We are **In the ordinary course of business, we process sensitive information. Our data processing activities subject us to a variety of numerous data privacy and security obligations, such as various laws, guidance, industry standards, external and internal privacy and security policies, contractual requirements, directives, regulations, and other obligations relating to data privacy and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security proposed federal, state, local and international laws, including data breach notification laws directives and regulations relating to the collection, use, security, transfer and other processing of personally- personal identifiable information data privacy laws, along with consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). We publish publicly post information about our privacy policies practices but we may be alleged to have failed to do so, which could subject us marketing materials, and other statements, such as statements related to potential compliance with certain certifications or self- regulatory or private party actions principles, concerning data privacy, and security. Regulators in the United States are increasingly scrutinizing these statements, and if such privacy practices these policies, materials or statements are found to be noncompliant deficient, lacking in transparency, deceptive, unfair, misleading, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.** In the United States, these include enforcement actions by federal agencies and state attorneys general. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self- regulatory standards with which we must legally comply or that contractually apply to us. If we fail to follow these security standards even if no customer or user- personal information is compromised, we may incur significant fines or experience a significant increase in costs or reputational harm. Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. Our inability or failure to do so could result in adverse consequences. **In the past few years, numerous Numerous U. S. states — including California, Virginia, Colorado, Connecticut and Utah — have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling and automated decision- making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (CPRA) (collectively, CCPA) applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for civil penalties for violations fines and allows private litigants affected by certain data breaches to recover significant statutory damages. Similar laws are being considered in several other states, as well as at the federal and local levels, and we a private right of action for data breaches that is expected-- expect more to increase data breach litigation. The CCPA may increase our compliance costs and potential liability, and adversely affect our business. Further, the CPRA, which became effective on January 1, 2023, significantly modifies the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state states agency that will be vested with authority to pass similar laws in implement and enforce the CCPA and the CPRA. Aspects of these-- the future state privacy statutes remain unclear, resulting in further legal uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply.** Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union' s General Data Protection Regulation (EU GDPR), the United Kingdom' s GDPR (UK GDPR), and China' s Personal Information Protection Law (PIPL) impose strict requirements for processing personal data. For example, under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros **under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA) and various related provincial laws, as well as Canada' s Anti- Spam Legislation (CASL), may apply to our operations. In Australia, the Privacy Act also applies to our operations. As another example, the General Data Protection Law (Lei Geral de Proteção de Dados Pessoais, or LGPD) (Law No. 13, 709 / 2018) may apply to our operations. The LGPD broadly regulates processing personal data of individuals in Brazil and imposes compliance obligations and penalties comparable to those of the EU GDPR. The Swiss Federal Act on Data Protection, or the FADP, also applies to the collection and processing of personal data by companies located in Switzerland, or in certain circumstances, by companies located outside of Switzerland. We also have customers in Asia and may be subject to new and emerging data privacy regimes in Asia, including China' s PIPL, which imposes a set of specific obligations on covered businesses in connection with their processing and transfer of personal data and imposes fines of up to RMB 50 million or 5 % of the prior year' s total annual revenue of the violator. India' s new privacy legislation, the Digital Personal Data Protection Act (DPDP), also applies to our operations. In addition to the EU GDPR, the European Commission has another draft regulation, known as the Regulation on Privacy and Electronic Communications (ePrivacy Regulation), that would replace the current ePrivacy Directive. New rules related to the ePrivacy Regulation are likely to include enhanced**

consent requirements in order to use communications content and metadata, which may negatively impact our platform and products and our relationships with our customers. Complying with the EU GDPR and the ePrivacy Regulation, if and when the latter becomes effective, may cause us to incur substantial operational costs or require us to change our business practices. We may not be successful in our efforts to achieve compliance and may also experience difficulty retaining or obtaining new European or multi-national customers or significantly increased liability with respect to these customers pursuant to the terms set forth in our engagements with them. While we utilize data centers in the European Economic Area (EEA) to maintain certain customer and user data (which may include personal data) originating from the EU in the EEA, we may find it necessary to establish additional systems and processes to maintain such data in the EEA, which may involve substantial expense and distraction from other aspects of our business. Additionally, data localization requirements in other jurisdictions may cause us to incur potentially significant costs for establishing and maintaining facilities for storing and processing such data. In the ordinary course of business, we ~~may~~ transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the EEA and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt **or have already adopted** similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA and UK's standard contractual clauses, **the UK's International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self-certify compliance and participate in the Framework)**, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions **(such as Europe)** at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations. **Privacy and Obligations related to data privacy protection laws and industry standards around security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these world obligations may be interpreted subject to differing applications and applied in a manner interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data is inconsistent with our existing practices or product and platform capabilities. If so, in addition to the possibility of fines, lawsuits, regulatory actions and penalties, costs for remediation, and damage to our reputation, we could be required to fundamentally change our practices or modify our products and platform capabilities, any of which could have an adverse effect on our business behalf.** Furthermore, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our products. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of our products, particularly in certain industries and foreign countries. **We, or the third parties with whom we work, may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and / or oversight; bans or restrictions on processing personal data; and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for example the recovery of statutory damages on a per violation basis, India and, where new legislation is expected in if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these near-term events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations; interruptions or stoppages of data collection needed to train our algorithms; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.** Furthermore, in order to offer our products to certain customers, we may be required to comply with additional regulations. For example, to offer our products to certain customers in the healthcare industry, we ~~are may be~~ required to implement certain security and privacy measures and related procedures to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) **and we have**. ~~This may require us to execute~~ **executed** HIPAA business associate agreements (BAAs) with certain customers that are "covered entities" under HIPAA, which ~~would~~ subject us to additional liabilities, penalties and fines in the event we fail to comply with the terms of such agreements. The storage of such information

may also require us to modify and enhance our platform at a significant cost. Our policies regarding user privacy could cause us to experience adverse business and reputational consequences with customers, employees, suppliers, government entities, users, and other third parties. From time to time, government entities (including law enforcement bodies) may seek our assistance with obtaining information about our customers or users. Although we strive to protect the privacy of our customers, we may be required from time to time to provide information about our customers to government entities. In light of our privacy commitments, we may legally challenge law enforcement requests to provide access to our systems, customer Droplets, or other user content but may face complaints that we have provided information improperly to law enforcement or in response to third party abuse complaints. We may experience adverse political, business, and reputational consequences, to the extent that we (a) do not provide assistance to or comply with requests from government entities or challenge those requests publicly or in court or (b) provide, or are perceived as providing, assistance to government entities that exceeds our legal obligations. Any such disclosure could significantly and adversely impact our business and reputation. We publish a transparency report on an annual basis to provide details of government entity requests we receive. Our transparency report also includes a list of certain actions we have taken (e. g., disclosure of information) in response to law enforcement requests, as well as our standard policies and procedures regarding any such requests. Both the publishing of our transparency report and, conversely, the actions we take or challenge in response to law enforcement requests could damage our business and reputation. We are subject to anti- corruption, anti- bribery..... and resources. We are subject to governmental export and import controls and, economic sanctions , and foreign investment laws and regulations that could impair our ability to compete in international markets or subject us to liability if we are not in full compliance with applicable laws. Our business activities are subject to various restrictions under United States export , import, sanctions, and similar foreign investment laws and regulations, including , without limitation, the United States Department of Commerce's Export Administration Regulations and various economic and trade sanctions regulations administered by the United States Department of the Treasury Department's Office of Foreign Assets Controls. The United States export control laws and United States economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products and services to United States embargoed or sanctioned countries, governments, persons and entities. In addition, various countries regulate the import of certain technology and have enacted or could enact laws that could limit our ability to provide our customers access to our platform or could limit our customers' ability to access or use our platform in those countries. We incorporate encryption technology into certain of our products. U. S. export control laws require authorization for the export of encryption items. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products and services or could limit our customers' ability to implement our products and services in those countries. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. Trade- related Laws-laws and restrictions continue to evolve in connection with response to geopolitical tensions and the introduction and increasing adoption of new technologies. Most recently, new export controls have included strict licensing restrictions on exports of U. S. regulated semiconductor- and supercomputer- related products and technologies , as well as certain chips and chip- related products and technologies . New regulations relating to certain U. S. person transactions, including acquisitions of equity interest, involving persons with a qualifying nexus to China and specified technology sectors, to include semiconductors and artificial intelligence, also have been implemented. These as well as other restrictions that could be forthcoming may impact certain of our business activities, particularly as they relate directly or indirectly to China. Further, achieving compliance with such developments may require additional resources and raise costs . Although we take precautions to prevent our platform from being provided in violation of such laws, our platform may have in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export privileges and fines. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, compliance costs, or otherwise. Changes in our platform, or future changes in export and import trade- related regulations may prevent our users with international operations from utilizing our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions, foreign investment laws, or other related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential users with international operations. Any decreased use of our platform or limitation on our ability to export or sell our platform would likely adversely affect our business, results of operations, and financial results. We are subject to anti- corruption, anti- bribery, anti- money laundering, and similar laws, and non- compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition and results of operations. We are subject to the U.S. Foreign Corrupt Practices Act (FCPA), U.S. domestic bribery laws, the UK Bribery Act, and other anti- corruption and anti- money laundering laws in the countries in which we conduct activities. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third- party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. As we increase our international business, we may engage with business partners and third party intermediaries to market our products and to obtain necessary permits, licenses, and other regulatory approvals, and may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third- party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. We cannot assure you that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. As we increase our international business, our risks under these

laws may increase related to our environmental, social, and governance activities and disclosures. There is Detecting, investigating, an and increasing focus resolving actual or alleged violations of anti-corruption laws, and responding to any action, can require a significant diversion of time, resources, and attention from regulators senior management and significant defense costs and other professional fees. In addition, noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, various penalties or debarment from contracting with certain investors persons, and other collateral consequences stakeholders concerning environmental, social, and governance (ESG) matters, both in the United States and internationally. If any subpoenas We communicate certain ESG-related initiatives and goals regarding environmental matters, diversity and other matters in this Annual Report on Form 10-K, in our or Proxy Statement investigations are launched, on our or sanctions are imposed, website and elsewhere. Any of our or current if we do not prevail in any possible proceeding, or our business future initiatives, goals financial condition and commitments results of operations could be harmed difficult to achieve and costly to implement. We could fail to achieve, or be perceived to fail to achieve, our ESG-related initiatives, goals and commitments. In addition, responding to we could be criticized for the timing, scope or nature of these initiatives, goals and commitments, or for any action revisions to them. Additionally, there can be no assurance that our reporting frameworks and principles will be likely result in a compliance with any new environmental and social laws and regulations that may be promulgated in the United States and elsewhere, and the costs of changing any of our current practices to comply with any new legal and regulatory requirements in the United States and elsewhere may be substantial. Furthermore, industry and market practices may further develop to become even more robust than what is required under any new laws and regulations, and we may have to expend significant efforts diversion of management's attention and resources to keep up with market trends and stay competitive among our peers. Any failure to obtain, maintain, protect or enforce our intellectual property and proprietary rights could impair our ability to protect our proprietary technology and brand. Our success depends to a significant degree on our ability to obtain, maintain, protect and enforce our intellectual property rights. We rely on a combination of trademarks, service marks, trade secrets, patents, copyrights, contractual restrictions, and confidentiality procedures to establish and protect our intellectual and proprietary rights, including in our technology, know-how, and brand. Legal standards relating to intellectual property rights are uncertain, in both the United States and other jurisdictions in which we operate, and protecting, monitoring, and defending our intellectual property rights might entail significant expense. Intellectual property rights that we have or may obtain may be challenged, circumvented, invalidated or held unenforceable. Furthermore, even though we attempt to enter into contractual provisions with third parties to control access to, or the distribution, use, misuse, misappropriation, reverse engineering or disclosure of, our intellectual property or technology, no assurance can be given that these agreements will be sufficient or effective in protecting our intellectual property rights. Moreover, intellectual property laws, standards, and enforcement mechanisms in foreign countries may be uncertain, may not be as protective of intellectual property rights as those in the United States, or may not be available to us. As we expand our international activities, our exposure to unauthorized copying and use of our products, services, and other intellectual property, such as our trademarks, will likely increase. As we further expand internationally, we may be unable to register, obtain the right to use, or stop others from using, our brand names in certain jurisdictions. Despite our efforts, we may be unable to adequately obtain, maintain, protect, and enforce our intellectual property rights or prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights. If we fail to protect our intellectual property rights adequately, our competitors may gain access to, or be able to replicate, our proprietary technology, products, or services, or may use brands similar to our own valuable brands, and our business, financial condition, results of operations or prospects may be harmed. Our attempt to enforce our intellectual property rights, even if successful, could result in costly litigation or diversion of our management's attention and resources, and, as a result, delay sales or the implementation or introduction of our products and platform capabilities, or injure our reputation. We may become subject to intellectual property claims from third parties, which may subject us to significant liability, increased costs, and impede our ability to operate our business. Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products, services, or intellectual property are infringing, misappropriating, or violating third party intellectual property rights. Additionally, the technology industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the industry are often required to defend against litigation claims based on allegations of infringement, misappropriation or other violations of intellectual property rights, and third parties have brought such claims against us and may bring additional claims against us in the future. In addition, we may become subject to intellectual property disputes or otherwise subjected to liability for customer content on our platform. From time to time, we are subject to legal claims arising from intellectual property disputes regarding our customer's alleged infringement of third party intellectual property and may be subject to similar claims. We expect that the occurrence of infringement claims is likely to grow as the market for our platform and products grows. Lawsuits are time-consuming and expensive to resolve, and they divert management's time and attention, and our technologies or intellectual property may not be able to withstand third party claims against their use. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to do one or more of the following: • cease selling or using products or services that incorporate the intellectual property rights that we allegedly infringe, misappropriate or violate; • make substantial payments for legal fees, settlement payments or other costs or damages; • obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or • redesign the allegedly infringing products to avoid infringement, misappropriation or violation, which could be costly, time-consuming or impossible. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. Even if the claims do not result

in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and, if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of our common stock. We use open source software in our products, which could negatively affect our ability to sell our services or subject us to litigation or other actions. We use open source software in connection with developing, operating, and offering our products, services, and technology, and we expect to continue to incorporate open source software in our products, services, and technology in the future. Some open source projects have known vulnerabilities and architectural instabilities and are provided on an “ as- is ” basis which, if not properly addressed, could negatively affect the performance of our product. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. For example, some open source licenses may, depending on the nature of our use and the terms of the applicable license, include terms requiring us to offer certain of our solutions for no cost, make our source code available, or license our modifications or derivative works under the terms of applicable open source licenses. From time to time, there have also been claims challenging the ownership rights in open source software against companies that incorporate it into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. Our use of open source software, and participation in open source projects, may also limit our ability to assert certain of our intellectual property and proprietary rights against third parties, including competitors, who access or use software or technology that we have contributed to such open source projects. Moreover, we cannot ensure that we have incorporated open source software in our products, services, and technology in a manner that is consistent with the terms of the applicable license or our current policies and procedures. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses or such third party changes the type of open source license applicable to such software without our knowledge, we or our customers could be subject to lawsuits, and we could incur significant legal expenses defending against such allegations, be subject to significant damages resulting from the suits, enjoined from the sale of our products that contained the open source software, and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. Such litigation could be costly for us to defend, have a negative effect on our business, financial condition and results of operations, or require us to devote additional research and development resources to change or reengineer our products or take other remedial actions. Indemnity provisions in various agreements to which we are party potentially expose us to substantial liability for infringement or misappropriation of intellectual property rights, failure to comply with data protection requirements and other losses. Our agreements with our customers and other third parties may include indemnification provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred, including as a result of intellectual property infringement or misappropriation claims or for failure to comply with data protection requirements. Large indemnity payments could harm our business, financial condition and results of operations. Although we attempt to contractually limit our liability with respect to such indemnity obligations, we are not always successful and may still incur substantial liability related to them, and we may be required to cease use of certain functions of our platform or products as a result of any such claims. Any dispute with a customer or other third party with respect to such obligations could have adverse effects on our relationship with such customer or other third party and other existing or prospective customers, reduce demand for our products and services and adversely affect our business, financial conditions and results of operations. In addition, although we carry general liability insurance, our insurance may not be adequate to indemnify us for all liability that may be imposed or otherwise protect us from liabilities or damages with respect to claims alleging compromises of customer data, and any such coverage may not continue to be available to us on acceptable terms or at all. Risks Related to Ownership of Our Common Stock and Our Status as a Public Company Our stock price may be volatile, and the value of our common stock may decline. The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including: • actual or anticipated fluctuations in our financial condition or results of operations; • variance in our financial performance from expectations of securities analysts or the financial guidance we provide to the public; • changes in the pricing of our products and platform; • changes in our projected operating and financial results; • changes in laws or regulations applicable to our platform and products; • announcements by us or our competitors of significant business developments, acquisitions, or new offerings; • significant data breaches, disruptions to or other incidents involving our software; • our involvement in litigation; • future sales of our common stock by us or our stockholders; • changes in senior management or key personnel; • the trading volume of our common stock; • changes in the anticipated future size and growth rate of our market; and • general economic and market conditions. Broad market and industry fluctuations, as well as general economic, geopolitical, regulatory, and market conditions, may also negatively impact the market price of our common stock. In addition, technology stocks have historically experienced high levels of volatility. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We **have in the past and in the future** may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management’s attention. Future sales of our common stock in the public market could cause the market price of our common stock to decline. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. ~~Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold and, therefore, they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares.~~ We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our common stock. We have registered all of the shares of common stock issuable upon the exercise of outstanding options, the settlement of outstanding RSUs, PRSUs, MRSUs or other equity incentives we may grant in the future, for public resale under

the Securities Act. The shares of common stock will become eligible for sale in the public market to the extent such options are exercised or such RSUs, PRSUs, or MRSUs are settled, subject to compliance with applicable securities laws. Further, holders of a substantial number of shares of our capital stock have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise, and any conversions of our convertible notes, will dilute all other stockholders or may otherwise depress the price of our common stock. We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline. For example, if we elect to settle our conversion obligation under our 0 % convertible senior notes due 2026, or the Convertible Notes, in shares of our common stock or a combination of cash and shares of our common stock, the issuance of such common stock may dilute the ownership interests of our stockholders and sales in the public market could adversely affect prevailing market prices. The Convertible Notes are convertible only in certain circumstances as described in the indenture governing the Convertible Notes. Any sales in the public market of the common stock issuable upon any conversion of the Convertible Notes could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our common stock could depress the price of our common stock.

We are required to maintain effective internal control over financial reporting. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our common stock. The Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting and we are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Complying with the Sarbanes-Oxley Act requires a rigorous compliance program as well as adequate time and resources. We may not be able to complete our internal control evaluation, testing and any required remediation in a timely fashion. Additionally, we have in the past and may in the future identify material weaknesses in our internal control over financial reporting and as a result, we may not be able to assert that our internal controls are effective. If we do not successfully remediate any material weaknesses or other deficiencies that arise in the future, we may be unable to accurately report our financial results, which could cause our financial results to be materially misstated and require restatement. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will prevent or avoid potential future material weaknesses. In the fiscal year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting, which was caused by inadequate controls over our tax processes. This material weakness was remediated as of December 31, 2024, as described in more detail under the heading Part II, Item 9A. “ Controls and Procedures ” in this Annual Report on Form 10- K.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock. Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our chief executive officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three- year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of at least 66 2 / 3 % of our outstanding shares of voting stock;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2 / 3 % of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “ interested ” stockholder for a period of three years following the date on which the stockholder became an “ interested ” stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our common stock in an acquisition. Our amended and restated certificate

of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which restricts our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: any derivative action or proceeding brought on our behalf; any action asserting a breach of a fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. The provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. For example, the Court of Chancery of the State of Delaware recently determined that the exclusive forum provision of federal district courts of the United States of America for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. However, this decision may be reviewed and ultimately overturned by the Delaware Supreme Court. If this ultimate adjudication were to occur, we would enforce the federal district court exclusive forum provision in our amended and restated certificate of incorporation. Risks Related to our Outstanding Convertible Notes Servicing our future debt, including the Convertible Notes, may require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness. In November 2021, we issued \$ 1.5 billion aggregate principal amount of the Convertible Notes in a private placement. We may be required to use a substantial portion of our cash flows from operations to pay the principal on our indebtedness. Our ability to make scheduled payments of the principal of, or to refinance our indebtedness, including the Convertible Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Such payments will reduce the funds available to us for working capital, capital expenditures and other corporate purposes and limit our ability to obtain additional financing for working capital, capital expenditures, expansion plans and other investments, which may in turn limit our ability to implement our business strategy, heighten our vulnerability to downturns in our business, the industry, or in the general economy, limit our flexibility in planning for, or reacting to, changes in our business and the industry and prevent us from taking advantage of business opportunities as they arise. Our business may not be able to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, we may incur substantial additional debt in the future, subject to the restrictions contained in our future debt agreements, some of which may be secured debt. We are not restricted under the terms of the indenture governing the Convertible Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt, repurchasing our stock, pledging our assets, making investments, paying dividends, guaranteeing debt or taking a number of other actions that are not limited by the terms of the indenture governing the Convertible Notes that could have the effect of diminishing our ability to make payments on the Convertible Notes when due. The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results. The conditional conversion feature of the Convertible Notes entitles holders of the Convertible Notes to convert the notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders of Convertible Notes do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.