

Risk Factors Comparison 2024-02-14 to 2023-02-16 Form: 10-K

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An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this Annual Report on Form 10-K and in our other public filings before making an investment decision. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. If any such risks and uncertainties actually occurs, our business, financial condition or operating results could differ materially from the plans, projections and other forward- looking statements included in the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” and elsewhere in this report and in our other public filings. The trading price of our common stock could decline due to any of these risks, and, as a result, you may lose all or part of your investment. Risks Related to Our Business and Strategy We are dependent upon customer renewals, the addition of new customers, increased revenue from existing customers and the continued growth of the market for a **CRM customer Platform platform**. We derive, and expect to continue to derive, a substantial portion of our revenue from the sale of subscriptions to our **CRM customer Platform platform**. The market for inbound marketing, sales, service, operations, **, commerce** and ~~content~~ **customer** management products is still evolving, and competitive dynamics may cause pricing levels to change as the market matures and as existing and new market participants introduce new types of point applications and different approaches to enable businesses to address their respective needs. As a result, we may be forced to reduce the prices we charge for our platform and may be unable to renew existing customer agreements or enter into new customer agreements at the same prices and upon the same terms that we have historically. In addition, our growth strategy involves a scalable pricing model (including freemium versions of our products) intended to provide us with an opportunity to increase the value of our customer relationships over time as we expand their use of our platform, sell to other parts of their organizations, cross- sell our sales products to existing marketing product customers and vice versa through touchless or low touch in product purchases, and upsell additional offerings and features. If our cross- selling efforts are unsuccessful or if our existing customers do not expand their use of our platform or adopt additional offerings and features, our operating results may suffer. Our subscription renewal rates may decrease, and any decrease could harm our future revenue and operating results. Our customers have no obligation to renew their subscriptions for our platform after the expiration of their subscription periods, substantially all of which are one year or less. In addition, our customers may seek to renew for lower subscription tiers, for fewer contacts or seats, or for shorter contract lengths. Also, customers may choose not to renew their subscriptions for a variety of reasons. Our renewal rates may decline or fluctuate as a result of a number of factors, including limited customer resources, pricing changes, the prices of services offered by our competitors, adoption and utilization of our platform and add- on applications by our customers, adoption of our new products, customer satisfaction with our platform, mergers and acquisitions affecting our customer base, reductions in our customers’ spending levels or declines in customer activity as a result of economic downturns or uncertainty in financial markets. If our customers do not renew their subscriptions for our platform or decrease the amount they spend with us, our revenue will decline and our business will suffer. In addition, a subscription model creates certain risks related to the timing of revenue recognition and potential reductions in cash flows. A portion of the subscription- based revenue we report each quarter results from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. In addition, we do not record deferred revenue beyond amounts invoiced as a liability on our balance sheet. A decline in new or renewed subscriptions in any period may not be immediately reflected in our reported financial results for that period, but may result in a decline in our revenue in future quarters. If we were to experience significant downturns in subscription sales and renewal rates, our reported financial results might not reflect such downturns until future periods. We face significant competition from both established and new companies offering marketing, sales, customer service, operations, **, commerce**, and content management software and other related applications, as well as internally developed software, which may harm our ability to add new customers, retain existing customers and grow our business. The marketing, sales, customer service, operations, **, commerce**, and content management software market is evolving, highly competitive and significantly fragmented. With the introduction of new technologies and the potential entry of new competitors into the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, maintain or increase renewals and maintain our prices. We face intense competition from other software companies that develop marketing, sales, customer service, operations, and content management software and from marketing services companies that provide interactive marketing services. Competition could significantly impede our ability to sell subscriptions to our **CRM customer Platform platform** on terms favorable to us. Our current and potential competitors may develop and market new **technologies including as a result of new or better use of evolving artificial intelligence (“ AI ”)** technologies that render our existing or future products less competitive, or obsolete. In addition, if these competitors develop products with similar or superior functionality to our platform, we may need to decrease the prices or accept less favorable terms for our platform subscriptions in order to remain competitive. If we are unable to maintain our pricing due to competitive pressures, our margins will be reduced and our operating results will be negatively affected. Our competitors include: • cloud- based marketing automation providers; • email marketing software vendors; • sales force automation and CRM software vendors; • large- scale enterprise suites; • customer service software providers; and • content management systems. In addition, instead of using our platform, some prospective customers may elect to combine disparate point applications, such as content management, marketing automation, CRM, analytics and social media management. We expect that new competitors, such as enterprise software vendors that have traditionally focused on enterprise resource planning or other applications supporting back office

functions, will develop and introduce applications serving customer-facing and other front office functions. This development could have an adverse effect on our business, operating results and financial condition. In addition, sales force automation and CRM vendors could acquire or develop applications that compete with our sales and CRM offerings. Some of these companies have acquired social media marketing and other marketing software providers to integrate with their broader offerings. Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we have, be able to devote greater resources to the development, promotion, sale and support of their products and services, may have more extensive customer bases and broader customer relationships than we have, and may have longer operating histories and greater name recognition than we have. As a result, these competitors may respond faster to new technologies and undertake more extensive marketing campaigns for their products. In a few cases, these vendors may also be able to offer marketing, sales, customer service and content management software at little or no additional cost by bundling it with their existing suite of applications. To the extent any of our competitors has existing relationships with potential customers for either marketing software or other applications, those customers may be unwilling to purchase our platform because of their existing relationships with our competitor. If we are unable to compete with such companies, the demand for our CRM-customer Platform-platform could substantially decline. In addition, if one or more of our competitors were to merge or partner with another of our competitors, our ability to compete effectively could be adversely affected. Our competitors may also establish or strengthen cooperative relationships with our current or future strategic distribution and technology partners or other parties with whom we have relationships, thereby limiting our ability to promote and implement our platform. We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our business, operating results and financial condition. We have experienced rapid growth and organizational change in recent periods and expect growth of headcount and operations over the long-term. If we fail to manage growth and organizational change effectively, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately. After Prior to the implementation of our Restructuring Plan in January 2023, our headcount and operations continued to grow grow substantially. For example, we had 7,433-663 full-time employees as of December 31, 2022-2023 and 7,433 as compared with 5,895 as of December 31, 2021-2022. To date, we have opened several international offices. This growth has placed, and will continue to place, a significant strain on our management, administrative, operational and financial infrastructure. We While we expect to continue to grow headcount and operations over the long-term, in January 2023, we authorized a workforce reduction impacting approximately 7% of our workforce and began existing select leases to consolidate our office space. We may be unable to effectively manage the organizational changes we are making in connection with the Restructuring Plan, which could result in difficulty or delays in delivering our products to customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new products and services or enhancing existing products and services, reputational harm, loss of customers, or operational difficulties in executing sales strategies, any of which could adversely affect our business performance and operating results. We anticipate future growth will be required over the long term to address increases in our product offerings and continued expansion. Our success will depend in part upon our ability to recruit, hire, train, manage and integrate qualified managers, technical personnel and employees in specialized roles within our company, including in technology, sales and marketing. Furthermore, as more of our employees work remotely from geographic areas across the globe on a permanent basis pursuant to our hybrid workplace model, which provides our employees with the option to be fully remote, work full-time from one of our offices, or have the flexibility to work both in the office and remotely, we may need to reallocate our investment of resources and closely monitor a variety of local regulations and requirements, including local tax laws. We may experience unpredictability in our expenses and employee work culture. If we experience any of these effects in connection with future growth, if our new employees perform poorly, or if we are unsuccessful in recruiting, hiring, training, managing and integrating new employees, or retaining our existing employees, it could materially impair our ability to attract new customers, retain existing customers and expand their use of our platform, all of which would materially and adversely affect our business, financial condition and results of operations. In addition, our information technology infrastructure, operational, financial and management systems and procedures may not be able to effectively manage changes to our headcount, operations and office space that result from the Restructuring Plan. Our Plan will increase our short-term costs, which will make it more difficult for us to address any future revenue shortfalls by reducing expenses in the short-term. If we fail to successfully manage organizational changes in connection with the Restructuring Plan or our future growth, we will be unable to successfully execute our business plan, which could have a negative impact on our business, results of operations or financial condition. Failure to effectively develop and expand our marketing, sales, customer service, operations, commerce and content management capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our platform. To increase Customers and achieve broader market acceptance of our CRM-customer Platform-platform, we will need to continue to expand our marketing, sales, customer service, operations, and content management capabilities, including our sales force and third-party channel partners. We will continue to dedicate significant resources to inbound sales and marketing programs. The effectiveness of our inbound sales and marketing and third-party channel partners has varied over time and may vary in the future and depends on our ability to maintain and improve our CRM-customer Platform-platform including with respect to AI and machine learning. All of these efforts will require us to invest significant financial and other resources. Our business will be seriously harmed if our efforts do not generate a correspondingly significant increase in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if our sales and marketing programs are not effective. The rate of growth of our business depends on the continued participation and level of service of our Solutions Partners. We rely on our Solutions Partners to provide certain services to our customers, as well as pursue sales of our CRM-customer Platform-platform to customers. To the extent we do not attract new Solutions Partners, or existing or new Solutions Partners do not refer a growing number of customers to us, our revenue and operating results would be

harm. In addition, if our Solutions Partners do not continue to provide services to our customers, we would be required to provide such services ourselves either by expanding our internal team or engaging other third-party providers, which would increase our operating costs. If we fail to maintain our inbound thought leadership position, our business may suffer. We believe that maintaining our thought leadership position in inbound marketing, sales, services, operations, **commerce** and content management is an important element in attracting new customers. We devote significant resources to develop and maintain our thought leadership position, with a focus on identifying and interpreting emerging trends in the inbound experience, shaping and guiding industry dialog and creating and sharing the best inbound practices. Our activities related to developing and maintaining our thought leadership may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in such effort. We rely upon the continued services of our management and employees with domain expertise with inbound marketing, sales, services, operations, and content management, and the loss of any key employees in this area could harm our competitive position and reputation. If we fail to successfully grow and maintain our thought leadership position, we may not attract enough new customers or retain our existing customers, and our business could suffer. If we fail to further enhance our brand and maintain our existing strong brand awareness, our ability to expand our customer base will be impaired and our financial condition may suffer. We believe that our development of the HubSpot brand is critical to achieving widespread awareness of our existing and future inbound experience solutions, and, as a result, is important to attracting new customers and maintaining existing customers. In the past, our efforts to build our brand have involved significant expenses, and we believe that this investment has resulted in strong brand recognition in the B2B market. Successful promotion and maintenance of our brands will depend largely on the effectiveness of our marketing efforts and on our ability to provide a reliable and useful **CRM customer Platform platform** at competitive prices. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incurred in building our brand. If we fail to successfully promote and maintain our brand, our business could suffer. If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards and changing customer needs or requirements, our **CRM customer Platform platform** may become less competitive. Our future success depends on our ability to adapt and innovate our **CRM customer Platform platform**. To attract new customers and increase revenue from existing customers, we need to continue to enhance and improve our offerings to meet customer needs at prices that our customers are willing to pay. Such efforts will require adding new functionality and responding to technological advancements, **including AI and machine learning**, which will increase our research and development costs. If we are unable to develop new applications that address our customers' needs, or to enhance and improve our platform in a timely manner, we may not be able to maintain or increase market acceptance of our platform. Our ability to grow is also subject to the risk of future disruptive technologies. Access and use of our **CRM customer Platform platform** is provided via the cloud, which, itself, was disruptive to the previous enterprise software model. If new technologies emerge that are able to deliver inbound marketing software and related applications at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect our ability to compete. If we fail to offer high-quality customer support, our business and reputation may suffer. High-quality education, training and customer support are important for the successful marketing, sale and use of our **CRM customer Platform platform** and for the renewal of existing customers. Providing this education, training and support requires that our personnel who manage our online training resource, HubSpot Academy, or provide customer support have specific inbound experience domain knowledge and expertise, making it more difficult for us to hire qualified personnel and to scale up our support operations. The importance of high-quality customer support will increase as we expand our business and pursue new customers. If we do not help our customers use multiple applications within our **CRM customer Platform platform** and provide effective ongoing support, our ability to sell additional functionality and services to, or to retain, existing customers may suffer and our reputation with existing or potential customers may be harmed. We may not be able to scale our business quickly enough to meet our customers' growing needs and if we are not able to grow efficiently, our operating results could be harmed. As usage of our **CRM customer Platform platform** grows and as customers use our platform for additional inbound applications, such as sales and services, we will need to devote additional resources to improving our application architecture, integrating with third-party systems and maintaining infrastructure performance. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support and professional services, to serve our growing customer base, particularly as our customer demographics change over time. Any failure of or delay in these efforts could cause impaired system performance and reduced customer satisfaction. These issues could reduce the attractiveness of our **CRM customer Platform platform** to customers, resulting in decreased sales to new customers, lower renewal rates by existing customers, the issuance of service credits, or requested refunds, which could impede our revenue growth and harm our reputation. Even if we are able to upgrade our systems and expand our staff, any such expansion will be expensive and complex, requiring management's time and attention. We could also face inefficiencies or operational failures as a result of our efforts to scale our infrastructure. Moreover, there are inherent risks associated with upgrading, improving and expanding our information technology systems. We cannot be sure that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. ~~These efforts may reduce revenue and our margins and adversely affect our financial results.~~ Our ability to introduce new products and features is dependent on adequate research and development resources. If we do not adequately fund our research and development efforts, we may not be able to compete effectively and our business and operating results may be harmed. To remain competitive, we must continue to develop new product offerings, applications, features and enhancements to our existing **CRM customer Platform platform**. Maintaining adequate research and development personnel and resources to meet the demands of the market is essential. If we are unable to develop our platform internally due to certain constraints, such as high employee turnover, lack of management ability or a lack of other research and development resources, we may miss market opportunities. Further, many of our competitors expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater

resources to our competitors' research and development programs. Our failure to maintain adequate research and development resources or to compete effectively with the research and development programs of our competitors could materially adversely affect our business. **The development of next- generation solutions that utilize new and advanced features, including AI and machine learning, involves making predictions regarding the willingness of the market to adopt such technologies over legacy solutions. The Company may be required to commit significant resources to developing new products, software and services before knowing whether such investment will result in products or services that the market will accept. The Company' s inability, for technological or other reasons, some of which may be beyond the Company' s control, to enhance, develop, introduce and monetize products and services in a timely manner, or at all, in response to changing market conditions or customer requirements could have a material adverse effect on the Company' s business, results of operations and financial condition or could result in its products and services not achieving market acceptance or becoming obsolete. In addition, if the Company fails to deliver a compelling customer experience or accurately predict emerging technological trends and the changing needs of customers and end users, or if the features of its new products and services do not meet the demands of its customers or are not sufficiently differentiated from those of its competitors, the Company' s business, results of operations and financial condition could be materially harmed. Uncertainty around new and emerging AI applications such as generative AI content creation may require additional investment in the development of proprietary datasets, machine learning models and systems to test for accuracy, bias and other variables, which are often complex, development of new approaches and processes to provide attribution or remuneration to content creators and building systems that enable creatives to have greater control over the use of their work in the development of AI, which may be costly and could impact our profit margin if we are unable to monetize such assets. In addition, AI technologies, including generative AI, may create content that appears correct but is factually inaccurate or flawed, or contains copyrighted or other protected material, and if our customers or others use this flawed content to their detriment, we may be exposed to brand or reputational harm, competitive harm, and / or legal liability. Developing, testing and deploying AI systems may also increase the cost profile of our offerings due to the nature of the computing costs involved in such systems.** Changes in the sizes or types of businesses that purchase our platform or in the applications within our ~~CRM-customer Platform-platform~~ purchased or used by our customers could negatively affect our operating results. Our strategy is to sell subscriptions to our ~~CRM-customer Platform-platform~~ to mid- sized businesses, but we have sold and will continue to sell to organizations ranging from small businesses to enterprises. Our gross margins can vary depending on numerous factors related to the implementation and use of our ~~CRM-customer Platform-platform~~, including the sophistication and intensity of our customers' use of our platform and the level of professional services and support required by a customer. Sales to enterprise customers may entail longer sales cycles and more significant selling efforts. Selling to small businesses may involve greater credit risk and uncertainty. If there are changes in the mix of businesses that purchase our platform or the mix of the product plans purchased by our customers, our gross margins could decrease and our operating results could be adversely affected. We have in the past completed acquisitions and may acquire or invest in other companies or technologies in the future, which could divert management' s attention, fail to meet our expectations, result in additional dilution to our stockholders, increase expenses, disrupt our operations or harm our operating results. We have in the past acquired, and we may in the future acquire or invest in, businesses, products or technologies that we believe could complement or expand our platform, enhance our technical capabilities or otherwise offer growth opportunities. **For example, in December 2023, we acquired Clearbit, a B2B data provider.** We may not be able to fully realize the anticipated benefits of historical or any future acquisitions. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses related to identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. There are inherent risks in integrating and managing acquisitions. If we acquire additional businesses, we may not be able to assimilate or integrate the acquired personnel, operations and technologies successfully or effectively manage the combined business following the acquisition and our management may be distracted from operating our business. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including: unanticipated costs or liabilities associated with the acquisition; incurrence of acquisition- related costs, which would be recognized as a current period expense; inability to generate sufficient revenue to offset acquisition or investment costs; the inability to maintain relationships with customers and partners of the acquired business; the difficulty of incorporating acquired technology and rights into our platform and of maintaining quality and security standards consistent with our brand; delays in customer purchases due to uncertainty related to any acquisition; the need to integrate or implement additional controls, procedures and policies; challenges caused by distance, language and cultural differences; harm to our existing business relationships with business partners and customers as a result of the acquisition; the potential loss of key employees; use of resources that are needed in other parts of our business and diversion of management and employee resources; and use of substantial portions of our available cash or the incurrence of debt to consummate the acquisition. Acquisitions also increase the risk of unforeseen legal **and compliance liability liabilities**, including for potential violations of applicable law or industry rules and regulations, arising from prior or ongoing acts or omissions by the acquired businesses which are not discovered by due diligence during the acquisition process, **including data handling and privacy violations**. Generally, if an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our business, results of operations or financial condition. In addition, a significant portion of the purchase price of companies we acquire may be allocated to goodwill and other intangible assets, which must be assessed for impairment at least annually. If our acquisitions do not ultimately yield expected returns, we may be required to make charges to our operating results based on our impairment assessment process, which could harm our results of operations. Because our long-term growth strategy involves further expansion of our sales to customers outside the United States, our business will be susceptible to risks associated with international operations. A component of our growth strategy involves the further expansion

of our operations and customer base internationally. We have formed several international entities and may plan to form additional entities in the future. These international operations focus primarily on sales, professional services and support, and select international locations have development teams. Our current international operations and future initiatives will involve a variety of risks, including: • difficulties in maintaining our company culture with a dispersed and distant workforce; • more stringent regulations relating to data security and the unauthorized use of, or access to, commercial and personal data, particularly in the European Union; • unexpected changes in regulatory requirements, taxes or trade laws; • differing labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations; • challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs; • difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems and regulatory systems; • currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions ~~if we chose to do so in the future~~; • global economic uncertainty caused by global political events; • limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries; • limited or insufficient intellectual property protection; • international disputes, wars (such as the conflict between Russia and Ukraine **and the evolving events in Israel and Gaza**), political instability or terrorist activities; and resulting economic instability; • likelihood of potential or actual violations of domestic and international anticorruption laws, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act, or of U. S. and international export control and sanctions regulations, which likelihood may increase with an increase of sales or operations in foreign jurisdictions and operations in certain industries; and • adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If in the future, we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and operating results will suffer. We continue to implement policies and procedures to facilitate our compliance with U. S. laws and regulations applicable to or arising from ~~our our international~~ **international** business. Inadequacies in our past or current compliance practices may increase the risk of inadvertent violations of such laws and regulations, which could lead to financial and other penalties that could damage our reputation and impose costs on us.

Social Our Restructuring Plan and **ethical issues relating** associated organizational changes may not adequately reduce our operating costs or improve operating margins, may lead to **the** additional workforce attrition, and may cause ~~use~~ operational disruptions. In January 2023, we began implementing our Restructuring Plan that is designed to reduce operating costs and enable investment in key opportunities for long-term growth while driving continued profitability. The Restructuring Plan includes a reduction of **new** the Company's current workforce by approximately 7% and **evolving technologies** a lease consolidation to create higher density across our workspaces. The Company estimates that it will incur charges of approximately \$ 72. 0 million to \$ 105. 0 million in connection with the Restructuring Plan, consisting primarily of cash expenditures. \$ 24. 0 million to \$ 31. 0 million of the charges under the Restructuring Plan are related to employee severance costs and \$ 48. 0 million to \$ 74. 0 million of the charges are related to lease consolidation. The estimates of the charges and expenditures that we expect to incur in connection with the Restructuring Plan, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and we may incur costs that are greater than we currently expect in connection with the Restructuring Plan. The Restructuring Plan may yield unintended consequences and costs, such as **AI** the loss of institutional knowledge and expertise, employee attrition beyond our intended reduction in force, a reduction in morale among our remaining employees **offerings may result in reputational harm and liability. Social and ethical issues relating to the use of new and evolving technologies such as AI in our offerings, greater may result in reputational harm and liability, and may cause us to incur additional research and development costs to resolve such issues. We are increasingly building AI into many of our offerings, including early - stage generative AI features. As** than-anticipated costs incurred in connection with **many innovations** implementing the Restructuring Plan, and the **AI presents risk risks and challenges** that **could** we may not achieve the benefits from the Restructuring Plan to the extent or as quickly as we anticipate, all of which may have a material adverse effect **affect its adoption, and therefore our business. If we enable or offer solutions that draw controversy due to their perceived or actual impact on human rights, privacy, employment, our - or in other social contexts, we may experience brand** results of operations or financial condition. These restructuring initiatives could place substantial demands on our ~~or~~ management **reputational harm, competitive harm or legal liability. Potential government regulation related to AI use and employees ethics may also increase the burden and cost of research and development in this area, and failure to properly remediate AI usage or ethics issues may cause public confidence in AI to be undermined**, which could **slow** lead to the diversion of our management's and employees' attention from other business priorities. In addition **adoption**, while certain positions have been eliminated in connection with the Restructuring Plan, certain functions necessary to our reduced operations remain, and we may be unsuccessful in distributing the duties and obligations of **AI in** departed employees among our remaining employees or **our** to external **products and service services** providers, which could result in disruptions to our operations. We may also discover **The rapid evolution of AI will require the application of resources to develop, test and maintain our products and services to help ensure that AI is implemented ethically in order** the workforce reduction and other restructuring efforts will make it difficult for us to **minimize unintended** pursue new opportunities and initiatives and require us to hire qualified replacement personnel, **harmful** which may require us to incur additional and unanticipated costs and expenses. We may further discover that, despite the implementation of our Restructuring Plan, we may require additional capital to continue expanding our business, and we may be unable to obtain such capital on acceptable terms, if at all. Our failure to successfully accomplish any of the above activities and goals may have a material adverse impact on our business, financial condition, and results of operations. Risks Related to Employee Matters If we cannot

maintain our company culture as we experience changes in our workforce, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success and our business may be harmed. We believe that a critical component to our success has been our company culture, which is based on transparency and personal autonomy. We have invested substantial time and resources in building our team within this company culture. ~~In January 2023, we authorized a workforce reduction impacting approximately 7% of our workforce as part of our Restructuring Plan. The workforce reduction may make it more difficult to preserve our company culture and may negatively impact employee morale.~~ In 2020, we made the decision to permanently move to a hybrid workplace model, which means our employees have the option to be fully remote, work full-time from one of our offices, or work both in the office and remotely. Preservation of our corporate culture has been made more difficult as ~~a the~~ majority of our workforce has been working from home ~~in connection with our hybrid workplace model, and may become more difficult due to the changes resulting from the Restructuring Plan.~~ Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. As we grow and continue to develop our company infrastructure, and experience organizational change, we may find it difficult to maintain these important aspects of our company culture and our business may be adversely impacted. ~~We rely on our management team and other key employees, and the loss of one or more key employees could harm our business. Our success and future growth depend upon the continued services of our management team, including our co-founders, Brian Halligan and Dharmesh Shah, our chief executive officer, Yamini Rangan, and other key employees in the areas of research and development, marketing, sales, services, operations, content management, and general and administrative functions. From time to time, there may be changes in our management team resulting from the hiring or departure of executives, which could disrupt our business. We also are dependent on the continued service of our existing software engineers and information technology personnel because of the complexity of our platform, technologies and infrastructure. We may terminate any employee's employment at any time, with or without cause, and any employee may resign at any time, with or without cause. We do not have employment agreements with any of our key personnel. The loss of one or more of our key employees could harm our business. The failure to attract and retain additional qualified personnel could prevent us from executing our business strategy. To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other companies for software developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled information technology, marketing, sales and operations professionals, and we may not be successful in attracting and retaining the professionals we need. Also, inbound sales, marketing, services, operations, and content management domain experts are very important to our success and are difficult to replace. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and difficulty in retaining highly skilled employees with appropriate qualifications. In particular, we have experienced a competitive hiring environment in the Greater Boston area, where we are headquartered and will continue to experience a competitive hiring environment as we recruit for remote talent worldwide. Many of the companies with which we compete for experienced personnel have greater resources than we do. The change by companies to offer a remote or hybrid work environment may increase the competition for such employees from employers outside of our traditional office locations. The workforce reduction we are implementing as part of our Restructuring Plan may negatively impact our ability to attract, integrate, retain and motivate highly qualified employees, and may harm our reputation with current or prospective employees.~~In addition, if we choose to no longer offer a remote or hybrid work environment, we may face more difficulty in retaining our workforce. Further, labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled workers and leaders, cost inflation, and workforce participation rates. In addition, if our reputation were to be harmed, whether as a result of media, legislative, or regulatory scrutiny or otherwise, it could make it more difficult to attract and retain personnel that are critical to the success of our business. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of equity incentives they are to receive in connection with their employment. If the price of our stock declines, or experiences significant volatility, our ability to attract or retain key employees will be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

Risks Related to Global Economic Conditions We are exposed to fluctuations in currency exchange rates that could adversely affect our financial results. We face exposure to movements in currency exchange rates, which may cause our revenue and operating results to differ materially from expectations. As we have expanded our international operations, our exposure to exchange rate fluctuations has increased, in particular with respect to the Euro, British Pound Sterling, Australian Dollar, Singapore Dollar, Japanese Yen, Colombian Peso, and Canadian Dollar. Fluctuations in the value of the U. S. dollar versus foreign currencies may impact our operating results when translated into U. S. dollars. Thus, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign currency exchange rates. As exchange rates vary, revenue, cost of revenue, operating expenses and other operating results, when re-measured, may differ materially from expectations. In addition, our operating results are subject to fluctuation if our mix of U. S. and foreign currency denominated transactions and expenses changes in the future. ~~While we have limited~~

Our Board recently approved a hedging program intended to allow us to mitigate foreign exchange impacts, such as exposure to currency exchange exposure to the Russian, Belarusian and Ukrainian rates in connection with significant transactions denominated in currencies other than the U. S. dollar. we expect by entering into derivatives transactions such as foreign exchange rates with respect to forwards. Once implemented, these there can currencies to be volatile and no guarantee or assurance that such hedging program (or any other strategies we implement in exchange rates may also be more volatile than normal as a result of the ongoing conflict between Russia and Ukraine. Such volatility, even when it increases our revenues or decreases our expenses, impacts our ability to predict our future results and earnings accurately. Although we may apply certain strategies to mitigate foreign currency risk ;) and these the strategies might not we would employ pursuant thereto would be effective to reduce or eliminate our exposure to foreign exchange rate fluctuations ~~and~~

would involve costs and risks of their ~~own~~ **the own extent we anticipate**, or at all such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications. Additionally, as we anticipate growing our business further outside of the United States, the effects of movements in currency exchange rates will increase as our transaction volume outside of the United States increases. Weakened global economic conditions may harm our industry, business and results of operations. Our overall performance depends in part on worldwide economic conditions. Global financial developments and downturns seemingly unrelated to us or the software industry may harm us. The United States and other key international economies have been affected from time to time by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, **volatility in the banking sector, changes in the labor market, supply chain disruptions**, bankruptcies, inflation and overall uncertainty with respect to the economy, including with respect to tariff and trade issues. **Moreover, a potential U. S. federal government shutdown resulting from budgetary decisions, a prolonged continuing resolution, breach of the federal debt ceiling, or a potential U. S. sovereign default and the uncertainty surrounding the 2024 U. S. Presidential Election may increase uncertainty and volatility in the global economy and financial markets**. Weak economic conditions or significant uncertainty regarding the stability of financial markets related to stock market volatility, inflation, recession, changes in tariffs, trade agreements or governmental fiscal, monetary and tax policies, among others, could adversely impact our business, financial condition and operating results. Further, weak market conditions have, and could in the future result in, impairment of our investments and long- lived assets. Further, the economies of countries in Europe have been experiencing weakness associated with high sovereign debt levels, weakness in the banking sector, uncertainty over the future of the Euro zone and volatility in the value of the pound sterling and the Euro and instability resulting from the ongoing conflict between Russia and Ukraine. The effect of the conflict between Russia and Ukraine, including any resulting sanctions, export controls or other restrictive actions that may be imposed against governmental or other entities in, for example, Russia, have in the past contributed and may in the future contribute to disruption, instability and volatility in the global markets. We have operations, as well as current and potential new customers, throughout Europe. If economic conditions in Europe and other key markets for our platform continue to remain uncertain or deteriorate further, it could adversely affect our customers' ability or willingness to subscribe to our platform, delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions or affect renewal rates, all of which could harm our operating results. More recently, global inflation rates have increased to levels not seen in several decades, which may result in decreased demand for our products and services, increases in our operating costs, including our labor costs, constrained credit and liquidity, reduced government spending and volatility in financial markets. The Federal Reserve and other international government agencies have raised, and may again raise, interest rates in response to concerns over inflation risk. Increases in interest rates on credit and debt that would increase the cost of any borrowing that we may make from time to time and could impact our ability to access the capital markets. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. In an inflationary environment, we may be unable to raise the sales prices of our products and services at or above the rate at which our costs increase, which could / would reduce our profit margins and have a material adverse effect on our financial results and net income. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in consumer spending or a negative reaction to our pricing. A reduction in our revenue would be detrimental to our profitability and financial condition and could also have an adverse impact on our future growth. There continues to be uncertainty in the changing market and economic conditions, including the possibility of additional measures that could be taken by the Federal Reserve and other domestic and international government agencies, related to concerns over inflation risk. A sharp rise in interest rates could have an adverse impact on the fair market value of certain securities in our portfolio and investments in some financial instruments could pose risks arising from market liquidity and credit concerns, which could adversely affect our financial results. The current economic downturn may lead to decreased demand for our products and services and otherwise harm our business and results of operations. Our overall performance depends, in part, on worldwide economic conditions. In recent months, we have observed increased economic uncertainty in the United States and abroad. Impacts of such economic weakness include: • falling overall demand for goods and services, leading to reduced profitability; • reduced credit availability; • higher borrowing costs; • reduced liquidity; • **changes in the labor market; • supply chain disruptions; •** volatility in credit, equity and foreign exchange markets; and • bankruptcies. These developments could lead to inflation, higher interest rates, and uncertainty about business continuity, which may adversely affect our business and our results of operations. As our customers react to global economic conditions and the potential for a global recession, we may see them reduce spending on our products and take additional precautionary measures to limit or delay expenditures and preserve capital and liquidity. Reductions in spending on our solutions, delays in purchasing decisions, lack of renewals, inability to attract new customers, as well as pressure for extended billing terms or pricing discounts, would limit our ability to grow our business and could negatively affect our operating results and financial condition. Risks Related to Our Technical Operations Infrastructure and Dependence on Third Parties Interruptions or delays in service from our third- party data center providers could impair our ability to deliver our platform to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers, limited growth and reduction in revenue. We currently serve the majority of our platform functions from third- party data center hosting facilities operated by Amazon Web Services in the United States and Europe. We also have several colocations which host certain critical services (for example, VPN access) in various locations around the world. In addition, we use Cloudflare Global CDN to optimize content delivery across our locations. Any damage to, or failure of, the systems of our third- party providers could result in interruptions to our platform. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, a natural disaster, such as earthquakes or hurricane, an act of terrorism, **geopolitical conflict**, vandalism or sabotage, **a disruptive cyber attack**, a decision to close a facility without adequate notice, power or telecommunications failures or other

unanticipated problems at a facility could result in lengthy interruptions in the availability of our on- demand software. In the event that any of our third- party facilities arrangements is terminated, or if there is a lapse of service or damage to a facility, we could experience interruptions in our platform as well as delays and additional expenses in arranging new facilities and services. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could materially adversely affect our business. If our CRM-customer Platform-platform has outages or fails due to defects or similar problems, and if we fail to correct any defect or other software problems, we could lose customers, become subject to service performance or warranty claims or incur significant costs. Our CRM-customer Platform-platform and its underlying infrastructure are inherently complex and may contain material defects or errors. We release modifications, updates, bug fixes and other changes to our software several times per day, without traditional human- performed quality control reviews for each release. We have from time to time found defects in our software and may discover additional defects in the future. We may not be able to detect and correct defects or errors before customers begin to use our platform or its applications. Consequently, we or our customers may discover defects or errors after our platform has been implemented. Defects or errors could result in product outages and could also cause inaccuracies in the data we collect and process for our customers, or even the loss, damage or inadvertent release of such confidential data. We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of product outages, defects or inaccuracies in the data we collect for our customers, or the loss, damage or inadvertent release of confidential data could cause our reputation to be harmed, and customers may elect not to purchase or renew their agreements with us. Furthermore, these issues could subject us to service performance credits (whether offered by us or required by contract), warranty claims or increased insurance costs. The costs associated with product outages, any material defects or errors in our platform or other performance problems may be substantial and could materially adversely affect our operating results. In addition, third- party applications and features on our CRM-customer Platform-platform may not meet the same quality standards that we apply to our own development efforts and, to the extent they contain bugs, vulnerabilities or defects, they may create disruptions in our customers' use of our products, lead to data loss, unauthorized access to customer data, damage our brand and reputation and affect the continued use of our products, any of which could harm our business, results of operations and financial condition. If our information technology systems, including our CRM-customer Platform-platform, have outages or fail due to defects or similar problems, and if we fail to correct any defect or other software problems, it could disrupt our internal operations or services provided to customers, and could reduce our revenue, increase our expenses, damage our reputation and adversely affect our cash flows and stock price. We rely on our information technology systems, including the sustained and uninterrupted performance of our CRM-customer Platform-platform, to manage numerous aspects of our business, including marketing, sales, content management, customer service and other internal operations. Our information technology systems are an essential component of our business and any disruption could significantly limit our ability to manage and operate our business efficiently. Our CRM-customer Platform-platform and its underlying infrastructure are inherently complex and may contain material defects or errors. We release modifications, updates, bug fixes and other changes to our software several times per day, without traditional human- performed quality control reviews for each release. **While we seek to implement secure development practices, we cannot eliminate the risk that our applications may have vulnerabilities.** We have from time to time found defects in our software and may discover in the future additional defects, outages, delays or cessations of service, performance and quality problems or may produce errors in connection with systems integrations, migration work or other causes, which could result in business disruptions and the process of remediating them could be more expensive, time- consuming, disruptive and resource intensive than planned. Such disruptions could adversely impact our internal operations and interrupt other processes. Delayed sales, lower margins or lost customers resulting from these disruptions could reduce our revenue, increase our expenses, damage our reputation and adversely affect our cash flows and stock price. We are dependent on the continued availability of third- party data hosting and transmission services. A significant portion of our operating cost is from our third- party data hosting and transmission services, including Amazon Web Services (" AWS "), which hosts the substantial majority of our products and platform. If the costs for such services increase due to vendor consolidation, regulation, contract renegotiation, or otherwise, we may not be able to increase the fees for our CRM-customer Platform-platform or services to cover the changes, which could have a negative impact on our operating results. Additionally, our customers need to be able to access our platform at any time, without interruption or degradation of performance. AWS runs its own platform that we access, and we are, therefore, vulnerable to service interruptions at AWS. We have experienced, and expect that in the future we may experience interruptions, delays and outages in service and availability due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. In some instances, including because we do not control our service providers, we may not be able to identify the cause or causes of these problems within a period of time acceptable to our customers. Additionally, as our business continues to grow, to the extent that we do not effectively address capacity constraints, through our providers of cloud infrastructure, our results of operations may be adversely affected. In addition, any changes in service levels from our service providers may adversely affect our ability to meet our customers' requirements, result in negative publicity which could harm our reputation and brand and may adversely affect the usage of our platform. If we do not or cannot maintain the compatibility of our CRM-customer Platform-platform with third- party applications that our customers use in their businesses, our revenue will decline. A significant percentage of our customers choose to integrate our platform with certain capabilities provided by third- party application providers using application programming interfaces (" APIs ") published by these providers. The functionality and popularity of our CRM-customer Platform-platform depends, in part, on our ability to integrate our platform with third- party applications and platforms, including CRM, CMS, e- commerce, call center, analytics

and social media sites that our customers use and from which they obtain data. Third- party providers of applications and APIs may change the features of their applications and platforms, restrict our access to their applications and platforms, or alter the terms governing use of their applications and APIs and access to those applications and platforms in an adverse manner. Such changes could functionally limit or terminate our ability to use these third- party applications and platforms in conjunction with our platform, which could negatively impact our offerings and harm our business. If we fail to integrate our platform with new third- party applications and platforms that our customers use for marketing, sales, services, operations, **commerce**, or content management purposes, or fail to renew existing relationships pursuant to which we currently provide such integration, we may not be able to offer the functionality that our customers need, which would negatively impact our ability to generate new revenue or maintain existing revenue and adversely impact our business. We rely on data provided by third parties, the loss of which could limit the functionality of our platform and disrupt our business. Select functionality of our **CRM customer Platform platform** depends on our ability to deliver data, including search engine results and social media updates, provided by unaffiliated third parties, such as Facebook, Google, LinkedIn and Twitter. Some of this data is provided to us pursuant to third-party data sharing policies and terms of use, under data sharing agreements by third- party providers or by customer consent. In the future, any of these third parties could change its data sharing policies, including making them more restrictive, or alter its algorithms that determine the placement, display, and accessibility of search results and social media updates, any of which could result in the loss of, or significant impairment to, our ability to collect and provide useful data to our customers. These third parties could also interpret our, or our service providers' data collection policies or practices as being inconsistent with their policies, which could result in the loss of our ability to collect this data for our customers. Any such changes could impair our ability to deliver data to our customers and could adversely impact select functionality of our platform, impairing the return on investment that our customers derive from using our solution, as well as adversely affecting our business and our ability to generate revenue. Privacy concerns and end users' acceptance of Internet behavior tracking may limit the applicability, use and adoption of our **CRM customer Platform platform**. Privacy concerns may cause end users to resist providing the personal data necessary to allow our customers to use our platform effectively. We have implemented various features intended to enable our customers to better protect end user privacy, but these measures may not alleviate all potential privacy concerns and threats. Even the perception of privacy concerns, whether or not valid, may inhibit market adoption of our platform. Privacy advocacy groups and the technology and other industries are considering various new, additional or different self- regulatory standards that may place additional burdens on us. The costs of compliance with, and other burdens imposed by these groups' policies and actions may limit the use and adoption of our **CRM customer Platform platform** and reduce overall demand for it, or lead to significant fines, penalties or liabilities for any noncompliance or loss of any such action. If our or our customers' security measures are compromised or unauthorized access to data of our customers or their customers is otherwise obtained, our **CRM customer Platform platform** may be perceived as not being secure, our customers may be harmed and may curtail or cease their use of our platform, our reputation may be damaged and we may incur significant liabilities. Our operations involve the storage and transmission of data of our customers and their customers, including personal data. Our storage is typically the sole source of record for portions of our customers' businesses and end user data, such as initial contact information and online interactions. Security incidents could result in unauthorized access to, loss of or unauthorized disclosure of this information, litigation, indemnity obligations and other possible liabilities, as well as negative publicity, which could damage our reputation, impair our sales and harm our customers and our business. Cyber- attacks and other malicious Internet- based activity continue to increase generally, and cloud- based platform providers of marketing services have been targeted. If our security measures, or those of our service providers, are compromised as a result of third- party action, employee or customer error, malfeasance, stolen or fraudulently obtained log- in credentials or otherwise, our reputation could be damaged, our business may be harmed and we could incur significant liability. Additionally, if third parties with whom we work, such as vendors or developers, violate applicable laws, our security policies or our acceptable use policy, such violations may also put our customers' information at risk and could in turn have an adverse effect on our business. In addition, if the security measures of our customers or our service providers are compromised, even without any actual compromise of our own systems, we may face negative publicity or reputational harm if our customers or anyone else incorrectly attributes the blame for such security breaches to us or our systems. We may be unable to anticipate or prevent techniques used to obtain unauthorized access or to sabotage systems because they change frequently and generally are not detected until after an incident has occurred. As we increase our customer base and our brand becomes more widely known and recognized, we may become more of a target for third parties seeking to compromise our security systems or gain unauthorized access to our customers' data. Additionally, we provide **our employees with** extensive access to our **database databases**, which **stores- store** our customer data, **and** to our **APIs development team** to facilitate our rapid pace of product development **and to support our customers**. If such access, **unauthorized access** or our own operations, **cause the loss, damage, destruction or loss (including, without limitation, because of actions by a bad actor, attempts to exfiltrate customer data (which attempts we have experienced in the past and could experience in the future), our systems being compromised or unintentional or accidental disclosure,** or destruction of our customers' business data, their sales, lead generation, support and other business operations may be permanently harmed. As a result, our customers may bring claims against us for lost profits and other damages, or such concerns may cause us to limit access by our development team. Additionally, in certain of our subscription agreements with our customers, we agree to indemnify these customers against claims by a third party alleging our breach of confidentiality obligations or our misuse of customer data in violation of the subscription agreement. Cyber- attacks, denial- of- service attacks, ransomware attacks, business email compromises, computer malware, viruses, and social engineering (including phishing) are prevalent in our industry, the industries of certain of our service providers and our customers' industries. Our internal computer systems and those of our current and any future strategic collaborators, vendors, and other contractors or consultants are vulnerable to damage from cyber- attacks, computer viruses, unauthorized access, natural disasters, cybersecurity threats, terrorism, **geopolitical conflict,**

war and telecommunication and electrical failures. Accordingly, if our cybersecurity measures or those of our service providers fail to protect against unauthorized access, attacks (which may include sophisticated ~~cyberattacks~~ **cyber- attacks**), compromise or the mishandling of data by our employees and contractors, then our reputation, customer trust, business, results of operations and financial condition could be adversely affected. Cyber incidents have been increasing in sophistication and frequency and can include third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, and other deliberate attacks and attempts to gain unauthorized access. **This risk is increased by the difficulty of balancing rapid vulnerability patching and system availability in a large and rapidly- changing production environment. At times, we may be unable to patch all of our systems in a manner that strictly adheres to our internally prescribed timelines.** The techniques used to sabotage or to obtain unauthorized access to our platform, systems, networks, or physical facilities in which data is stored or through which data is transmitted change frequently, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. Because the techniques used by threat actors who may attempt to penetrate and sabotage our computer systems change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. Additionally, ~~during the COVID-19 pandemic, and potentially beyond~~ as remote work and resource access expand, there is an increased risk that we may experience cybersecurity- related events such as ~~COVID-19 themed~~ phishing attacks, exploitation of any cybersecurity flaws that may exist, an increase in the number of cybersecurity threats or attacks, and other security challenges as a result of most of our employees and our service providers continuing to work remotely from non-corporate managed networks. There is also a risk of potential increase in such attacks due to cyberwarfare in connection with the ongoing ~~global conflict~~ **conflicts between Russia and Ukraine**, and this could adversely affect our and our suppliers' ability to maintain or enhance key cybersecurity and data protection measures. We have previously been, and may in the future become, the target of cyber- attacks by third parties seeking unauthorized access to our or our customers' data, systems, or infrastructure, or to disrupt our operations or ability to provide our services. Additionally, it is also possible that unauthorized access to sensitive customer and business data may be obtained through inadequate use of security controls by our customers, suppliers or other vendors, **using social engineering to cause an employee or contractor to install malware or exploiting known vulnerabilities.** ~~While~~ **Like other businesses, we rely on hardware and software supplied by third- parties and, therefore,** are **susceptible to** ~~not currently aware of any material impact that the SolarWinds, Log4j, Kaseya, or other recent supply chain attacks~~ **had on our business, new information on the scope of such** **Such** **attacks is continuing to emerge and there is a residual risk that we may experience a security breach arising from one of these, or a similar, supply chain attack in the future.** Supply chain attacks are becoming increasingly common, and we may not be able to anticipate and prevent negative impacts from such an attack. If we are impacted by a supply chain attack, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product and services could be hindered or delayed. Recent cybersecurity incidents and compromises affecting large institutions, including an incident that affected us, suggest that the risk of such events is significant, even if privacy protection and security measures are implemented and enforced. A cyber- attack could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other disruptions. These cyber- attacks could be carried out by threat actors of all types (including but not limited to nation states, organized crime, other criminal enterprises, individual actors and / or advanced persistent threat groups). In addition, we may experience intrusions on our physical premises by any of these threat actors. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, incur significant costs associated with remediation and the implementation of additional security measures, including costs to deploy additional personnel and protection technologies, train employees, and engage third- party experts and consultants, and our competitive position could be harmed. Any breach, loss, or compromise of personal data may also subject us to civil fines and penalties, or claims for damages either under the General Data Protection Regulation (the "EU GDPR"), the EU GDPR as incorporated into United Kingdom law, and relevant member state law in the European Union, other foreign laws, and other relevant state and federal privacy laws in the United States. Many governments have enacted laws requiring companies to notify individuals of data security incidents or unauthorized transfers involving certain types of personal data. In addition, the data processing agreement we execute with our customers contractually requires us to notify them of any personal data breach. Under payment card network rules and our contracts with our payment processors, if there is a **data** breach of payment ~~card~~ **resulting in the compromise of cardholder payment** information that we store, or that is stored by our direct payment card processing vendors, we could be liable to the payment card issuing banks for their cost of issuing new cards and related expenses **depending on the cause of such data breach.** Data breaches and other data security compromises experienced by our competitors, by our customers or by us may lead to public disclosures, which may lead to widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode customer confidence in the effectiveness of our security measures, negatively impact our ability to attract new customers, cause existing customers to elect not to renew their subscriptions or subject us to third- party lawsuits, regulatory fines or other action or liability, which could materially and adversely affect our business and operating results. There can be no assurance that any limitations of liability provisions in our contracts for a security breach would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could have a material adverse effect on our business, financial condition and operating results. Risks Related to Intellectual Property Our business may suffer if it is alleged or determined that our technology infringes the intellectual property rights of others. The

software 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 software industry, including those in marketing software, are often required to defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Many of our competitors and other industry participants have been issued patents and / or have filed patent applications and may assert patent or other intellectual property rights within the industry. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as “ patent trolls, ” have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters or notices or may be the subject of claims that our services and / or platform and underlying technology infringe or violate the intellectual property rights of others. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management’ s attention and resources, damage our reputation and brand and cause us to incur significant expenses. Our technologies may not be able to withstand any third- party claims or rights against their use. Claims of intellectual property infringement might require us to redesign our application, delay releases, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our platform. If we cannot or do not license the infringed technology on reasonable terms or at all, or substitute similar technology from another source, our revenue and operating results could be adversely impacted. Additionally, our customers may not purchase our **CRM customer Platform platform** if they are concerned that they may infringe third- party intellectual property rights. The occurrence of any of these events may have a material adverse effect on our business. In certain of our subscription agreements with customers, we agree to indemnify these customers against claims by a third party alleging infringement of a valid patent, registered copyright or registered trademark. However, whether or not a subscription agreement includes an indemnity obligation in favor of a customer, there can be no assurance that customers will not assert a common law indemnity claim or that any existing limitations of liability provisions in our contracts would be enforceable or adequate, or would otherwise protect us from any such liabilities or damages with respect to any particular claim. Our customers who are accused of intellectual property infringement may in the future seek indemnification from us under common law or other legal theories. If such claims are successful, or if we are required to indemnify or defend our customers from these or other claims, these matters could be disruptive to our business and management and have a material adverse effect on our business, operating results and financial condition. If we fail to adequately protect our proprietary rights, in the United States and abroad, our competitive position could be impaired and we may lose valuable assets, experience reduced revenue and incur costly litigation to protect our rights. Our success is dependent, in part, upon protecting our proprietary technology. We rely on a combination of **patents**, copyrights, trademarks, service marks, trade secret laws and contractual restrictions to establish and protect our proprietary rights in our products and services. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Any of our trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. **Additionally, the intellectual property ownership and license rights, including copyright, surrounding AI technologies, which we are increasingly building into our product offerings, has not been fully addressed by U. S. courts or other federal or state laws or regulations, and the use or adoption of AI technologies in our products and services may expose us to copyright infringement or other intellectual property misappropriation claims.** Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our offerings may be unenforceable under the laws of certain jurisdictions and foreign countries. In addition, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying and use of our technology and proprietary information may increase. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to and distribution of our products and proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform and offerings. We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation, could delay further sales or the implementation of our platform and offerings, impair the functionality of our platform and offerings, delay introductions of new features or enhancements, result in our substituting inferior or more costly technologies into our platform and offerings, or injure our reputation. Our use of “ open source ” software could negatively affect our ability to offer our platform and subject us to possible litigation. A substantial portion of our cloud- based platform incorporates so- called “ open source ” software, and we may incorporate additional open source software in the future. Open source software is generally freely accessible, usable and modifiable. Certain open source licenses may, in certain circumstances, require us to offer the components of our platform that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or derivative works under the terms of the particular open source license. If an author or other third party that distributes open source software we use were to allege that we had not complied with the conditions of one or more of these

licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, including being enjoined from the offering of the components of our platform that contained the open source software and being required to comply with the foregoing conditions, which could disrupt our ability to offer the affected software. We could also be subject to suits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition and require us to devote additional research and development resources to change our products. Risks Related to Government Regulation We are subject to governmental regulation and other legal obligations, particularly related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. Compliance with such laws could also impair our efforts to maintain and expand our customer base **and business lines**, and thereby decrease our revenue. Our handling of data **across our products and services** is subject to a variety of laws and regulations, including regulation by various government agencies, including the U. S. Federal Trade Commission ("FTC"), and various state, local and foreign agencies. We collect personal data and other data from our customers, prospects, **and partners**, **and publicly available sources**. We also handle personal data about our customers' customers. We use this information to provide services to our customers, to support, expand and improve our business. We may also share customers' personal data with third parties as authorized by the customer or as described in our privacy policy. The U. S. federal and various state and foreign governments have adopted or proposed limitations on the collection, **processing**, distribution, use **and**, storage **and safeguarding** of personal data **of individuals**. In the United States, the FTC and many state attorneys general are applying federal and state **privacy and** consumer protection laws to impose standards for the online collection, use and dissemination of personal and other data. However, these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices. Any failure or perceived failure by us to comply with privacy or **data** security laws, policies, legal obligations or industry standards or any security incident that results in the unauthorized, disclosure, release or transfer of personal data or other customer data may result in governmental enforcement actions, litigation, fines and penalties and / or adverse publicity, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Laws and regulations **concerning governing** privacy, data protection and **information security cybersecurity** are **rapidly** evolving, and changes to such laws and regulations could require us to change features of our platform or restrict our customers' ability to collect and use email addresses, page viewing data and other personal data, which may reduce demand for our platform. Our failure to comply with federal, state and **foreign international data** privacy **and cybersecurity** laws and regulations could harm our ability to successfully operate our business and pursue our business goals. For example, the California Consumer Privacy Act (the "CCPA"), as amended by the California Privacy Rights Act (the "**CPRA**"), among other things, require covered companies to provide new disclosures to California consumers **residents** and afford such consumers **individuals** the ability to opt **out of the sales or sharing of their** personal data. The CPRA, which amends the CCPA, took effect on January 1, 2023. The CPRA imposes additional obligations on companies covered by the legislation and significantly modifies the CCPA, including by expanding consumers' rights with respect to certain sensitive personal data. The CPRA also creates a new state agency that will be vested with authority to implement regulations and enforce the CCPA and the CPRA. It is not yet fully clear how the CCPA and CPRA will be enforced and how certain of its requirements will be interpreted. The effects of the CCPA and CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and to **potentially** incur substantial costs and expenses in an effort to comply **and**. **In addition to increase increasing** our potential exposure to regulatory enforcement **and**, **the CCPA also provides or for violations and a limited private right of action, which may increase our exposure to civil** litigation. **Certain other Other** state laws impose similar privacy obligations and we also expect that more states may enact legislation similar to the CCPA, **including** which provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal data of such consumers. The CCPA has prompted a number of proposals for new federal and state-level privacy legislation. Such proposed legislation, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and / or changes in business practices and policies. For example, on March 2, 2021, Virginia enacted the Consumer Data Protection Act (the "CDPA"). The CDPA became effective January 1, 2023. The CDPA will regulate how businesses (which the CDPA refers to as "controllers") collect and share personal data. While the CDPA incorporates many concepts similar to the CCPA and CPRA, there are also several key differences in the scope, application, and enforcement of the law that will change the operational practices of controllers. The new law will also govern how controllers collect and process personal sensitive data, conduct data protection assessments, transfer personal data to affiliates, and respond to consumer rights requests. Also, on July 8, 2021, Colorado's governor signed the Colorado Privacy Act ("CPA") into law. The CPA will become effective July 1, 2023. The CPA is similar to Virginia's CPDA but also contains additional requirements. The new measure applies to companies conducting business in Colorado or who produce or deliver commercial products or services intentionally targeted to its residents of the state that either: (1) control or process the personal data of at least 100,000 consumers during a calendar year; or (2) derive revenue or receive a discount on the price of goods or services from the sale of personal data and process or control the personal data of at least 25,000 consumers. In addition, on March 24, 2022, Utah enacted the Utah Consumer Privacy Act ("UCPA"), which will become effective on December 31, 2023. Also, in May 2022, Connecticut Governor Lamont signed the Connecticut Data Privacy Act ("CTDPA") into law, **Iowa** which takes effect on July 1, **Indiana** 2023. The UCPA and CTDPA draw heavily upon their predecessors in Virginia and Colorado. With the CTDPA, Connecticut became the fifth state to enact a **Montana, Tennessee, and Texas, among others, have passed comprehensive privacy and data security law laws**, which impose obligations on covered businesses similar **– but not identical – to those under the CCPA. Some of these laws entered into force in 2023, and others will enter into force in 2024 and beyond**. A number of

additional other states have proposed bills similar for or comprehensive consumer sector specific privacy legislation,; and the U. S. Congress is considering legislation that may preempt some or all of such U. S. state privacy laws and it is quite possible that certain, providing a more robust private right of action these bills will pass. The evolving existence of comprehensive privacy laws in different states in the country, if enacted, will add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies regarding and the availability of personal data, and has resulted in and will result in increased compliance costs and/or changes in business practices and policies. At the federal level, a significant and potentially transformative bipartisan bill was considered during the 117th Congress. If passed, this proposed legislation, the American Data Privacy and Protection Act, would help to streamline certain of our privacy obligations, but would also introduce new stringent privacy and data security legislation in the U. S. may complicate our compliance efforts and further increase our risk of regulatory enforcement, penalties and obligations --- litigation that would apply to personal data we process. In addition, many foreign jurisdictions in which we do business, including the European Union, Japan, United Kingdom, Canada, Australia, and others have laws and regulations dealing with the collection and use of personal data obtained from their residents, which are more restrictive in certain respects than those in the U. S. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of personal data that identifies or may be used to identify an individual. In relevant part, these foreign laws and regulations may affect our ability to engage in lead generation activities by imposing heightened requirements, such as affirmative opt-ins or other consent prior to sending commercial correspondence, obtaining leads or engaging in electronic tracking activities that aid our marketing and business intelligence. We may be required to modify our policies, procedures, and data processing measures in order to address requirements under these or other privacy, data protection, or cyber security regimes, and may face claims, litigation, investigations, or other proceedings regarding them and may incur related liabilities, expenses, costs, and operational losses. In connection with Japan, for example, the operation Act on the Protection of Personal Information information (“APPI”) of Japan regulates or other personal data individuals make available in their professional capacity. We may be subject to additional requirements under privacy protection issues in Japan. The APPI shares similarities with the GDPR, including extraterritorial application and obligations to provide certain notices and rights to citizens of Japan. Amendments to the APPI that created new cross-border data transfer requirements and a new category of regulated information called “personal-related information” took effect in April 2022. In Japan, our email marketing activities are also subject to stringent regulation under the Law Concerning the Proper Transmission of Specified Electronic Mail and the Law for the Partial Amendment to the Law Concerning Specified Commercial Transactions. In Canada, our collection, use, disclosure, and management of personal information must comply with both federal and provincial privacy laws, which impose separate requirements, but may overlap in some instances. The Personal Information Protection and Electronic Documents Act, or PIPEDA, applies in all Canadian provinces except Alberta, British Columbia and Québec, as well as to the transfer of consumer data across provincial borders. PIPEDA imposes stringent consumer data protection obligations laws that could lead to additional compliance costs, regulatory scrutiny, and reputational risks that may affect our business. For example, we may be required to send notifications to individuals and respond to higher volumes of data privacy requests breach reporting, and limits the purposes for which organizations may require substantial costs collect, use, and disclose consumer expenses, or reduce the potential value of our business intelligence services. We may also receive data from third-party vendors (e.g. The provinces of Alberta, British Columbia, and Québec data brokers) in connection with such services. While we have enacted separate implemented certain contractual measures with such vendors to protect our interests, we are ultimately unable to verify with complete certainty the source of such data, how it was received, and that such information was collected and is being shared with us in compliance with all applicable data privacy laws. Furthermore that are substantially similar to PIPEDA, but all three --- the additionally apply to uncertain and shifting regulatory environment and trust climate may cause concerns regarding data privacy and may cause our vendors, customers, users, our or handling of our customers own employees’ customers to decline to provide the data necessary to allow us to offer some of our services to our customers and users effectively, or could prompt individuals to opt out of our collection of their personal data within. Concern regarding our use of their --- the respective provinces. Notably, Québec’s Act respecting the protection of personal data collected information in the private sector, or the Private Sector Act, was amended by Bill 64, an Act to modernize legislative provisions as regards the protection of personal information, which introduced major amendments to the Private Sector Act, notably, to impose significant and stringent new obligations on Québec businesses while increasing the powers of Québec’s supervisory authority. We may incur additional costs and expenses related to compliance with these laws and may incur significant liability if we are not able to comply with these laws. We are also subject to Canada’s anti-spam legislation, or CASL, which includes rules governing commercial electronic messages, which include marketing emails, text messages, and social media advertisements. Under these rules, we must follow certain standards when sending marketing communications, are prohibited performing our services could keep prospective customers from subscribing sending them to our services customers without their consent and can be held liable for violations. Within the European Union, legislators adopted the EU GDPR, which became effective in May 2018, and which in the United Kingdom, the EU GDPR as incorporated into the laws of the United Kingdom (the “UK GDPR” together with the EU GDPR, the “GDPR”), imposes impose heightened obligations and risk upon our business and which may substantially increase the penalties to which we could be subject in the event of any non-compliance. In addition, further to the United Kingdom’s exit from the European Union on January 31, 2020, the GDPR ceased to apply in the United Kingdom at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the United Kingdom’s European Union (Withdrawal) Act 2018 incorporated the EU GDPR (as it existed on December 31, 2020 but subject to certain United Kingdom specific amendments) into United Kingdom law (the “UK GDPR”, together with the EU GDPR, the “GDPR”). The UK GDPR and the UK Data

Protection Act 2018 set out the United Kingdom's data protection regime, which is independent from but aligned to the European Union's data protection regime. In addition, the UK has announced plans to reform the country's data protection legal framework in its Data Reform Bill. This may lead to increased compliance costs as we may no longer be able to take a unified approach across the European Union and United Kingdom, and will need to amend our processes and procedures to align with the new framework. The Data Reform Bill could also, as a result of this divergence, threaten the United Kingdom adequacy decision that currently allows personal data to flow freely from the European Economic Area to the United Kingdom. Non-compliance with the GDPR and the related national data protection laws of the European Union Member States may result in monetary penalties of up to € 20 million (£ 17.5 million) or 4 % of worldwide annual revenue, whichever is higher. Like the EU GDPR, the UK GDPR restricts personal data transfers outside the United Kingdom to countries not regarded by the United Kingdom as providing adequate protection (this means that personal data transfers from the United Kingdom to the European Economic Area remain free flowing). Although the United Kingdom is regarded as a third country under the EU GDPR, the European Commission has issued a decision recognizing the United Kingdom as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the European Union to the United Kingdom remain unrestricted. The proliferation of privacy and data protection laws has heightened risks and uncertainties concerning cross-border transfers of personal data and other data, which could impose significant compliance costs and expenses on our business, increase our potential exposure to regulatory enforcement and / or litigation, and have a negative effect on our existing business and on our ability to attract and retain new customers. **To enable** On July 16, 2020, the European Court of Justice ("CJEU"), in Case C-311/18 (Data Protection Commissioner v Facebook Ireland and Maximilian Schrems, or "Schrems II"), invalidated the EU-US Privacy Shield ruling that facilitated transfers- **transfer** of personal data from **outside of** the European **Union or United Kingdom**, Economic Area to the U. S. because it failed to offer adequate protections for personal **safeguards must be implemented in compliance with data protection laws**. The CJEU **On June 4, 2021** in the same decision, deemed that the **European Commission published new versions of its** Standard Contractual Clauses ("SCCs"), **which are required** approved by the European Commission for all transfers of personal data **between from the** European Union exporters **to third countries (including the U. S).** The United Kingdom is not subject to the new SCCs but has its own equivalent, being the **international data transfer agreement** and non-European Economic Area importers- **/ or UK Addendum (" IDTAs ")**. The **IDTAs must be entered into for new contracts, but allow for a transition period until March 21, 2024 for existing contracts. Our customer agreements include the updated SCCs and UK IDTAs. We are in valid, however the process** European Court of **transitioning** Justice deemed that transfers made pursuant to the **IDTAs for existing contracts, and doing so will require significant effort and cost. Under the new** SCCs **need and IDTAs, companies are also required** to be analyzed **assess the risk of a data transfer** on a case- by- case basis to ensure the European Economic Area's standards of data protection are met. On June 4, 2021, the European Commission published new versions of the SCCs, which, since December 27, 2022 are required for all transfers of personal data from the European Union to third countries (including the U. S). The new versions of the SCCs seek to address the issues identified by **undertaking a** the CJEU's decision and provide further details regarding the transfer **impact** assessments- **assessment** that the parties are required to conduct when implementing the new SCCs. Our customer agreements include the updated SCCs and UK IDTA / Addendum. However, **and** as a result of the Schrems II decision, companies may be required to adopt additional measures to accomplish transfers of personal data to the United States and other third countries, **in compliance with the GDPR, and there** **There** continue to be concerns about whether the SCCs will face additional challenges. **On July 10, 2023, the European Commission approved the EU- U. S. Data Privacy Framework (" DPF ")** to support transfers of personal data from the EU to companies in the U. S. Because we **have maintained our certification under the previously invalidated Privacy Shield, we have now automatically become subject to the DPF and are required to maintain policies and procedures to comply with the DPF principles. We may be subject to regulatory enforcement by the FTC if we are found to be noncompliant with any of the DPF principles, and this regulatory enforcement may lead to significant civil penalties.** Until the remaining legal uncertainties regarding how to legally continue these **SCCs, DPF and other** transfers- **transfer mechanisms** are settled, we will continue to face uncertainty as to whether our customers will be permitted to transfer personal data to the United States for processing by us as part of our platform services. Our customers may view **alternative** data transfer mechanisms as being too costly, too burdensome, too legally uncertain or otherwise objectionable and therefore decide not to do business with us. **For example, some of our customers or potential customers who do business in the European Economic Area may require their vendors to host all personal data within the European Economic Area and may decide to do business with one of our competitors who hosts personal data within the European Economic Area instead of doing business with us. In addition, some companies based in the European Economic Area may be reluctant to transfer personal data to us for processing outside the European Economic Area because of the burden on some requirements to conduct transfer impact assessments in order to rely on the SCCs as well as the substantial obligations that the recently updated SCCs impose upon data exporters. The United Kingdom is not subject to the new SCCs but, on March 21, 2022, the United Kingdom adopted new international data transfer agreement templates (" IDTAs ") and / or UK Addendum to facilitate transfers of personal data from the United Kingdom. The IDTAs and / or UK Addendum must be entered into for new contracts concluded on or before September 21, 2022. For existing contracts, the IDTAs and / or UK Addendum allow for a transition period until March 21, 2024 in which controllers and processors may move to the new forms. We are in the process of transitioning to the IDTAs and UK Addendum and doing so will require significant effort and cost. The European Commission and the U. S. White House announced that they had reached an agreement in principle on a data transfer framework to replace the Privacy Shield. However, it is too soon to tell how this future framework will evolve and what impact it will have on our cross-border activities. The European Commission published a draft adequacy decision on this framework on December 13, 2022, which must now be reviewed by the European Data Protection Board. We continue to monitor developments with respect to cross-border transfers and any prospective impacts on our activities. Within the European Union, the Security of Network**

and Information Systems Directive (Directive 2016 / 1148 / EC) (“NIS”), as implemented with some differences by each European Union member state, imposes risk management and cyber incident reporting obligations on operators of essential services and digital service providers. Digital service providers include those that provide cloud computing services. We may be caught by NIS to the extent we provide cloud computing services to the European Union. The United Kingdom has its own implementation of NIS. This follows the same framework, as it was transposed prior to the United Kingdom’s withdrawal from the European Union. In-scope digital service providers must put in place appropriate and proportionate technical and organizational measures to manage risks to their systems, that ensure a level of security appropriate to the risk posed, and prevent and minimize the impact of security incidents. The security measures vary per member state, and must be documented by the in-scope company. Companies subject to NIS must also notify the applicable competent authority without undue delay of any incident that has a significant impact on the continuity of services. The competent authority may inform other affected member states, and may also choose to publicize the incident if it considers public awareness to be necessary. Enforcement and penalties vary per member state. A new NIS Directive (“NIS 2”) will come into force towards the end of 2024, broadening the scope of regulated sectors and entities. NIS 2 will increase the level of responsibility for senior management of in-scope entities, including around supply chain diligence. Companies who are not within scope of NIS 2 can expect to face increased diligence from customers who are in scope, and will be subjected to additional contractual obligations. NIS 2 will also require all in-scope companies to notify relevant authorities within 24 hours of becoming aware of an incident having a significant impact on the provision of its services, as well as any significant cyber threat that could potentially have resulted in such a significant incident. Member states will implement administrative fines of at least the greater of EUR 10 million, or up to 2 % of annual worldwide turnover for breaches of NIS 2. As the United Kingdom is outside of the European Union, it will not implement NIS 2. It is, however, currently considering its own NIS update which is at the proposal stage. The regulatory framework governing the collection, processing, storage, use and sharing of certain information, particularly financial and other personal data, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. In addition to new and strengthened laws and regulations in the U. S., European Union, and United Kingdom, many foreign jurisdictions have passed new laws, strengthened existing laws, or are contemplating new laws regulating personal data. For example, on November 16, 2022 the European Union’s Digital Services Act (Regulation (EU) 2022 / 2065) (“DSA”) entered into force, putting in place comprehensive new obligations for online platforms to reduce harms and counter risks online and introducing strong protections for users’ rights online. The DSA also places certain obligations on “intermediary” services, including hosting services such as cloud computing or services enabling the sharing of information and content online. The maximum fine for a breach of the DSA will be 6 % of global annual turnover. The DSA’s obligations will come into effect on February 17, 2024, and include updating systems, terms, policies and processes so that companies can comply with certain diligence and transparency obligations and can respond appropriately to judicial or administrative content takedown and information orders. The United Kingdom is considering its own bill aimed at tackling online harms—the Online Safety Bill—but this is still not in approved form. The European Union is also currently in the process of finalizing its Artificial Intelligence Act (“AI Act”), which aims to ensure that AI systems are safe and lawful and respect fundamental rights. In its current form it will mostly impact providers of AI systems. Following a risk-based approach, the AI Act sets out obligations for the development, placing on the market, and use of AI systems. South Africa’s Protection of Personal Information Act came into force on July 1, 2021, and imposes significant new requirements, with potentially significant penalties for non-compliance, on businesses that operate in South Africa. India is contemplating a new Digital Personal Data Protection Bill that would impose obligations to provide certain notices and rights to Indian citizens, though it does not contain the data localization requirements set out in previous versions of the bill. It is possible that these laws may impose, or may be interpreted and applied to impose, requirements that are inconsistent with our existing data management practices or the features of our services and platform capabilities. Any failure or perceived failure by us, or any third parties with which we do business, to comply with our posted privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which we or such third parties are or may become subject, may result in actions or other claims against us by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the incurrence of significant fines, penalties or other liabilities. In addition, any such action, particularly to the extent we were found to be guilty of violations or otherwise liable for damages, would damage our reputation and adversely affect our business, financial condition and results of operations. We publicly post documentation regarding our practices concerning the collection, processing, use and disclosure of data. Although we endeavor to comply with our published policies and documentation, we may at times fail to do so or be alleged to have failed to do so. Any failure or perceived failure by us to comply with our privacy policies or any applicable privacy, security or data protection, information security or consumer- protection related laws, regulations, orders or industry standards could expose us to costly litigation, significant awards, fines or judgments, civil and / or criminal penalties or negative publicity, and could materially and adversely affect our business, financial condition and results of operations. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices, which could, individually or in the aggregate, materially and adversely affect our business, financial condition and results of operations. If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to claims, legal proceedings or other actions by individuals or governmental authorities based on privacy or data protection regulations and our commitments to customers or others, as well as negative publicity and a potential loss of business. Moreover, if future laws and regulations limit our subscribers’ ability to use and share personal data or our ability to store, process and share personal data, demand for our solutions could decrease, our costs could increase, and our business, results of operations and financial condition could be harmed. **Separately, as the regulatory framework for machine learning technology and AI evolves, it is possible that new laws and regulations will be adopted, or that existing laws and regulations may be interpreted in ways that would affect**

our business and the ways in which we use AI and machine learning technology, our financial condition and our results of operations, including as a result of the cost to comply with such laws or regulations. Further, potential government regulation related to AI use and ethics may also increase the burden and cost of research and development in this area, and failure to properly remediate AI usage or ethics issues may cause public confidence in AI to be undermined, which could slow adoption of AI in our products and services. We could face liability, or our reputation might be harmed, as a result of the activities of our customers, the content of their websites or the data they store on our servers. As a provider of a cloud-based inbound marketing, sales and customer service software platform, we may be subject to potential liability for the activities of our customers on or in connection with the data they store on our servers. Although our customer terms of use prohibit illegal use of our services by our customers and permit us to take down websites or take other appropriate actions for illegal use, customers may nonetheless engage in prohibited activities or upload or store content with us in violation of applicable law or the customer's own policies, which could subject us to liability or harm our reputation. Furthermore, customers may upload, store, or use content on our **CRM-customer Platform-platform** that may violate our policy on acceptable use which prohibits content that is threatening, abusive, harassing, deceptive, false, misleading, vulgar, obscene, or indecent. While such content may not be illegal, use of our **CRM-customer Platform-platform** for such content could harm our reputation resulting in a loss of business. Several U. S. federal statutes may apply to us with respect to various customer activities:

- The Digital Millennium Copyright Act of 1998 ("DMCA"), provides recourse for owners of copyrighted material who believe that their rights under U. S. copyright law have been infringed on the Internet. Under the DMCA, based on our current business activity as an Internet service provider that does not own or control website content posted by our customers, we generally are not liable for infringing content posted by our customers or other third parties, provided that we follow the procedures for handling copyright infringement claims set forth in the DMCA. Generally, if we receive a proper notice from, or on behalf, of a copyright owner alleging infringement of copyrighted material located on websites we host, and we fail to expeditiously remove or disable access to the allegedly infringing material or otherwise fail to meet the requirements of the safe harbor provided by the DMCA, the copyright owner may seek to impose liability on us. Technical mistakes in complying with the detailed DMCA take-down procedures could subject us to liability for copyright infringement.
- The Communications Decency Act of 1996 ("CDA"), generally protects online service providers, such as us, from liability for certain activities of their customers, such as the posting of defamatory or obscene content, unless the online service provider is participating in the unlawful conduct. Under the CDA, we are generally not responsible for the customer-created content hosted on our servers. Consequently, we do not monitor hosted websites or prescreen the content placed by our customers on their sites. However, the CDA does not apply in foreign jurisdictions and we may nonetheless be brought into disputes between our customers and third parties which would require us to devote management time and resources to resolve such matters and any publicity from such matters could also have an adverse effect on our reputation and therefore our business.
- In addition to the CDA, the Securing the Protection of our Enduring and Established Constitutional Heritage Act (the "SPEECH Act"), provides a statutory exception to the enforcement by a U. S. court of a foreign judgment for defamation under certain circumstances. Generally, the exception applies if the defamation law applied in the foreign court did not provide at least as much protection for freedom of speech and press as would be provided by the First Amendment of the U. S. Constitution or by the constitution and law of the state in which the U. S. court is located, or if no finding of defamation would be supported under the First Amendment of the U. S. Constitution or under the constitution and law of the state in which the U. S. court is located. Although the SPEECH Act may protect us from the enforcement of foreign judgments in the United States, it does not affect the enforceability of the judgment in the foreign country that issued the judgment. Given our international presence, we may therefore, nonetheless, have to defend against or comply with any foreign judgments made against us, which could take up substantial management time and resources and damage our reputation. Although these statutes and case law in the United States have generally shielded us from liability for customer activities to date, court rulings in pending or future litigation may narrow the scope of protection afforded us under these laws. In addition, laws governing these activities are unsettled in many international jurisdictions, or may prove difficult or impossible for us to comply with in some international jurisdictions. Also, notwithstanding the exculpatory language of these bodies of law, we may become involved in complaints and lawsuits which, even if ultimately resolved in our favor, add cost to our doing business and may divert management's time and attention. Finally, other existing bodies of law, including the criminal laws of various states, may be deemed to apply or new statutes or regulations may be adopted in the future, any of which could expose us to further liability and increase our costs of doing business.

Additionally, Payments, our end-to-end payment solution built **within Commerce Hub** ~~natively as part of our CRM Platform, is are~~ susceptible to potentially illegal or improper uses, including money laundering, terrorist financing, fraudulent or illegal sales of goods or services, piracy of software, movies, music, and other copyrighted or trademarked information, bank fraud, securities fraud, pyramid or ponzi schemes, or the facilitation of other illegal or improper activity. While we engage a third party as our registered payment facilitator, the use of Payments for illegal or improper uses may subject us to claims (including claims brought by our third-party payment processor), government and regulatory requests, inquiries, or investigations that could result in liability, and harm our reputation. Moreover, certain activity that may be legal in one jurisdiction may be illegal in another jurisdiction, and a merchant may be found responsible for intentionally or inadvertently importing or exporting illegal goods, resulting in liability for us. Owners of intellectual property rights or government authorities may seek to bring legal action against providers of payments solutions, including Payments, that are peripherally involved in the sale of infringing or allegedly infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could harm our business. If Payments is used for illegal or improper uses, we may incur substantial losses as a result of claims from merchants and **their buyers, including** consumers. Allowances for transaction losses that we have established may be insufficient to cover incurred losses. Moreover, if measures to detect and reduce the risk of fraud are not effective and our loss rate is higher than anticipated, Payments and our business could be negatively impacted. The standards

that private entities use to regulate the use of email have in the past interfered with, and may in the future interfere with, the effectiveness of our CRM-customer Platform-platform and our ability to conduct business. Our customers rely on email to communicate with their existing or prospective customers. Various private entities attempt to regulate the use of email for commercial solicitation. These entities often advocate standards of conduct or practice that significantly exceed current legal requirements and classify certain email solicitations that comply with current legal requirements as spam. Some of these entities maintain “blacklists” of companies and individuals, and the websites, internet service providers and internet protocol addresses associated with those entities or individuals that do not adhere to those standards of conduct or practices for commercial email solicitations that the blacklisting entity believes are appropriate. If a company’s internet protocol addresses are listed by a blacklisting entity, emails sent from those addresses may be blocked if they are sent to any internet domain or internet address that subscribes to the blacklisting entity’s service or purchases its blacklist. From time to time, some of our internet protocol addresses may become listed with one or more blacklisting entities due to the messaging practices of our customers. There can be no guarantee that we will be able to successfully remove ourselves from those lists. Blacklisting of this type could interfere with our ability to market our CRM-customer Platform-platform and services and communicate with our customers and, because we fulfill email delivery on behalf of our customers, could undermine the effectiveness of our customers’ email marketing campaigns, all of which could have a material negative impact on our business and results of operations. Existing federal, state and foreign laws regulate Internet tracking software, the senders of commercial emails and text messages, website owners and other activities, and could impact the use of our CRM-customer Platform-platform and potentially subject us to regulatory enforcement or private litigation. Certain aspects of how our customers utilize our platform are subject to regulations in the United States, European Union and elsewhere. In recent years, U. S. and European lawmakers and regulators have expressed concern over the use of third- party cookies or web beacons for online behavioral advertising, and legislation adopted recently in the European Union requires informed consent for the placement of a cookie on a user’s device. Regulation of cookies and web beacons may lead to restrictions on our activities, such as efforts to understand users’ Internet usage. New and expanding “Do Not Track” regulations have recently been enacted or proposed that protect users’ right to choose whether or not to be tracked online. These regulations seek, among other things, to allow end users to have greater control over the use of private information collected online, to forbid the collection or use of online information, to demand a business to comply with their choice to opt out of such collection or use, and to place limits upon the disclosure of information to third- party websites. These policies could have a significant impact on the operation of our CRM-customer Platform-platform and could impair our attractiveness to customers, which would harm our business. Many of our customers and potential customers in the healthcare, financial services and other industries are subject to substantial regulation regarding their collection, use and protection of data and may be the subject of further regulation in the future. Accordingly, these laws or significant new laws or regulations or changes in, or repeals of, existing laws, regulations or governmental policy may change the way these customers do business and may require us to implement additional features or offer additional contractual terms to satisfy customer and regulatory requirements, or could cause the demand for and sales of our CRM-customer Platform-platform to decrease and adversely impact our financial results. In addition, the Controlling the Assault of Non- Solicited Pornography and Marketing Act of 2003 (“CAN- SPAM Act”), establishes certain requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content. The CAN- SPAM Act, among other things, obligates the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. The ability of our customers’ message recipients to opt out of receiving commercial emails may minimize the effectiveness of the email components of our CRM-customer Platform-platform. In addition, certain states and foreign jurisdictions, such as Australia, Canada and the European Union, have enacted laws that regulate sending email, and some of these laws are more restrictive than U. S. laws. For example, some foreign laws prohibit sending unsolicited email unless the recipient has provided the sender advance consent to receipt of such email, or in other words has “opted- in” to receiving it. A requirement that recipients opt into, or the ability of recipients to opt out of, receiving commercial emails may minimize the effectiveness of our platform. While these laws and regulations generally govern our customers’ use of our CRM-customer Platform-platform, we may be subject to certain laws as a data processor on behalf of, or as a business associate of, our customers. For example, laws and regulations governing the collection, use and disclosure of personal data include, in the United States, rules and regulations promulgated under the authority of the Federal Trade Commission, the Health Insurance Portability and Accountability Act of 1996, the Gramm- Leach- Bliley Act of 1999 and state breach notification laws, and internationally, the GDPR and other privacy and data protection laws. If we were found to be in violation of any of these laws or regulations as a result of government enforcement or private litigation, we could be subjected to civil and criminal sanctions, including both monetary fines and injunctive action that could force us to change our business practices, all of which could adversely affect our financial performance and significantly harm our reputation and our business. We are subject to governmental export controls and economic sanctions laws that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws. Our business activities are subject to various restrictions under U. S. export controls and trade and economic sanctions laws, including the U. S. Commerce Department’s Export Administration Regulations and economic and trade sanctions regulations maintained by the U. S. Treasury Department’s Office of Foreign Assets Control. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties and reputational harm. 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. Furthermore, U. S. export control laws and economic sanctions laws prohibit certain transactions with U. S. embargoed or sanctioned countries, governments, persons and entities. These sanctions laws with which we must comply may also change rapidly from time to time as a result of geopolitical events, such as the recent imposition of sanctions on Russia as a result of the conflict between Russia and Ukraine. Although we take precautions to prevent transactions with U. S. sanction

targets, the possibility exists that we could inadvertently provide our solutions to persons prohibited by U. S. sanctions. This could result in negative consequences to us, including government investigations, penalties and reputational harm. Risks Related to Taxation We may be subject to additional obligations to collect and remit sales tax and other taxes, and we may be subject to tax liability for past sales, which could harm our business. State, local, and non- U. S. jurisdictions have differing rules and regulations governing sales, use, value added, digital ~~services-~~ **service**, and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. In particular, the applicability of such taxes to our **CRM-customer Platform-platform** in various jurisdictions can be unclear. Further, these jurisdictions' rules regarding tax nexus are complex and vary significantly. As a result, we could face the possibility of tax assessments and audits, and our liability for these taxes and associated penalties could exceed our original estimates. A successful assertion that we should be collecting additional sales, use, value added or other taxes in those jurisdictions where we have not historically done so and do not accrue for such taxes could result in substantial tax liabilities and related penalties for past sales, discourage customers from purchasing our application or otherwise harm our business and operating results. Changes in tax laws or regulations that are applied adversely to us or our customers could increase the costs of our **CRM-customer Platform-platform** and adversely impact our business. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines and / or penalties and interest for past amounts deemed to be due. **For example, under Section 174 of the Code, in taxable years beginning after December 31, 2021, expenses that are incurred for research and development in the United States will be capitalized and amortized, which may have an adverse effect on our cash flow.** If we raise our prices to offset the costs of these changes, existing and potential future customers may elect not to continue or purchase our **CRM-customer Platform-platform** in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our platform. Any or all of these events could adversely impact our business, cash flows and financial performance. Furthermore, as our employees continue to work remotely from geographic locations across the United States and internationally, we may become subject to additional taxes and our compliance burdens with respect to the tax laws of additional jurisdictions may increase. We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions. As a multinational organization, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, or challenges to our tax positions by tax authorities, any of which could have a material adverse effect on our liquidity, financial condition or operating results. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, or assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable nexus, often referred to as a " permanent establishment " under international tax treaties, any of which could have a material impact on us, our financial condition or our operating results. We may not be able to utilize a significant portion of our net operating loss carryforwards, which could adversely affect our profitability. We have incurred losses during our history and ~~do not expect to become profitable in the near future, and~~ we may never achieve profitability. As of December 31, ~~2022~~ **2023**, we had \$ ~~960.861~~ **74** million of U. S. federal and \$ ~~677.740~~ **0** million of state net operating loss carryforwards due to prior period losses, which **have an indefinite carryforward and**, if not utilized, some of which will begin to expire in ~~2027~~ **2025** for federal purposes and begin to expire in ~~2023~~ for state purposes. ~~These~~ **The state** net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our profitability. ~~Under current law, U. S. federal and certain state net operating loss carryforwards incurred for periods beginning on or after January 1, 2018 would not expire unused because they can be carried forward indefinitely. Our unused U. S. federal net operating losses arising in taxable years beginning after December 31, 2017 and before January 1, 2021 may generally be carried back to each of the five taxable years preceding the tax year of such losses, but those losses arising in taxable years beginning after December 31, 2017 may not be carried back. Moreover, for taxable years beginning after December 31, 2017, the deductibility of our U. S. federal net operating losses is limited to 80 % of our taxable income in any future taxable year. States have varying carryback and carryforward periods. Moreover, certain states have enacted rules that limit the utilization of loss carryforwards, which also change from time- to- time.~~ In addition, under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, our ability to utilize net operating loss carryforwards or other tax attributes, such as research tax credits, in any taxable year may be further limited if we experience an " ownership change. " An ownership change generally occurs if one or more stockholders or groups of stockholders who own at least 5 % of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage (by value) within a rolling three- year period. Similar rules may apply under state tax laws. We may have experienced an ownership change in the past, and future issuances of our stock could cause an ownership change. It is possible that any such ownership change could have a material effect on the use of our net operating loss carryforwards or other tax attributes accrued prior to such ownership change, which could adversely affect our profitability. Risks Related to Our Operating Results and Financial Condition We have a history of losses and may not achieve profitability in the future. We generated net losses of \$ **176.3 million in 2023**, \$ 112. 7 million in 2022, and \$ 77. 8 million in 2021, ~~and \$ 85. 0 million in 2020~~. As of December 31, ~~2022~~ **2023**, we had an accumulated deficit of \$ ~~642.818~~ **4.7** million. We will need to generate and sustain increased revenue levels in future periods to become profitable, and, even if we do, we may not be able to maintain or increase our level of profitability. We

have spent and intend to continue to expend significant funds on our marketing, sales, customer service, operations, and content management operations, develop and enhance our CRM customer Platform platform, scale our data center infrastructure and services capabilities and expand into new markets. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this Annual Report on Form 10- K, and unforeseen expenses, difficulties, complications and delays and other unknown events. If we are unable to achieve and sustain profitability, the market price of our common stock may significantly decrease. From time to time, we may invest funds in social impact investment funds, and may receive no return on our investment or lose our entire investment. From time to time, we may invest in social impact investment funds. As of December 31, 2022-2023, we have invested \$ 6.8 . 25 million in the Black Economic Development Fund and \$ 7. 5 million in support of Minority Depository Institutions to help close the racial wealth, health and opportunity gap. There is no guarantee as to the performance of this investment or any similar investments we make in the future. Depending on the performance of this investment and future investments we may make, we may not receive any return on our investment or we may lose our entire investment, which could have an adverse effect on our business. We may experience quarterly fluctuations in our operating results due to a number of factors, which makes our future results difficult to predict and could cause our operating results to fall below expectations or our guidance. Our quarterly operating results 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, and comparing our operating results on a period- to- period basis may not be meaningful. In addition to the other risks described in this Annual Report on Form 10- K, factors that may affect our quarterly operating results include the following: • changes in spending on marketing, sales, customer service, operations, and content management software by our current or prospective customers; • pricing our CRM customer Platform platform subscriptions effectively so that we are able to attract and retain customers without compromising our profitability; • attracting new customers for our marketing, sales, customer service, operations, and content management software, increasing our existing customers' use of our platform and providing our customers with excellent customer support; • customer renewal rates and the amounts for which agreements are renewed; • global awareness of our thought leadership and brand; • changes in the competitive dynamics of our market, including consolidation among competitors or customers and the introduction of new products or product enhancements; • changes to the commission plans, quotas and other compensation-related metrics for our sales representatives; • the amount and timing of payment for operating expenses, particularly research and development, sales and marketing expenses and employee benefit expenses; • the amount and timing of costs associated with recruiting, training and integrating new employees while maintaining our company culture; • our ability to manage our existing business and future growth, including increases in the number of customers on our platform and the introduction and adoption of our CRM customer Platform platform in new markets outside of the United States; • unforeseen costs and expenses related to the expansion of our business, operations and infrastructure, including disruptions in our hosting network infrastructure and privacy and data security; • foreign currency exchange rate fluctuations; • rising inflation in the economies in which we operate and our ability to control costs, including operating expenses; and • general economic and political conditions in our domestic and international markets. We may not be able to accurately forecast the amount and mix of future subscriptions, revenue and expenses and, as a result, our operating results may fall below our estimates or the expectations of public market analysts and investors. If our revenue or operating results fall below the expectations of investors or securities analysts, or below any guidance we may provide, the price of our common stock could decline. If we do not accurately predict subscription renewal rates or otherwise fail to forecast our revenue accurately, or if we fail to match our expenditures with corresponding revenue, our operating results could be adversely affected. Because our recent growth has resulted in the rapid expansion of our business, we do not have a long history upon which to base forecasts of renewal rates with customers or future operating revenue. As a result, our operating results in future reporting periods may be significantly below the expectations of the public market, equity research analysts or investors, which could harm the price of our common stock. **Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial condition and results of operations. We apply accounting principles and related pronouncements, implementation guidelines and interpretations to a wide range of matters that are relevant to our business, are highly complex and involve subjective assumptions, estimates and judgments by our management. Changes in these rules or their interpretation, or changes in underlying assumptions, estimates or judgments by our management, could significantly change our reported or expected financial performance.** Risks Related to Our Notes Servicing our debt may require a significant amount of cash. We may not have sufficient cash flow from our business to pay our indebtedness, and we may not have the ability to raise the funds necessary to settle for cash conversions of the Notes or to repurchase the Notes for cash upon a fundamental change, which could adversely affect our business and results of operations. In June 2020, we incurred indebtedness in the aggregate principal amount of \$ 460. 0 million in connection with the issuance of our 0. 375 % convertible senior notes due June 1, 2025 (the “ 2025 Notes ”). Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue 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 debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any future indebtedness will depend on the capital markets and our financial condition at such time. 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, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of

default which, if not cured or waived, could result in the acceleration of our debt. In addition, holders of the Notes have the right to require us to repurchase their Notes upon the occurrence of a fundamental change at a fundamental change repurchase price equal to 100 % of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. Upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefor or Notes being converted. In addition, our ability to repurchase the Notes or to pay cash upon conversions of the Notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the indenture governing the notes or to pay any cash payable on future conversions of the Notes as required by such indenture would constitute a default under such indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof. In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, it could: • make us more vulnerable to adverse changes in general U. S. and worldwide economic, industry and competitive conditions and adverse changes in government regulation; • limit our flexibility in planning for, or reacting to, changes in our business and our industry; • place us at a disadvantage compared to our competitors who have less debt; and • limit our ability to borrow additional amounts to fund acquisitions, for working capital and for other general corporate purposes. Any of these factors could materially and adversely affect our business, financial condition and results of operations. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase. The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of the 2025 Notes is triggered, the holders thereof will be entitled to convert the 2025 Notes ~~respectively~~, at any time during specified periods at their option. **Because the last reported sale price of the Company's common stock for at least 20 trading days** ~~During during the three-- the months~~ **period of 30 consecutive trading days ending on the last trading day of the calendar quarter** ~~ended December 31, 2022~~ **2023 was equal to or greater than 130 % of the applicable conversion price on each applicable trading day**, the 2025 Notes ~~did~~ **are convertible at the option of the holders thereof during the calendar quarter ending December 31, 2023. As of February 9, 2024, the Company has not meet the** ~~received any material Conversion conversion Option and were not convertible notices with respect to the 2025 Notes~~. Whether the Notes that remain outstanding will be convertible following the calendar quarter ~~ending ended~~ **December 31, 2022** ~~2023~~ will depend on the continued satisfaction of this condition or another conversion condition in the future. If one or more holders elect to convert their 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 through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results. In August 2020, the FASB issued guidance simplifying the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. The new standard eliminates requirements to separately account for liability and equity components of such convertible debt instruments and requires the use of the if- converted method for calculating the diluted earnings per share for convertible debt instruments. We adopted the guidance on January 1, 2022, using the modified retrospective method. Future interest expense of the convertible notes will be lower as a result of adoption of this guidance and net loss per share will be computed using the if- converted method for these securities. The if- converted method assumes that all of the Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti- dilutive. The application of the if- converted method may reduce our reported diluted net income per share to the extent we are profitable, and accounting standards may change in the future in a manner that may otherwise adversely affect our diluted net income per share. **We are subject to counterparty risk with respect to the Capped Call Options. In connection with the offering of the 2025 Notes, we purchased capped call options (" Capped Call Options ") with respect to our common stock for \$ 50. 6 million. The counterparties to the Capped Call Options are financial institutions, and we will be subject to the risk that one or more of the counterparties may default, fail to perform or exercise their termination rights under the Capped Call Options. Global economic conditions have, from time to time, resulted in the actual or perceived failure or financial difficulties of many financial institutions. If a counterparty to the Capped Call Options becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transaction. In addition, upon a default, failure to perform or a termination of the Capped Call Options by a counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the counterparties.** Risks Related to Our Common Stock Our stock price may be volatile and you may be unable to sell your shares at or above the price you purchased them. The trading prices of the securities of technology companies, including providers of software via the cloud- based model, have been highly volatile. Since shares of our common stock were sold in our initial public offering in October 2014 at a price of \$ 25. 00 per share, our stock price has ranged from \$ 25. 79 to \$ 866. 00 through December 31, ~~2022~~ **2023**. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: • actual or anticipated fluctuations in our revenue and other operating results, including as a result of the addition or loss of any

number of customers; • announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments; • the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections; • failure of securities analysts to initiate or maintain coverage of us, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors; • changes in operating performance and stock market valuations of cloud- based software or other technology companies, or those in our industry in particular; • price and volume fluctuations in the trading of our common stock and in the overall stock market, including as a result of trends in the economy as a whole; • sales of large blocks of our common stock or the dilutive effect of our Notes or any other equity or equity- linked financings; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business or industry, including data privacy and data security; • lawsuits threatened or filed against us; • changes in key personnel; and • other events or factors, including changes in general economic, industry and market conditions and trends, international disputes, wars (such as the conflict between Russia and Ukraine **and the evolving events in Israel and Gaza**), and political stability. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “ Exchange Act ”), the Sarbanes- Oxley Act of 2002 (the “ Sarbanes- Oxley Act ”), the Dodd- Frank Wall Street Reform and Consumer Protection Act (the “ Dodd- Frank Act ”), and the rules and regulations of the New York Stock Exchange (the “ NYSE ”). We expect that compliance with these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources. The Sarbanes- Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404 of the Sarbanes- Oxley Act (“ Section 404 ”), requires us to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. Our compliance with applicable provisions of Section 404 requires that we incur substantial accounting expenses and expend significant management time on compliance- related issues as we implement additional corporate governance practices and comply with reporting requirements. Moreover, if we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources. Furthermore, investor perceptions of our company may suffer if deficiencies are found, and this could cause a decline in the market price of our stock. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on our internal controls from our independent registered public accounting firm. In addition, as a result of our hybrid culture, many of our employees – including those critical to maintaining an effective system of disclosure controls and internal control over financial reporting – are working, and are expected to continue to work, in a remote environment and not in the office environment from which they have historically performed their duties. We have limited experience maintaining effective control systems with our employees working in remote environments, and risks that we have not contemplated may arise and result in our failure to maintain effective disclosure controls or internal control over financial reporting. Anti- takeover provisions in our charter documents and Delaware law may delay or prevent an acquisition of our company. Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that may have the effect of delaying or preventing a change in control of us or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that: • authorize “ blank check ” preferred stock, which could be issued by the board without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock; • provide for a classified board of directors whose members serve staggered three- year terms; • specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of the board, the chief executive officer or the president; • prohibit stockholder action by written consent; • establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors; • provide that our directors may be removed only for cause; • 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; • specify that no stockholder is permitted to cumulate votes at any election of directors; • authorize our board of directors to modify, alter or repeal our amended and restated bylaws; and • require supermajority votes of the holders of our common stock to amend specified provisions of our charter documents. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in 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 limits the ability of stockholders owning in excess of 15 % of our outstanding voting stock to merge or combine with us in certain circumstances. Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of

delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. General Risks Catastrophic events could disrupt our business and adversely affect our financial condition and results of operations. We rely on our network infrastructure and enterprise applications, internal technology systems and website for our development, marketing, operations, support, hosted services and sales activities. In addition, some of our businesses rely on third- party hosted services, and we do not control the operation of third- party data center facilities serving our customers from around the world, which increases our vulnerability. A disruption, infiltration or failure of these systems or third- party hosted services in the event of a major earthquake, fire, flood, tsunami or other weather event, power loss, telecommunications failure, software or hardware malfunctions, pandemics (including such as the COVID- 19 pandemic), cyber- attack, war, terrorist attack or other catastrophic event that we do not adequately address, could cause system interruptions, reputational harm, loss of intellectual property, delays in our product development, lengthy interruptions in our services, breaches of data security and loss of critical data. Any of these events could prevent us from fulfilling our customer demands or could negatively impact a country or region in which we sell our products, which could in turn decrease that country’ s or region’ s demand for our products. A catastrophic event that results in the destruction or disruption of any of our data centers or our critical business or information technology systems could severely affect our ability to conduct normal business operations and, as a result, our future operating results could be adversely affected. The adverse effects of any such catastrophic event would be exacerbated if experienced at the same time as another unexpected and adverse event, such as the COVID- 19 pandemic. The occurrence of regional epidemics or a global pandemic, such as the COVID- 19 pandemic, may have an adverse effect on how we and our customers operate our businesses and our operating and financial results. Our operations may in the future be negatively affected by a range of external factors related to the pandemic that are not within our control, including the emergence and spread of more transmissible variants and the degree of transmissibility and severity thereof. The extent to which global pandemics, such as the COVID- 19 pandemic, impact our financial condition or results of operations will depend on factors, such as the duration and scope of the pandemic, as well as whether there is a material impact on the businesses or productivity of our customers, partners, employee, suppliers and other partners. To the extent that the a pandemic, such as the COVID- 19 pandemic, harms our business and results of operations, many of the other risks described in this “ Risk Factors ” section, may be heightened. Failure to comply with laws and regulations could harm our business. Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, workplace safety, environmental laws, consumer protection laws, anti- bribery laws, import / export controls, federal securities laws and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be more stringent than those in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, mandatory recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions. Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing. Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds to invest in future growth opportunities. Additional financing may not be available on favorable terms, if at all. In addition, recent volatility in capital markets and lower market prices for many securities may affect our ability to access new capital through sales of shares of our common stock or issuance of indebtedness, which may materially harm our liquidity, limit our ability to grow our business, pursue acquisitions or improve our operating infrastructure and restrict our ability to compete in our markets. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could seriously harm our business and operating results. If we incur debt, the debt holders would have rights senior to common stockholders 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 equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. The Notes are and any additional equity or equity-linked financings would be dilutive to our stockholders. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. As a result, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest. Climate change may have a long- term impact on our business While we seek to partner with organizations that mitigate their business risks associated with climate change, we recognize that there are inherent risks wherever business is conducted. Any of our primary locations may be vulnerable to the adverse effects of climate change. For example, our offices globally may experience climate- related events at an increasing frequency, including drought, water scarcity, heat waves, cold waves, wildfires and resultant air quality impacts and power shutoffs associated with wildfire prevention. While this danger has a low- assessed risk of disrupting normal business operations, it has the potential to disrupt employees’ abilities to commute to work or to work from home and stay connected effectively. Furthermore, it is more difficult to mitigate the impact of these events on our employees to the extent they work from home. Climate- related events, including the increasing frequency of extreme weather events and their impact on the U. S.’ s, Europe’ s and other major regions’ critical infrastructure, have the potential to disrupt our business, our third- party suppliers and / or the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. Regulatory developments, changing market dynamics and stakeholder expectations regarding climate change may impact our business, financial condition and results of operations. To inform our disclosures and take potential action as appropriate, we are working to align our reporting with emerging disclosure and accounting standards such as the Financial Stability Board’ s Task Force on Climate- Related Financial Disclosures, the Sustainability Accounting Standards Board and the Global Reporting Initiative as well as potential new disclosure requirements from regulators such as the SEC. 42