Risk Factors Comparison 2024-03-20 to 2023-03-22 Form: 10-K

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Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10- K, including our consolidated financial statements and the related notes and " Management' s Discussion and Analysis of Financial Condition and Results of Operations " before deciding whether to invest in our Class A common stock. The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, operating results, and growth prospects. These factors could also cause our actual business and financial results to differ materially from those contained in forward- looking statements made by management from time- to- time. In such an event, the market price of our Class A common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently believe are not material may also impair our business, financial condition, operating results, and growth prospects. Risk Factor Summary The following summarizes certain of the most material risks that make an investment in our Class A common stock uncertain, risk laden, or speculative. If any of the following risks occur, our business, financial condition, operating results, and growth prospects may be impaired, the market price of our Class A common stock could decline, and you may lose all or part of your investment. **Security** threats and attacks are common,increasing globally,and may result in significant liabilities.• Our or our vendors' failure to sufficiently secure our ~~products~~ **platform** and services may result in unauthorized access to and use of customer data,a negative impact on our customer attraction and retention,and significant liabilities.• We depend on public cloud service providers and computing infrastructure operated by third parties,and any disruptions in these operations could harm our business and ~~operating~~ results.• If our platform fails to perform or if we fail to architect our platform to deliver on customer demand for scale,performance,and sophisticated use cases,then **our market share could decline and** we could be subject to liability ~~and our market share could decline~~ .• If we fail to manage our services infrastructure,or our platform experiences outages,interruptions,or delays in updates to meet customers' needs,we may be subject to liabilities and our operating results may be harmed. ~~Business~~ **•** ~~Industry~~ **industry** , **and** product ~~, and infrastructure~~ risks • The market in which we participate is highly competitive, and if we do not compete effectively, our operating results could be harmed. • Our business depends on a strong brand, and if we are unable to develop, maintain, and enhance our brand, our business and results may be harmed. • Our forecasts of market growth may prove to be inaccurate, and our business may not grow at a pace similar to market growth. • Security threats and attacks are common,...... operating results may be harmed. • Failure to establish and maintain partnerships with complementary technology offerings and integrations could limit our ability to grow our business. ~~• Our platform and internal business operations use third- party software and services that may be difficult to replace or may cause errors or failures that could lead to a loss of customers or harm our operating results.~~ Commercial and financial risks • It is difficult to predict future operating results. • We have a history of cumulative losses **,** and **we** cannot assure you that we will achieve and sustain profitability in the future. • If we are unable to attract new customers and maintain and expand sales to existing customers, our growth could be slower than we expect and our business may be harmed. • We derive substantially all of our revenue from a single offering ~~. • We recognize revenue over the term of the relevant service period, and downgrades, new sales, or renewals may not be immediately reflected in our results~~ . Operational and other risks • We have recently experienced rapid growth and expect our growth to continue; failure to manage our growth effectively may harm our business. • Our sales cycle may become longer, more complex, and more expensive as we continue to target enterprise and government customers, which could harm our business or results. • Our growth depends on the expansion and effectiveness of our sales force domestically and internationally, and the failure to expand or maintain the effectiveness of our sales force may harm our business and results. • We may not receive significant revenue from our current development efforts for several years, if at all. • Contractual disputes or commitments, including indemnity obligations, may be costly, time consuming, and could harm our reputation. ~~• Catastrophic events may disrupt our business.~~ Risks Related to Our ~~Industry,~~ Platform ~~,~~ and Infrastructure **Security threats and attacks are common** ~~The market for collaborative work management software is fragmented~~ , ~~increasingly~~ -- **increasing** ~~competitive, and subject to rapidly changing technology and evolving standards. Our competitors range in size from diversified global~~ **globally** ~~companies with~~ **, and they may result in** significant **liabilities** research and development and marketing resources to...... is subject to many risks and uncertainties . Our platform and our internal corporate information technology systems have in the past been, and will in the future be, subject to cyber- attacks, credential stuffing, account takeover attacks, denial or degradation of service attacks, phishing attacks, ransomware attacks, malicious software programs, supply chain attacks, and other ~~cyber security~~ threats **, any of which may result in adverse effects on the confidentiality, integrity, or availability of our information systems** (collectively, " ~~Cyber~~ **Cybersecurity** Threats "). Further, we engage service providers to store and otherwise process some of our and our customers' data, including sensitive and personal information, and these service providers are also targets of ~~Cyber~~ **Cybersecurity** Threats. ~~Cyber~~ **Cybersecurity** Threats have been increasing in frequency and sophistication globally and may be accompanied by demands for payment in exchange for resolution, restoration of functionality, or return of data. Sources of ~~Cyber~~ **Cybersecurity** Threats range from individuals to sophisticated organizations, including state- sponsored actors and organizations. These attackers use a wide variety of methods to exploit vulnerabilities and gain access to corporate assets, including networks, information, or credentials. The types and methods of ~~Cyber~~ **Cybersecurity** Threats are constantly evolving and becoming more complex, and we may not be able to detect, combat, or successfully defend against ~~Cyber~~ **Cybersecurity** Threats. Attackers initiating ~~Cyber~~ **Cybersecurity** Threats may gain access to our corporate assets. Any vulnerabilities in our infrastructure or the success of any ~~Cyber~~ **Cybersecurity** Threats against us may not be discovered in a timely fashion or at all, and the impact of vulnerabilities may be exacerbated the longer **they** ~~these vulnerabilities~~ persist or remain undetected. While we utilize security measures and architecture designed to protect the integrity of our ~~platform and corporate~~ information **systems** ~~technology environment~~ , we remain subject to ongoing and evolving ~~Cyber~~ **Cybersecurity** Threats, and we anticipate that we will need to expend significant resources in an effort to protect against ~~Cyber~~ **Cybersecurity** Threats. We may not be able to deploy, allocate, or retain sufficient resources to keep pace with ~~the~~ persistent and evolving ~~Cyber~~ **Cybersecurity** Threat landscape. Moreover, many of our employees work remotely, and many of ~~our~~ **the** vendors and other third parties we engage with utilize remote workers in various jurisdictions throughout the world, which may involve relying on less secure systems and may increase the risk of and susceptibility to ~~Cyber~~ **Cybersecurity** Threats. We cannot guarantee that remote work environments and electronic connections to our work environment and ~~information~~ technology systems have the same security measures as those deployed in our physical offices. Further, our ability to monitor the data security of our vendors is limited, and ~~Cyber~~ **Cybersecurity** Threats initiated by third parties may successfully circumvent our vendors' security measures, resulting in the unauthorized access to, or misuse, disclosure, loss, or destruction of our and our customers' data. Additionally, certain of the features of our products and services have been, and may in the future be, used by third- party attackers to pursue ~~Cyber~~ **Cybersecurity** Threats against others in violation of our terms of service, including by leveraging **the** email functionality within our platform for phishing campaigns. Any actual or perceived failure by us or our vendors to prevent or defend against ~~Cyber~~ **Cybersecurity** Threats, actual or perceived vulnerabilities in our products or services, misuse of our products or services in furtherance of ~~Cyber~~ **Cybersecurity** Threats against others, or unauthorized access to corporate assets may lead to claims against us and may result in significant data loss, significant costs and liabilities, and could reduce our revenue, harm our reputation, and compromise our competitive position. Our failure to sufficiently secure our ~~platform~~ **products** and services may result in unauthorized access to customer data, a negative impact on our customer attraction and retention, and significant liabilities. Our **business** ~~products and services involve~~ **involves** the storage, transmission, and processing of ~~our~~ **a large quantity of** ~~customers~~ - **customer** ~~'~~ **data, including confidential and** sensitive ~~and proprietary~~ information. Our failure to sufficiently secure our ~~platform~~ **products** and services may result in unauthorized access to customer data, a negative impact on our customer attraction and retention, and significant liabilities. Even if our security measures are appropriately engineered and implemented to secure our ~~platform~~ **products** and services against external threats, we may be subject to inadvertent disclosures as a result of employee actions or system misconfigurations. Unauthorized use of or access to customer data could result in the loss, compromise, corruption, or destruction of our or our customers' sensitive and proprietary information and could lead to litigation, regulatory investigations and claims, indemnity obligations, reputational harm, loss of authorization under the Federal Risk and Authorization Management Program (" FedRAMP ") or other authorizations, and other liabilities. Our ~~customers, especially our larger enterprise customers, increasingly prioritize the security of their digital assets and information when making decisions regarding purchasing Internet- based products and services. Additionally, we serve government customers; customers in regulated industries such as financial services, health care, and education; and other customers that process large quantities of sensitive information or personal data. These customers often seek platforms that offer enhanced or specialized security measures and data back- up procedures. Attracting and retaining these types of customers may require enhancements to or additional engineering of our platform to meet these requirements. Committing to these kinds of changes could be costly and time consuming and could divert the attention of our management and key personnel from other business operations; investments and efforts in furtherance of these changes may not take place in a timely manner, or at all. Our~~ agreements with third parties, including customers, contain contractual commitments related to our information security ~~practices~~ and data privacy ~~compliance~~ **practices** . If we experience an incident that triggers a breach of these contractual commitments, we could be exposed to significant liability or cancellation of service under these agreements. The damages payable to the counterparty, as well as the impact to our products and services, could be substantial and ~~create substantial~~ **result in significant** costs and loss of business. There can be no assurance that any limitation of liability provisions in our contracts will be ~~enforceable or~~ adequate **in** ~~or will otherwise protect~~ **protecting** us from these liabilities or damages with respect to any ~~particular~~ claim. Many U. S. and foreign laws and regulations **, including those promulgated by the SEC,** require companies to provide notice of ~~data security~~ **cybersecurity** ~~breaches or~~ incidents ~~involving~~ **based on specific criteria.** ~~certain~~ **Certain** ~~types~~ of ~~personal data to individuals~~ **these notice or disclosure obligations are contingent upon the findings of complex analyses** , **including in some cases a determination of materiality. The nature of cybersecurity incidents makes it difficult to quickly and comprehensively assess an incident' s overall impact to our business, and we may make errors in our evaluations. If we are unable to appropriately assess a cybersecurity incident in the context of required analyses** ~~the~~ **then** ~~media~~ **we could face compliance issues under these laws and regulations** , ~~government authorities~~ **and we could be subject to lawsuits, regulatory fines or investigations** , or other ~~third parties~~ **liabilities, any or all of which could adversely affect our business and operating results** . ~~Security compromises~~ **Furthermore, cybersecurity incidents** experienced by **us, or by** our customers or ~~by us may~~ **vendors, that** lead to public disclosures ~~, which~~ may **also** lead to widespread negative publicity **and increased government or regulatory scrutiny** . Any security compromise in our industry, whether actual or perceived, could harm our reputation; erode customer confidence in our security measures; negatively affect our ability to attract new customers; cause existing customers to not to renew their subscriptions; or subject us to third- party lawsuits, regulatory fines **or investigations** , or other liability, any or all of which could adversely affect our business and operating results. Even the perception of inadequate security may damage our reputation and negatively impact our ability to win new customers and retain existing customers. Additionally, we could be required to expend significant capital and other resources to investigate and address any ~~actual or suspected data security~~ **Cybersecurity Threats or** ~~incident~~ **incidents** ~~or breach~~ or to prevent further or additional ~~security~~ incidents ~~or breaches~~ . ~~We~~ **To maintain business relationships, we** may find it necessary or desirable to incur costs to provide remediation and incentives to customers or other business partners following **an** ~~a security breach, or other~~ actual or suspected security incident ~~, to maintain business relationships~~ . We also cannot be sure that our existing cybersecurity insurance will continue to be available on acceptable terms, in sufficient amounts to cover any claims we submit, or at all. Further, we cannot be sure that insurers will not deny coverage as to any claim, and some security ~~breaches~~ **incidents** may be outside the scope of our coverage, including ~~if~~ **in instances where** they are considered force majeure events. **The premiums for cybersecurity insurance can vary and increase substantially from year- to- year, and any** ~~Security~~ **security** ~~breaches~~ **incidents that we may experience** may result in increased **premium** costs for cybersecurity insurance. One or more large, successful claims against us in excess of our available insurance coverage, or changes in our insurance policies, including premium increases or large deductible or co- insurance requirements, could have an adverse effect on our business, operating results, and financial condition. We depend on public cloud service providers and computing infrastructure operated by third parties, and any service outages, delays, or disruptions in these operations could harm our business and operating results. We host our platform and serve our customers through public cloud service providers. As a result, we are vulnerable to service interruptions, delays, and outages attributable to their platforms. Our public cloud service providers (" Cloud Providers ") may experience events such as natural disasters, fires, power loss, telecommunications failures, or similar events. The systems, infrastructure, and services of our Cloud Providers may also be subject to human or software errors, viruses, ~~Cyber~~ **Cybersecurity** Threats, fraud, spikes in customer usage, break- ins, sabotage, acts of vandalism, acts of terrorism, and other misconduct. Our Cloud Providers may also experience other unanticipated problems, including but not limited to financial difficulties and bankruptcy. The occurrence of any of the foregoing events could result in lengthy interruptions or delays in our products and services and may impact us via product or service outages and noncompliance with our contractual obligations or business requirements. Further, we have experienced in the past, and may experience in the future, periodic interruptions, delays, and outages in service and availability with our Cloud Providers due to a variety of factors, including Internet connectivity failures, infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Our Cloud Providers have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew agreements with our Cloud Providers on commercially reasonable terms, if our agreements with our Cloud Providers are prematurely terminated for any reason, or if our Cloud Providers are acquired or cease business, **then** we may be required to transfer our infrastructure to new public cloud facilities, and we may incur significant costs **, diversion of resources and management attention,** and possible service interruptions in connection with doing so. Additionally, there are limited options for public cloud service providers capable of effectively supporting our infrastructure. Consolidation through a single, or select few, service provider (s) may result in a dependency on the selected provider (s). Consolidation may also negatively impact customer acquisition or expansion ~~as~~ **because** customers ~~because they~~ may object to certain providers for a variety of reasons, including that these provider (s) do not meet their hosting requirements or that the providers operate in a competitive space. The foregoing objections could result in lost or decreased sales or decreased expansion of existing customer relationships, which could harm our business and operating results. Any issues with our Cloud Providers may result in errors, defects, disruptions, or other performance problems with our platform, which could harm our reputation and may damage our and our customers' businesses. Interruptions in our platform' s operation might reduce our revenue, cause us to issue credits or refunds to customers, subject us to potential liability, cause customers to terminate their subscriptions, harm our renewal rates, and affect our reputation. Any of these events could harm our business and operating results. If our platform fails to perform properly, or if we are unable to architect our platform to deliver on customer demand for scale, performance, and sophisticated use cases, then our reputation could be harmed, **we could be subject to liability, and** our market share could decline ~~, and we could be subject to liability claims~~ . Our platform is inherently complex and may contain material defects or errors. Additionally, we provide regular updates to our platform, which may contain undetected defects when first introduced or released. Any defects in functionality or interruptions in the availability of our platform could result in: • loss of, or delayed, market acceptance and sales; • breach of contract or warranty claims; • issuance of credits or other compensation for downtime; • termination of subscription agreements, loss of customers, and issuance of refunds; • diversion of development, customer service, and other company resources; and • harm to our reputation. The costs incurred in correcting any material defects or errors might be substantial and could harm our operating results. Because of the large amount of data that we handle, hardware failures, errors in our systems, user errors, or Internet outages could result in data loss or corruption that our customers may regard as significant, and our current data back- up procedures may not be sufficient to prevent the loss of data. Furthermore, the availability and performance of our platform could be diminished or otherwise impacted by a number of factors, which may damage the perception of its reliability and reduce our revenue. These factors include, but are not limited to customers' inability to access the Internet **; customers' use of firewalls or security systems that may prevent or limit certain of our platform' s functionalities, including email capabilities** ; the failure of our network or software systems, including backup systems; simultaneous development efforts causing reallocation of resources; computing vulnerabilities; security ~~breaches~~ **incidents** ; capacity issues or service failures experienced by our service providers; or variability in the amount of user traffic on our platform. We monitor vulnerabilities that may impact our business and the availability of our platform. Any impact resulting from vulnerabilities, and the costs incurred in addressing or correcting these vulnerabilities, may harm our operating results, harm our reputation, or cause us to lose customers. We may be required to issue credits or refunds, or otherwise be liable to our customers for damages they may incur resulting from certain of these events. Our insurance coverage may be inadequate to sufficiently cover these potential liabilities and may not be available in the future on acceptable terms, or at all. In addition, our policy may not cover all claims made against us, and defending a lawsuit, regardless of its merit, could be costly and divert management' s attention. Furthermore, we will need to ensure that our platform is designed so that it can scale and perform to meet the evolving needs of our customers, particularly as we continue to focus on larger enterprise customers with novel or complex use cases. We regularly monitor and update our platform to fix errors, add functionality, and improve scaling; however, our customers have occasionally experienced outages and latency issues, sometimes during peak usage periods. If our platform is unable to scale and perform at the levels needed by our customers, or if we are unable to correct any platform functionality defects and capacity limitations, then potential customers may not adopt our platform and product offerings and existing customers may not renew their agreements with us. If we fail to manage our services infrastructure at the levels expected by our customers, including due to factors such as service outages, interruptions, or delays in updates to our platform to meet customers' needs, then we may be subject to liabilities and our operating results may be harmed. We have experienced significant growth in the number of users and data that our platform supports. It is critical that we maintain sufficient excess service capacity to ensure that our platform is accessible and functioning with an acceptable latency, that we meet the needs of existing and new customers and users, that we meet the needs required to support customer and user expansion, and that we meet our own internal needs. To do this, we must manage our ~~services~~ **service** infrastructure to support software updates and the evolution of our platform **features and** capabilities. The provision and implementation of any new service infrastructure requires significant ~~cost~~ **expenditures** and management. If we do not accurately predict or manage our service infrastructure requirements, if our existing providers are unable to keep up with our needs for capacity or if they are unwilling or unable to allocate sufficient capacity to us, or if we are unable to contract with additional providers on commercially reasonable terms, our customers may experience service interruptions, delays, or outages that may subject us to financial penalties, cause us to issue credits or other compensation to customers, or result in other liabilities and customer losses. If our **platform** ~~services and infrastructure fail~~ **fails** to scale, customers may experience delays as we seek to obtain additional capacity or make architectural changes, which could damage our reputation and our business. We may also be required to move or transfer our and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery and performance of our platform and may harm our operating results. Failure to establish and maintain relationships with partners that can provide complementary technology offerings and software integrations could limit our ability to grow our business. Our growth strategy includes expanding the use of our platform through complementary technology offerings and software integrations, such as third- party application programming interfaces (" APIs "). While we have established relationships with providers of complementary technologies and software integrations, we cannot assure you that we will be successful in maintaining relationships with these providers or establishing relationships with new providers. For example, we currently collaborate with Google and Microsoft; however, we may be unable to maintain these collaborative relationships if those entities develop ~~and introduce,~~ or acquire ~~,~~ products that directly or indirectly compete with our platform. Third- party providers of complementary technology offerings and software integrations may take any of the following actions: decline to enter into, or later terminate, relationships or agreements with us; change their features or platforms; restrict our access to their applications and platforms; or alter the terms governing use of and access to their applications and APIs in an adverse manner. These actions could functionally limit or terminate our ability to use these third- party technology offerings and software integrations with our platform, which could negatively impact our offerings and harm our business. Further, if we fail to integrate our platform with new third- party applications and platforms that our customers use, or to adapt to the data transfer requirements of these third- party applications and platforms, we may not be able to offer the functionality that our customers need, which would negatively impact our ~~offerings~~ **products and services** and, as a result, could negatively affect our business, operating results, and financial condition. In addition, we may benefit from these partners' brand recognition, reputations, referrals, and customer bases. Any losses or shifts in the referrals from, or the market positions of, these partners could lead to a loss of relationships or customers ~~,~~ or require us to find and transition to alternative channels for marketing or enhancing our platform. Our platform and internal business operations use third- party software and services that may be difficult to replace or may cause errors or failures that could lead to a loss of customers or harm to our reputation and our operating results. We license third- party software and depend on services from various third parties to operate our platform. In the future, this software or these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any such software or services could harm our business, and it could result in decreased functionality of our platform until we either develop or acquire equivalent technology. In addition, any errors or defects in or failures of the third- party software or services could result in errors or defects in, or failure of, our platform, which could harm our business and be costly to correct. Such platform errors, defects, or failures could also harm our reputation and result in liability to third parties, including customers. Many of these providers attempt to limit their liability for errors, defects, and failures, which could limit our ability to recover from them and increase our potential liabilities and operating costs. Further, we use technologies and services from third parties to operate critical internal functions of our business, including cloud infrastructure services, customer relationship management services, business management services, and customer support and consulting staffing services. Our internal operations would be disrupted if any of these third- party software or service offerings were unavailable due to extended outages or interruptions ~~,~~ or if they are no longer available on commercially reasonable terms or at all. **Additionally, any misuse, misconfiguration, or errors in the operation of these software or service offerings may result in a disruption of our internal business operations and create issues with the accuracy of our critical business information.** These disruptions may adversely affect our ability to operate our websites, process and fulfill transactions, respond to customer inquiries **, maintain corporate records, ensure the accuracy of business information** , and generally maintain cost- efficient operations. In the event of disruption, we may be required to seek replacement technologies or services from other parties, or to develop these components ourselves, **either of** which could result in increased costs, diversion of management' s attention, delays in the release of new product ~~offerings~~ **developments** , and reduced efficiencies in the operations of our impacted departments ~~,~~ until such time as suitable technology can be identified and integrated. These disruptions, if they occur, could result in customer dissatisfaction, and harm our operating results and financial condition **. The use of artificial intelligence in our products and services could adversely affect our business and operating results. Our platform utilizes artificial intelligence (" AI "), including third- party generative AI models. The use of AI within our platform inherently carries a broad range of risks typical to emerging technologies, and requires an investment of resources in the development and integration of the technology. These**

investments may be costly and could impact our operating results as we continue to incorporate AI into our products and services. In addition, the integration of third- party AI models with our products and services relies on certain safeguards implemented by the third- party developers of the underlying AI models, including those related to the accuracy, bias, and other variables of the data, and these safeguards may be insufficient. Developing, testing and deploying such AI models may also increase the costs associated with our products and services due to the nature of the pricing arrangements with the AI model providers, costs which we may not be able to pass through to our customers and which could adversely impact our business. Further, the probabilistic nature of AI technologies can result in unwanted or offensive outputs and may cause our products and services not to operate as expected. While we endeavor to provide AI tools in our platform in a manner that ensures security and fairness, we may need to disable user access to such AI tools in certain circumstances if we detect or suspect unwanted or offensive outputs, and although our terms of service permit these mitigation efforts, they may not be timely or adequate. The AI tools in our platform could also generate content that infringes upon or misappropriates third- party intellectual property rights. This risk is intensified by the current trend of entities seeking patents and other intellectual property protections in AI to gain a competitive edge. While we have made efforts to mitigate risk under our terms of service, our deployment of AI tools may still expose us to increased litigation risk associated with intellectual property infringement claims. Additionally, potential government regulation related to AI may also increase the risks and costs in this area. For example, the EU recently approved the Artificial Intelligence Act, which requires that users of AI technology must be made aware that they are interacting with AI or that they are facing an AI generated output, among other regulatory obligations. Continued legal and regulatory updates related to AI may occur quickly and could restrict our ability to utilize AI in our products and services, require significant cost and resources to support compliance, and harm our operating results . Our use of open source software could negatively affect our ability to offer and sell our products and subject us to possible litigation. We use open source software in our platform and expect to continue to use open source software in the future. There are uncertainties regarding the proper interpretation of and compliance with open source licenses, and there is a risk that open source licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to use ~~such~~ open source software and to provide or distribute our platform. Additionally, we may face claims from third parties alleging infringement of certain intellectual property **rights** resulting from our use of open source software or seeking to enforce the terms of an open source license, including by demanding public release of the open source software, derivative works, or our proprietary source code. These claims could result in litigation and could require us to make our software source code freely available, devote additional research and development resources to **make** ~~change~~ **changes to** our platform, or incur additional costs and expenses. Any of the foregoing outcomes would adversely affect our business, reputation, financial condition, and operating results. In addition, if the license terms change for the open source software we utilize, then we may be forced to re- engineer our platform or incur additional costs to comply with the changed license terms or to replace the affected open source software. Further, use of certain open source software can lead to greater risks than use of third- party commercial software because open source licensors generally do not provide updates, warranties, **or** assurances of performance or title ~~, or controls on the origin of the software~~ . Certain versions and libraries of open source software allow for any individuals to make contributions and updates, and this may introduce or amplify certain security vulnerabilities ~~,~~ depending on how, and with which systems, the software is implemented. Although we have established policies to regulate the use and incorporation of open source software into our platform, we cannot be certain that we have not incorporated open source software in our platform in a manner that is inconsistent with these policies. Risks Related to **research and development and** marketing resources to smaller startups building on new technology platforms whose narrower offerings may allow them to be more efficient in deploying technical,marketing,and financial resources.Certain of our features compete with current or potential products and services offered by Airtable,Asana,Atlassian,ClickUp,Monday.com, **Planview,** Wrike,and others.We also ~~face competition from point solution software providers who offer industry or use case specific solutions,such as construction management or professional services automation.Additionally,we~~ face competition from Google and Microsoft,who offer a range of productivity solutions including spreadsheets and email that have traditionally been used for work management.While we currently collaborate with **Adobe,** Google, **and** Microsoft ~~,and Adobe~~ ,they may develop and introduce,or acquire,products that directly or indirectly compete with our platform.For example,Adobe owns Workfront,a company whose product and service offerings compete with ours.As we continue to sell products and services to potential customers with existing internal solutions **,** we must convince their stakeholders that our platform is superior to the solutions that their organization has previously adopted and deployed.With the introduction of new technologies and market entrants,and the growth of existing market participants,we expect competition to continue to intensify in the future.Many of our current and potential competitors,particularly large software companies,have longer operating histories,greater name recognition,more established customer bases, ~~better developed international sales motions,~~ and significantly greater financial,operating,technical,marketing,and other resources than we do.As a result,our competitors may be able to leverage **their existing** relationships with distribution partners and customers to gain business in a manner that discourages users from purchasing our platform,including by selling at zero or negative margins,by using product bundling or integrated functionality,or by providing products or services for free.Further,our competitors may respond more quickly and effectively than we can to new or changing opportunities,technologies,standards,or customer requirements.We could lose customers if our competitors consolidate,introduce new collaborative work management products,add new features to their current product offerings,acquire competitive products,reduce prices,form strategic alliances with other companies,or are acquired by third parties with greater **available** resources.If our competitors' products or services are more widely adopted than ours,if they are successful in bringing their products or services to market sooner than ours,if their pricing is more competitive,or if their products or services are more technologically capable than ours,then our business,operating results,and financial condition may be harmed.If we do not keep pace with technological changes,our platform may become less competitive and our business may suffer.Our industry is marked by rapid technological developments and innovations (such as the use of ~~AI~~ **artificial intelligence and machine learning**) and evolving industry standards.If we are unable to provide enhancements and new features and integrations for our existing platform,develop new products that achieve market acceptance,or innovate quickly enough to keep pace with these rapid technological developments,our business could be harmed.In addition,because our platform is designed to operate on a variety of systems,we will need to continuously modify,enhance,and improve our platform to keep pace with changes ~~to~~ Internet- related hardware;mobile operating systems;and other software,communication,browser,and database technologies.We may not be successful in either developing these modifications,enhancements,and improvements,or in bringing them to market quickly or cost- effectively in response to market demands.Furthermore,uncertainties about the timing and nature of new or modified network platforms or technologies could increase our research and development expenses.Any failure of our products or services to keep pace with technological changes or operate effectively with future network platforms and technologies,or to do so in a timely and cost- effective manner,could reduce the demand for our platform,result in customer dissatisfaction,reduce our competitive advantage,and harm our business.Our business depends on a strong brand,and if we are not able to develop,maintain,and enhance our brand,our business and operating results may be harmed.We believe that developing,maintaining,and enhancing our brand is critical to achieving widespread acceptance of our **platform** ~~products and services~~ ,attracting new customers,retaining existing customers,persuading existing customers to expand their relationships with us,and hiring and retaining employees.We believe that the importance of our brand will increase as competition in our market further intensifies.Successful promotion of our brand depends on a number of factors,including **:** the effectiveness of our marketing efforts;our ability to provide a high- quality,reliable,and cost- effective **platform** ~~products and services~~ ;the perceived value of ~~our products and services,including~~ our platform;our ability to provide a quality customer success experience;and our ability to control or influence perception of our brand regardless of customer use cases.Brand promotion activities require us to make substantial expenditures.We have made,and continue to make,significant investments in the promotion of our brand;however,the success of these investments is uncertain.Our brand promotion may not generate customer awareness or increase revenue,and any revenue increase may not offset the expenses we incur in building and maintaining our brand.If we fail to successfully promote and maintain our brand,or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand,we may fail to realize a sufficient return on our brand- building efforts or fail to achieve the widespread brand awareness that is critical for broad customer adoption of our **platform** ~~products and services~~ ,which could harm our business and operating results.Our forecasts of market growth may prove to be inaccurate,and even if the markets in which we compete achieve the forecasted growth,we cannot assure you that our business will grow at similar rates,if at all.Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate.Our forecasts,including the size and expected growth in the ~~total~~ addressable market for collaborative work management platforms,may prove to be inaccurate,or may decline rapidly as a result of unforeseen or unanticipated events and their ongoing effects,sharp increases in inflation and interest rates,or sudden market changes.Even if these addressable markets experience the forecasted growth,we may not grow our business **at similar rates,or at all.Our growth is subject to many factors,including our success in implementing our business strategy,which is subject to many risks and uncertainties** Our Commercial and Financial Operations It is difficult to predict our future operating results. Our ability to accurately forecast our future operating results is limited and subject to a number of uncertainties, including planning for and modeling future growth. We have encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If ~~our~~ **the** assumptions regarding these risks and uncertainties **that** ~~, which~~ we use to plan our business ~~,~~ are incorrect or change due to industry or market developments, or if we do not address these risks successfully, our operating results could differ materially from our expectations and our business could suffer. We have a history of cumulative losses and we cannot assure you that we will achieve and sustain profitability in the foreseeable future. Under the U. S. Generally Accepted Accounting Principles (“ GAAP ”), we have incurred losses in each period since we incorporated in 2005. We incurred net losses of $ ~~215~~ **104** . 6 million, $ **215. 6 million, and $** 171. 1 ~~million, and $ 115. 0~~ million during the years ended January 31, **2024,** 2023, **and** 2022 ~~, and 2021~~ , respectively. As of January 31, ~~2023~~ **2024** , we had an accumulated deficit of $ ~~758~~ **862** . ~~2~~ **8** million. These losses and accumulated deficit reflect the substantial investments we made to develop our products and services, acquire new customers, and maintain and expand relationships with existing customers. We expect our operating expenses to increase in **absolute dollars in** the future due to anticipated increases in sales and marketing expenses, research and development expenses, ~~operations costs,~~ and general and administrative ~~costs~~ **expenses** , and we ~~expect our~~ **may continue to incur** losses **in** ~~to continue for the foreseeable~~ future **periods** . Furthermore, to the extent we are successful in increasing and expanding our customer base, we may also incur increased losses due to associated upfront costs, particularly as a result of the nature of subscription revenue, which is generally recognized ratably over the term of the subscription period. You should not consider our recent revenue growth as indicative of our future performance. Our revenue growth could slow or our revenue could decline for a number of reasons, including ~~:~~ slowing demand for our **products and** ~~subscription solutions or professional~~ services; reduced conversion from our free trial users or collaborators to paid users; **increased losses;** increasing competition; the impact of macroeconomic conditions, including inflation ~~and~~ **,** rising interest rates **,** and changes to buying patterns; or our failure to capitalize on growth opportunities. Accordingly, we cannot assure you that we will achieve profitability in the foreseeable future, nor that, if we do become profitable, we will sustain profitability. Our future growth depends, in part, upon increasing our customer base and expanding sales to, and renewing subscriptions with, our existing customers. Our ability to achieve significant growth in revenue in the future will depend upon ~~:~~ the effectiveness of our sales and marketing efforts, both domestically and internationally; the effectiveness of our research and development efforts; our ability to predict customer demands; our ability to continue to attract new customers; and our ability to expand our relationship with existing customers by addressing new use cases, increasing the number of users, or selling additional products and services. These endeavors may be particularly challenging where an organization is reluctant to try, or invest further in, a cloud- based collaborative work management platform ~~,~~ or where an organization has already invested significantly in an existing third- party solution. Additionally, we continue to monitor how current macroeconomic conditions, including inflation, ~~adjustment~~ **adjustments** to interest rates, and general economic and political uncertainty may affect the adoption or expansion of cloud-based solutions and our success in engaging with new customers and expanding relationships with existing customers. If we fail in our marketing or research and development efforts, to predict customer demand, to understand the impact of macroeconomic conditions, or to attract new customers and maintain and expand those and existing customer relationships, then our revenue may grow more slowly than expected, may not grow at all, or may decline, and our business may be harmed. Moreover, many of our subscriptions are sold for a one- year term. While most of our subscriptions provide for automatic renewal, our customers have no obligation to renew their subscription after the expiration of the term, and automatic renewal clauses may not be enforceable against certain customers. We cannot assure you that our customers will renew subscriptions with a similar contract period, with the same or greater number of users or premium ~~solutions~~ **capabilities** , or that they will renew at all. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their satisfaction with our platform or services, our pricing or pricing structure, the pricing or capabilities of our competitors' products and services, the effects of economic conditions, or reductions in our customers' spending levels. If our customers do not renew their agreements with us, or renew on terms less favorable to us, our revenue may decline. Our quarterly operating results may fluctuate significantly and may not fully reflect the underlying performance of our business. Our quarterly operating results, including the levels of our revenue, **ARR** ~~calculated billings~~ , gross margin, profitability, cash flow, and deferred revenue may vary significantly in the future, and period- to- period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly operating results may fluctuate **due to a variety of factors, many of which are outside of our control, and,** as a result ~~of a variety of factors~~ , **they** ~~many of which are outside of our control, and as a result,~~ may not fully reflect the underlying performance of our business. Fluctuations in quarterly operating results may reduce the value of our Class A common stock. Factors that may cause fluctuations in our quarterly results include, but are not limited to: • our ability to attract new customers and expand existing customers, domestically and internationally; • interest rate increases, which may negatively impact our customers' income or access to capital; • the addition or loss of large customers, including through acquisitions or consolidations; • the mix of customers obtained through self- service on our website and sales- assisted channels; • customer renewal rates and the extent to which customers purchase services and subscribe for additional users and products; • the ongoing impact of, including any market volatility and economic disruption caused by, geopolitical instability, or global health concerns; • customers impacted by macroeconomic downturns and seeking bankruptcy protection or other similar relief; • the impact of rising inflation rates, particularly in the U. S. where the majority of our customers are located; • customers' failure to pay amounts due, customers' extending the time to pay amounts due, our inability to collect amounts due, and the cost of enforcing the terms of our contracts, including litigation costs; • the timing and growth of our business, in particular through hiring new employees and international expansion; • our ability to hire, train, and maintain our sales force and other employees in customer- facing roles; • the length and timing of sales cycles, with a significant portion of our larger transactions occurring in the last few days and weeks of each quarter; • the timing of recognition of revenue; • the amount and timing of operating expenses; • the amount and timing of share- based compensation expense; • changes in our pricing policies or offerings, or those of our competitors; • the timing and success of new product and service introductions by us or our competitors, or any other change in the competitive dynamics of our industry, including consolidation or new entrants among competitors, customers, or strategic partners; • customers delaying purchasing decisions **for any reason, including** in anticipation of new products or **capabilities** ~~product enhancements~~ by us or our competitors ~~or otherwise~~ ; • the timing and effectiveness of new and existing sales and marketing initiatives; • the timing of expenses related to the development or acquisition of technologies or businesses, and potential future charges for impairment of goodwill from acquired companies; • network or service outages, Internet disruptions, actual or perceived security breaches impacting us directly or indirectly via our third- party vendors, and the costs associated with responding to and addressing outages or breaches; • changes in laws and regulations that affect our business, the costs to maintain or achieve compliance with changes in laws and regulations, and any lawsuits or other proceedings involving us or our competitors; • changes in foreign currency exchange rates or addition of currencies in which our sales are denominated; and • general economic, industry, and market conditions. Although we offer and continue to develop additional solutions, we currently derive, and expect to continue to derive, substantially all of our revenue from the sale of subscriptions to our cloud- based collaborative work management platform. As a result, the continued growth in market demand for our platform is critical to our continued success. Demand for our platform is affected by a number of factors, including ~~:~~ continued market acceptance; the timing of development and release of competing products and services; price or product changes by us or by our competitors; technological changes; growth or contraction in the markets we serve; and general economic conditions and trends. In addition, some current and potential customers, particularly large organizations, may develop or acquire their own internal collaborative work management tools or continue to rely on traditional tools that would reduce or eliminate the demand for our platform. If demand for our platform declines for any of these or other reasons, our business could be adversely affected. Because we recognize revenue from subscriptions and support services over the term of the relevant service period, downturns or upturns in new sales or renewals may not be immediately reflected in our operating results and may be difficult to discern. We recognize subscription revenue from customers ratably over the terms of their subscription agreements, which are typically one year. As a result, most of the subscription revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. A decline in new or renewed subscriptions in any single quarter will likely only have a minor effect on our revenue for that quarter, but such a decline will reduce our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our platform, and potential changes in our pricing policies or customer retention rates ~~,~~ may not be fully reflected in our operating results until future periods ~~. We may be unable to adjust our~~

~~cost structure to reflect the changes in revenue~~ . Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period **because** ~~, as~~ subscription revenue from new customers is recognized over the applicable subscription term. We may need additional capital, and we cannot be certain that additional financing will be available on favorable terms, or at all. ~~We have funded our operations since inception primarily through~~ - **Although** ~~equity financings, including registered offerings, subscription and services fees from our customers, and proceeds from option exercises and the sale of our capital stock pursuant to our 2018 Employee Stock Purchase Plan. Even if~~ we **currently** generate sufficient cash to fund our ongoing operations, we may be unable to maintain ~~generation~~ **this** in future periods. In the future, we may **also** require additional capital to respond to business opportunities, challenges, acquisitions, ~~declines in subscriptions for our platform,~~ or unforeseen circumstances. ~~A deterioration~~ **Deteriorations** ~~of current conditions~~ in worldwide credit markets, ~~increases in~~ inflation, ~~and~~ fluctuations in interest rates **, and instability in the global banking sector** could limit our ability to obtain external financing to fund our operations and capital expenditures. We may not be able to timely secure debt or equity financing on favorable terms, or at all. Any debt financing **agreement** could ~~involve~~ **include** restrictive covenants ~~relating to~~ **that limit** our capital raising activities ~~and~~ **or** other financial and ~~operational~~ -- **operation** matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. ~~Additionally~~ **Furthermore** , we may not be able to generate sufficient cash to service any debt financing, which may force us to **sell assets or** reduce or delay capital expenditures ~~or sell assets or operations~~ . If we raise additional funds through further issuances of equity, convertible debt securities, or other securities convertible into equity, then our existing shareholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences, and privileges senior to those of holders of our **Class A** common stock. If we are unable to obtain adequate ~~financing or~~ financing on terms satisfactory to us when **necessary** ~~we require it~~ , our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. We may face exposure to foreign currency exchange rate fluctuations. We ~~have historically transacted~~ -- **transact with the majority of our customers and vendors** in U. S. dollars ~~with the majority of our customers and vendors~~ , but we ~~have~~ also ~~transacted~~ -- **transact** in certain foreign currencies and may transact in ~~more~~ **additional** foreign currencies in the future. Accordingly, changes in the value of foreign currencies relative to the U. S. dollar can affect our revenue and operating results due to transactional and translational re- measurement that is reflected in our earnings. Foreign currency exchange rate fluctuations may be materially impacted by macroeconomic conditions, including increases in inflation, fluctuations in interest rates, **instability in the global banking sector,** and any global events, wars, or **regional** conflicts ~~, including the current Russia / Ukraine conflict~~ . As a result of foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and operating results. In addition, to the extent that fluctuations in currency exchange rates cause our operating results to differ from our expectations or the expectations of our investors, the trading price of our Class A common stock could decrease. Our foreign currency exchange policy approves **the** use of certain hedging instruments, including spot transactions, forward contracts, swap contracts, and purchased options with maturity of up to eighteen months. The use, if any, of approved hedging instruments may not offset any (or more than a portion) of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure **them** ~~effective~~ **effectively** ~~hedges~~ . Our sales are generally more heavily weighted toward the end of each fiscal quarter **and towards the end of our fiscal year** , which could have an impact on the timing of our billings, revenue, collections, and the reporting of these metrics for any given quarter ~~and~~ **,** for subsequent quarters **, or for a subsequent fiscal year** . Our sales cycles are generally more heavily weighted toward the end of each fiscal quarter, with a high volume of sales in the last few weeks and days of the quarter, and **our** sales **are more weighted in the latter half of our fiscal year. Sales** can otherwise be dependent on customer purchasing patterns and the timing of particularly large transactions. Any of the foregoing may have an impact on the timing of revenue recognition, calculated billings, and cash collections; may cause ~~significant~~ fluctuations in our operating results and cash flows; may make it challenging for an investor to predict our performance on a quarterly or annual basis; and may prevent us from achieving our quarterly or annual forecasts. Compression of sales activity to the end of the quarter **and fiscal year** also greatly increases the likelihood that sales cycles will extend beyond the quarter **or fiscal year** in which they are forecasted to close for some sizable transactions, which may harm forecasting accuracy and adversely impact new customer acquisition metrics for the quarter **or fiscal year** in which they are forecasted to close. Further, the concentration of **business and** contract negotiations in the last few weeks and days of the quarter **and towards the end of our fiscal year** may require us to **allocate** ~~expend more in the form of compensation for~~ additional sales operations, legal, and finance employees and resources. Risks Related to Our General Operations We have recently experienced rapid growth and expect our growth to continue. If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service and operational controls, or adequately address competitive challenges. We have recently experienced a period of rapid growth in our personnel headcount and operations and expect to continue to invest in our growth in the future. During the period from January 31, 2019 to January 31, ~~2023~~ **2024** we grew from 1, 101 employees to 3, ~~191~~ **330** employees. In addition, we have engaged temporary workers and contractors in various jurisdictions throughout the world to supplement our employee base. This growth has made our operations more complex and has placed, and future growth will place, a significant strain on our management, and on our administrative, operational, and financial infrastructure. Our success will depend, in part, on our ability to effectively manage this growth and complexity. We anticipate that we will continue to expand our operations and personnel headcount in the near term. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational, financial, and management controls, processes, and documentation, and our reporting systems and procedures. Failure to effectively manage growth or complexity could result in ~~:~~ difficulties growing and maintaining our customer base; cost increases; inefficient and ineffective responses to customer needs; delays in developing and deploying new features, integrations, or services; violations of law; breaches of contract; or other operational difficulties. Any of these difficulties could harm our business and operating results. As a substantial portion of our sales efforts are targeted at enterprise and government customers, our sales cycles may become more complex, we may encounter implementation and configuration challenges, and we may have to delay revenue recognition for more complicated transactions, all of which could harm our business and operating results. Our ability to increase revenue and achieve and maintain profitability largely depends on widespread acceptance of our platform by large enterprises, government agencies, and other organizations. Sales efforts targeted at enterprise and government customers require acceptance by and support of the customers' knowledge workers and senior management and involve ~~:~~ greater costs; longer sales cycles, including complex customer procurement and budgeting considerations; greater competition; increased operational burden; potential reseller or other third- party involvement; and less predictability. In the large enterprise and government agency markets, the customer' s decision to use our ~~platform~~ **products** and services can sometimes be an organization- wide decision, in which case, we will likely be required to provide greater levels of customer education, training, and support to familiarize potential customers with the use and benefits of our platform and services. In addition, larger enterprises **,** and ~~government agencies~~ **customers in regulated industries such as financial services, health care, and education,** may demand more features, configuration options, and integration services. ~~They may also expect operational changes to satisfy~~ **Customers in these industries have increasingly prioritized the security of** their **digital assets and information when making decisions regarding purchasing Internet- based products and services, often process large quantities of sensitive information or personal data, and routinely have complex** supplier requirements. As a result ~~of such factors~~ , these ~~sales opportunities~~ **customers often seek platforms that offer enhanced or specialized security measures and data back- up procedures. Attracting and retaining customers in these industries may require enhancements to or additional engineering of our platform to meet these requirements,** may require us to devote greater sales support, research and development, ~~engineering,~~ customer support, professional services resources, and **such efforts may** ~~other internal resources and processes to these customers, resulting~~ --- **result** in increased costs, lengthened sales cycles, and **a disproportionate** diversion of ~~sales and professional services~~ resources to a smaller number of customers **. This resource allocation and commitment to any changes to our platform could be costly and time consuming and could divert the attention of our management and key personnel from other business operations; investments and efforts in furtherance of changes to our platform may not take place in a timely manner, or at all** . Moreover, some of these larger transactions may require us to delay revenue recognition until the technical or implementation requirements have been met. Any of the foregoing effects could harm our business and operating results. Our growth depends on the expansion and effectiveness of our sales force, domestically and internationally ~~. To increase our revenue and achieve profitability, we must increase the effectiveness and efficiency of our global sales force. We intend to further increase our number of sales personnel in the future, but we may not be successful in doing so and any increase may occur at a slower pace than intended~~ . We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training, and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and may take considerable time before they achieve full productivity, particularly in new sales territories. Our recent and ~~planned~~ **future** hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business, which may ~~necessitate that we~~ **require us to** explore new markets to find talent or increase sales targets for existing sales personnel. In addition, as we continue to grow, a ~~large~~ **larger** ~~percentage~~ **number** of our sales personnel may be new to our company, our platform, or the collaborative work management industry, which may adversely affect our sales if we cannot train these personnel quickly or effectively. Attrition rates may increase and we may face integration challenges ~~as~~ **when** we seek to expand our sales force. If we are unable to hire ~~and~~ **,** train **, and retain** sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to our existing customer base, then our business could be adversely affected. Our failure to attract, integrate, and retain highly qualified personnel could harm our business. Our growth strategy depends on our ability to staff our organization with highly skilled personnel. Identifying, recruiting, training, and integrating qualified individuals requires significant time, expense, and attention. In addition to hiring new employees and contractors, we must continue to focus on retaining our best employees. Competition for highly skilled personnel is intense **, especially in emerging areas of focus such as AI and machine learning** . We compete with many other companies for software ~~developers~~ **engineers** with high levels of experience in designing, developing, and managing cloud- based software, as well as for skilled product development, marketing, sales, and operations professionals. We may not be successful in attracting and retaining the professionals we need **and we** ~~, particularly in the greater Seattle area where our headquarters are located. We~~ have experienced, and we expect to continue to experience, difficulty in hiring and retaining **employees and** contractors ~~and employees~~ with appropriate qualifications. ~~Our~~ **We have supplemented our employee workforce with contractors, and our** engagements with contractors could expose us to claims that we have misclassified ~~the~~ **these** ~~contractors~~ **workers** , which could subject us to liability. In addition, immigration laws and travel ~~bans may restrict~~ **restrictions** ~~or~~ **may** limit our ability to recruit individuals outside their countries of citizenship. Any changes to immigration or travel policies that restrain the flow of technical and professional talent may inhibit our ability to recruit and retain highly qualified employees. Further, many of the companies that we compete with for experienced personnel have greater resources than we do. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees, alone or with our inducement, have breached their legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived or actual value of our equity awards declines, it may reduce our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed. If we cannot maintain our corporate culture as we grow and work in a hybrid working environment, we could lose the innovation, teamwork, and passion that we believe contribute to our success, and our business may be harmed. We believe that a critical component of our success has been our corporate culture. We have invested substantial time and resources in building our team. As we continue to expand globally and continue to operate in a hybrid working environment, we will need to preserve and maintain our corporate culture among a larger number of employees who are dispersed **globally** in various geographic regions ~~internationally~~ **,** both in our offices and remotely. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. Developing our ~~platform~~ **products and services** is expensive and the investment in ~~such~~ technological development often involves a long return on investment cycle. We incurred research and development expenses of $ **234. 1 million, $** 215. 2 million, **and** $ 165. 4 ~~million, and $ 118. 7~~ million during the years ended January 31, **2024,** 2023, **and** 2022 ~~, and 2021~~ , respectively. We have made, and expect to continue to make, significant investments in **product** development, infrastructure, security, and related opportunities. Accelerated product introductions and short product life cycles require high levels of expenditures that could adversely affect our operating results if they are not offset by revenue increases. We believe that we must continue to dedicate significant resources to our development efforts to maintain and improve our customer engagement and competitive position. However, we may not receive significant revenue from these investments for several years, if at all. We may experience difficulties in accurately predicting optimal pricing necessary to attract new customers and retain existing customers. We have changed, and expect in the future that we will ~~need~~ **continue** to change, our published and unpublished pricing and packaging models. We have previously deployed, and may continue to deploy, multiple structures and models of pricing and packaging to serve our wide variety of customers, including trial and free versions of our platform. As the market for our ~~platform~~ **products** and services matures, as competitors introduce new products or platforms that compete with ours, and as we continue to expand into **new** international markets, we may be unable to attract and retain customers at the same price or based on the same pricing and packaging models as we have historically, if at all, and some of our competitors may offer their products at a lower price. Further, we may have difficulty attracting and retaining customers based on new **or existing** pricing and packaging models ~~(~~ **,** especially in the event **that** we increase our prices ~~)~~ **or make changes to the models that result in higher or more dynamic costs to customers** , and ~~any~~ new models may inhibit ~~the~~ organic growth ~~that we value~~ from individuals who have traditionally used our products and services as free collaborators. Pricing and packaging decisions **, including a failure to optimally price and package our products and services,** may also **negatively impact customer** ~~affect the mix of~~ adoption ~~among~~ **of** our **platform** ~~subscription plans~~ and ~~reduce~~ **capabilities, result in difficulties modeling** our ~~overall revenue~~ **financial results, and may harm our operating results** . Moreover, larger enterprises may demand substantial price concessions. As a result, in the future we may be required to reduce our prices, which could harm our operating results. The loss of one or more of our key customers, or a failure to renew our subscription agreements with one or more of our key customers, could negatively affect our ability to market our platform. We rely on our reputation and recommendations from key customers in order to promote and sell subscriptions to our platform. The loss of, or failure to renew by, any of our key customers could have a ~~significant~~ **negative** effect on our revenue, reputation, and our ability to obtain new customers. In addition, if our customers are acquired by other companies, it could lead to cancellation of such customers' contracts, thereby reducing the number of our existing and potential customers. If we fail to offer high- quality customer support, our business and reputation may be harmed. Our customers rely on our customer support organization to respond to inquiries about, and resolve issues with, their use of our platform. We may be unable to respond quickly enough to accommodate short- term increases in customer demand for support services. Increased customer demand for these services could increase costs and harm our operating results. Customers who elect not to purchase enhanced support may be unable to sufficiently address their support issues through self- service, and their support requests may not be prioritized once received by us; this may result in a poor customer experience. In addition, our sales process is highly dependent on the ease of use of our platform, our business reputation, and positive recommendations from our existing customers. Any failure to maintain a high- quality customer support organization, or a market perception that we do not maintain high- quality customer support, could harm our reputation, our ability to sell to existing and prospective customers, and our business. Our long- term growth depends in part on being able to expand internationally on a profitable basis. Historically, we have generated ~~the~~ **a** majority of our revenue from customers in the **United States** ~~U. S~~ . We ~~expect~~ **are expanding internationally and plan** to continue ~~to expand~~ **expanding our** ~~internationally~~ -- **international operations** as part of our growth strategy. There are certain risks inherent in conducting international business, including: • fluctuations in foreign currency exchange rates or adding additional currencies in which our sales are denominated; • new, or changes in existing, regulatory requirements; • health or similar issues, including epidemics or pandemics; • tariffs, export and import restrictions, restrictions on foreign investments, sanctions, and other trade barriers or protection measures; • costs of localizing our platform and services; • lack of **(** or delayed **)** acceptance of localized versions of our platform and services; • difficulties in and costs of staffing, managing, and operating our international operations, including compliance with local labor and employment laws and customs and enforcement of contractual obligations outside the U. S.; • tax issues, including restrictions on repatriating earnings, and with respect to corporate operating structures and intercompany arrangements; • weaker intellectual property protection; • the ongoing uncertainty, difficulty of, and burden and expense involved with, compliance with shifting global privacy, data protection, and cyber and information security laws and regulations, such as the General Data Protection Regulation 2016 / 679 (" GDPR ") and related cross- border data transfer requirements, ~~the California Consumer Privacy Act (the " CCPA "), the California Privacy Rights Act (" CPRA "),~~ and other **recently enacted and** emerging U. S. state privacy laws; • economic weakness or currency- related crises; • the burden of complying with a wide variety of U. S. and global laws and regulations applicable to foreign operations, including, import and export control laws and regulations, anti- corruption laws, tariffs, trade barriers, economic sanctions and other regulatory, legal, or contractual limitations on our ability to sell products and services in certain foreign markets, and the risks and costs of non- compliance; • generally longer payment cycles and greater difficulty in collecting accounts receivable; • our ability to adapt to sales practices and customer requirements in different cultures; • lack of brand recognition and increased competition; • the impact of wars and conflicts in ~~certain~~ foreign jurisdictions ~~, such as the current Russia / Ukraine conflict~~ ; • political instability, uncertainty, or change; • security risks in the countries where we are doing business; and • our ability to maintain our relationship with resellers to distribute our products and services internationally. Any of these risks could adversely affect our business. For example, compliance with laws and regulations applicable to our international operations increases our cost of doing business in foreign jurisdictions. We may be unable to keep current with government requirements as they change from time to time. Failure to comply with these laws or regulations could have adverse effects on our business. In addition, in many foreign countries it is common for others to engage in business practices that are prohibited by our internal policies and procedures or applicable U. S. laws and regulations. As we grow, we continue to implement compliance procedures designed to prevent violations of these laws and regulations. There can be no assurance that all of our employees, contractors, resellers, and agents will comply with our compliance policies or with applicable laws and regulations. Violations of laws or compliance policies by our employees, contractors, resellers, or agents could result in ~~:~~ delays in revenue recognition; financial reporting misstatements; fines; penalties; breaches of contractual obligations; or the prohibition of the import or export of our products and services, any of which and could have a material adverse effect on our business and operating results. Further, 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. We expect that our international activities will continue to grow as we pursue further opportunities in existing and new markets and that our expansion efforts into new markets may accelerate, which will require significant management attention, financial resources, and compound the risks inherent to international expansion. If we invest substantial time and resources to expand our international operations and are unable to do so successfully, or in a timely manner, our business and operating results will suffer. Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand. Our success and ability to compete depend, in part, upon our intellectual property. Failure to protect our intellectual property, including the unauthorized use of our intellectual property or a violation of our intellectual property rights by third parties ~~,~~ may damage our brand and our reputation. In addition to certain patents and patent applications, we primarily rely on a combination of copyright, trademark, and trade secret protections, and confidentiality and license agreements with our employees, customers, partners, and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the U. S. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. Even in cases where we seek patent protection, there is no assurance that patents will be granted or that awarded patents will effectively protect every significant feature of our products and services. We also believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand, and maintaining goodwill. If we do not adequately protect our rights in our trademarks from infringement and unauthorized use, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation to protect and enforce our intellectual property rights could be costly, time- consuming, and distracting to management, and **it** could result in the impairment or loss of portions of our intellectual property rights. Any efforts to enforce our intellectual property rights may be met with actions attacking the validity and enforceability of **such** ~~our intellectual property~~ rights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Remedies following any infringement or misappropriation, including injunctive relief, may be insufficient to prevent the infringement or misappropriation or otherwise address the damages sustained. Our failure to secure, protect, and enforce our intellectual property rights could significantly damage our brand and our business. We may be sued by third parties for alleged infringement of their proprietary rights. There is considerable patent and other intellectual property development activity in our industry. Our future success depends on our technology, ~~platform~~ **products** , and services not infringing upon the intellectual property rights of others. Our competitors, and other entities, including non- practicing entities and individuals, may own or claim to own, intellectual property relating to our industry. Our competitors or other third parties may claim that we are infringing upon or misappropriating their intellectual property rights, and we may be found to be infringing upon these rights. Additionally, we rely on the feedback provided by our customers and users to inform decisions on potential changes to our products and services, and we negotiate agreements with our customers that may include license rights to intellectual property developed while performing professional services. This feedback and these license rights may provide a customer or user a basis for competing against us, demanding royalties for use of intellectual properties, or contesting ownership and seeking to enjoin our use of current or future intellectual property. Third parties have occasionally alleged that our technology infringes upon their intellectual property rights. In the future others may raise the same or similar claims and may assert claims against us, even if we are unaware of their intellectual property rights. Any of these claims ~~or this~~ **and related** litigation could cause us to incur significant expenses, and, if successfully asserted against us, could require that we ~~:~~ pay substantial damages, settlement fees, or ongoing license or royalty payments; cease offering our platform or services or cease using certain technologies; implement expensive workarounds; or comply with other unfavorable conditions. We may also be required to issue customer refunds and be obligated, without contractual limitation of liability provisions to limit our exposure, to indemnify our customers or business partners for intellectual property claims or litigation. Even if we were to prevail in any intellectual property dispute, any litigation regarding our intellectual property could be costly and time consuming and divert the attention of our management and key personnel from our business operations. During any litigation, we may make announcements regarding the results of hearings and motions and other interim developments, which could cause the market price of our Class A common stock to decline if securities analysts and investors view those announcements negatively. The requirements of being a public company, including maintaining adequate internal control over our financial and management systems, may strain our resources and divert management' s attention. As a public company we incur significant legal, accounting, and other expenses. We are subject to reporting requirements of the Securities Exchange Act of 1934, as amended, (" Exchange Act "), the Sarbanes- Oxley Act of 2002 (" Sarbanes- Oxley Act "), the rules subsequently implemented by the ~~U. S. Securities and Exchange Commission ("~~ SEC ~~")~~ , the rules and regulations of the listing standards of the New York Stock Exchange (" NYSE "), and other applicable securities rules and regulations. Compliance with these rules and regulations strains our financial and management systems, internal controls, and employees. To comply with the Sarbanes- Oxley Act and to maintain and, if required, improve our disclosure controls, procedures, and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. If we have material weaknesses or deficiencies in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. Effective internal control is necessary for us to produce reliable financial reports and is important to prevent fraud. In addition, we are required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. We will continue to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management' s attention may be diverted from other business concerns, which could harm our business, operating results, and financial condition. To assist us in complying with these requirements we may need to hire more employees or engage outside consultants, which will increase our operating expenses. We intend to evaluate acquisitions or investments in third- party technologies and businesses, but we may not realize the anticipated benefits from, and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake. As part of our business strategy, we continually evaluate acquisitions of, or investments in, a wide array of potential strategic opportunities, including third- party technologies and businesses. We may be unable to identify suitable transaction candidates in the future or to complete these transactions on a commercially reasonable basis, or at all. The evaluation of potential acquisitions and investments requires diversion of time and resources from normal business operations and may cause us to incur fees from outside advisors. Any transactions that we enter into could be material to our financial condition and operating results. These transactions may not result in the intended benefits to our business, and we may not successfully evaluate or utilize any acquired technology, offerings, or personnel, or accurately forecast the financial effect of a transaction. Although we conduct reasonably extensive due diligence of any transaction target entity, our due diligence may not reveal every concern that may exist with the target entity, the proposed transaction, and any subsequent integration. The process of acquiring a company or integrating an acquired company, business, technology, or the associated personnel into our own company is subject to various risks and challenges, including: • diverting management time and focus from operating our business to acquisition integration; • disrupting our respective ongoing business operations; • customer and industry acceptance of the acquired company' s offerings; • implementing or remediating the controls, procedures, and policies of the acquired company; • integrating acquired technologies into our own platform and technologies, including ensuring that we acquire the necessary intellectual property rights required to implement the integration; • our ability to ensure that we maintain quality, security, and data privacy standards for the acquired technology consistent with our brand; • retaining and integrating acquired employees; • failing to maintain important business relationships and contracts; • failing to realize any anticipated synergies; • using cash or equity that we may need in the future to operate our business or incurring debt on terms unfavorable to us or that we are unable to pay; • liability for activities of the acquired company before the acquisition; • liability arising from contracts entered into by the acquired company before the acquisition, which may include contracts that are in active breach by the company or another party, or contracts which may not align with our acceptable contracting principles or liability limitations; • litigation or other claims arising in connection with the acquired company; • impairment charges associated with goodwill and other acquired intangible assets; and • other unforeseen operating difficulties and expenditures. Our limited experience acquiring companies may increase these risks. Our inability to address these risks or other problems **that** we encounter with our acquisitions and investments could result in a failure to realize the anticipated benefits of these acquisitions or investments, unanticipated liabilities, and harm to our business. Risks Related to Ownership of Our Common Stock The market price of our Class A common stock has been, and will likely continue to be, volatile, and you could lose all or part of your investment. The market price of our Class A common stock has been, and will likely continue to be, volatile. Since our IPO in April 2018 **,** our stock price has ranged from $ 18. 06 to $ 85. 65 through March ~~15~~ **13** , ~~2023~~ **2024** . In addition to the factors discussed in this Annual Report on Form 10- K, the trading prices of the securities of technology companies in general have been highly volatile. The market price of our Class A common stock may continue to fluctuate significantly in response to numerous factors, many of which are beyond our control, including: • price and volume fluctuations in the overall stock market or in the trading volume of our shares or the size of our public float; • negative publicity related to the real or perceived quality of our platform, as well as the failure to timely launch new features, integrations, or services that gain market acceptance; • actual or anticipated fluctuations in our revenue or other operating metrics; • changes in the financial projections we provide to the public or our failure to meet financial projections; • failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors; • recruitment or departure of key personnel; • changes in accounting standards, policies, guidelines, interpretations, or principles; • global macroeconomic factors and the market conditions in our industry, including inflation and variations in interest rates; • rumors and market speculation involving our company or other companies in our industry; • actual or perceived failures or breaches of security or privacy, and the costs associated with responding to and addressing any such actual or perceived failures or breaches; • announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • indemnity demands or lawsuits threatened or filed against us; • other events or factors, including those resulting from wars and conflicts, incidents of terrorism, public health concerns or epidemics, or responses to these events; • sales of our Class A common stock held by our large institutional shareholders; and • sales of additional shares of our Class A common stock by us, our directors and executive officers, or our other shareholders. 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. In particular, the stock markets have been volatile in response to ~~the Russia / Ukraine conflict,~~ macroeconomic conditions such as inflation **, instability in the global banking sector,** and adjustments to interest rates **, geopolitical wars and conflicts** , the COVID- 19 pandemic, and for companies in the technology industry generally; extreme volatility has also resulted for companies that have been targeted for " short squeeze " opportunities. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, shareholders 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 harm our business. Sales of a substantial amount of our Class A common stock in the public markets, particularly sales by our directors, executive officers, and significant shareholders, or the perception that these sales may occur, may cause the market price of our Class A common stock to decline. Shares held by our employees, executive officers, directors, and the majority of our security holders are currently tradeable in the public market, subject in certain cases to volume limitations under Rule 144 of the Securities Act of 1933, as amended (the " Securities Act "), various vesting agreements, as well as our insider trading policy. Sales of a substantial number of shares, or the perception that sales may occur, could cause our market price to fall or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate. In addition, we have filed a registration statement to register shares reserved for future issuance under our equity compensation plans. Subject to the satisfaction of vesting conditions, the shares issued upon exercise of outstanding stock options or settlement of outstanding restricted stock units (" RSUs ") or performance stock units (" PSUs ") will be available for immediate resale in the U. S. in the open market. ~~Further, certain holders of our Class A common stock are, subject to certain conditions, entitled under contracts providing for registration rights, to require us to register shares owned by them for public sale in the U. S.~~ We may also issue our shares of common stock or securities convertible into shares of our common stock in connection with a financing, acquisition, investment, or otherwise. Any further issuance could result in substantial dilution to our existing shareholders and cause the market price of our Class A common stock to decline. If securities or industry analysts do not publish research about our company, or publish inaccurate or unfavorable research, then the price and trading volume of our Class A common stock could decline. The trading market for our Class A common stock will depend, in part, on the research and reports that securities or industry analysts publish about our company, our market, and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on our company on a regular basis, demand for our Class A common stock could decrease, which might cause our market price or trading volume to decline. Provisions in our corporate charter documents and under Washington law could make an acquisition of our company, which may be beneficial to our shareholders, more difficult and may prevent attempts by our shareholders to replace or remove our current management. Provisions in our amended and restated articles of incorporation and bylaws may discourage, delay, or prevent a merger, acquisition, or other change in control of our company that shareholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price. In addition, because our ~~board~~ **Board** ~~of directors~~ is responsible for appointing the members of our senior management team, these provisions may frustrate or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our ~~board~~ **Board** ~~of directors~~ . Among other things, these provisions: • established a classified board of directors so that not all members of our board are elected at one time; • permit only the board of directors to establish the number of directors and fill vacancies on the board; • eliminated the ability of our shareholders to call special meetings of shareholders; • prohibit shareholder action by written consent unless the consent is unanimous, which requires all shareholder actions to be taken at a meeting of our shareholders; • established advance notice **requirements and informational and procedural** requirements for nominations for election to our board or for proposing matters that can be acted upon by shareholders at annual shareholder meetings; • prohibit cumulative voting; • provide that directors may only be removed " for cause " and only with the approval of two- thirds of the voting power of our outstanding shares; • require supermajority voting to amend some provisions in our amended and restated articles of incorporation and amended and restated bylaws; and • authorized the issuance of " blank check " preferred stock that our board could use to implement a shareholder rights plan, also known as a " poison pill. " In addition, under Washington law, shareholders of public companies can act by written consent only by obtaining unanimous written consent. This limit on the ability of our shareholders to act by less than unanimous consent may lengthen the amount of time required to take shareholder action. Moreover, because we are incorporated in the State of Washington, we are governed by the provisions of the Revised Code of Washington Chapter 23B. 19, the Washington Business Corporation Act (" WBCA "), which prohibits a " target corporation " from engaging in any of a broad range of business combinations with any " acquiring person, " which is defined as a person or group of persons who beneficially owns 10 % or more of the voting securities of the " target corporation, " for a period of five years following the date on which the shareholder became an " acquiring person. " Any of these provisions of our charter documents or Washington law could, under certain circumstances, depress the market price of our Class A common stock. See Exhibit 4. 3 to this Annual Report on Form 10- K for the fiscal year ended January 31, ~~2023~~ **2024** , titled " Description of Securities Under Section 12 of the Securities Exchange Act of 1934, as amended. " Our amended and restated articles of incorporation designate the federal and state courts located within the State of Washington as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or agents. Our amended and restated articles of incorporation provide that, unless we consent in writing to an alternative forum: the federal courts located in the State of Washington are the sole and exclusive forum for claims under the Securities Act; and the federal and state courts located within the State of Washington (“ Washington Courts ”) are the sole and exclusive forum for any internal corporate proceedings (as defined in the WBCA), subject to the Washington Courts having personal jurisdiction over the indispensable parties named as defendants and the claim not being one that is vested in the exclusive jurisdiction of a court or forum other than the Washington Courts, or for which the Washington Courts do not have subject matter jurisdiction. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our amended and restated articles of incorporation. This choice of forum provision may limit our shareholders’ ability to bring a claim in a judicial forum that it finds favorable for internal corporate proceedings, which may discourage lawsuits even though an action, if successful, might benefit our shareholders. Shareholders who do bring a claim in Washington Courts could face additional litigation costs in pursuing the claim, particularly if they do not reside in or near the State of Washington. Washington Courts may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and any judgments or results may be more favorable to us than to our shareholders. Alternatively, if a court were to find this provision of our amended and restated articles of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving these matters in other jurisdictions, which could have an adverse effect on our business, financial condition or operating results. Risks Related to Governmental Regulation ~~We are subject~~ **Actual or perceived failure** to **comply with** laws ~~and~~ **,** regulations **, and commitments** affecting our business, including those related to ~~marketing, advertising,~~ privacy, data protection **, marketing, advertising,** and information security ~~. Our actual or perceived failure to comply with laws or regulations~~ could harm our business ~~. Complying with these laws and regulations could also result in additional costs and liabilities to us or inhibit sales of our platform and services~~ . We receive, store, and process personal information and other data from and about **customers, potential** customers, our employees, partners, and service providers. In addition, customers use our products and solutions to obtain and store personal information, health information (including protected health information), and personal financial information. Our handling of data is thus subject to a variety of laws and regulations **in the U. S. and internationally** , including **those applicable to the collection, processing, disclosure, transfer, and security of certain types of data. These laws impose stringent data privacy, data protection, and cybersecurity requirements, and could increase our risk of non- compliance and increase the costs of providing our services in a compliant manner. Further, developments related to new and revised laws can occur very quickly, and we expect that new laws,** ~~regulation~~ **regulations , and industry standards will continue to be proposed and enacted relating to privacy, data protection, marketing, advertising, consumer communications, and information security in the U. S. and internationally. We cannot currently determine the impact these existing and future laws, regulations, and standards may have on our business. Though we endeavor to maintain comprehensive compliance processes and procedures, we cannot guarantee that we will be able to fully comply with these continuously evolving, and potentially conflicting, laws in the jurisdictions in which we operate. The dynamic landscape of, and uncertainty related to, these laws, regulations, and standards may lead to additional costs and increase our overall risk exposure. Any failure or perceived failure** by ~~various government agencies,~~ **us to comply with** such ~~as the U. S. Federal Trade Commission~~ **laws, regulations, policies, legal or contractual obligations, industry standards, or regulatory guidance may result in governmental investigations and enforcement actions or notices, litigation, significant fines and penalties, sanctions, orders to cease or change our processing of data, assessment notices** (~~the “ FTC ”~~ **for a compulsory audit**), **adverse publicity, loss** ~~the U. S. Department~~ of ~~Health~~ **trust with our customers** and ~~Human~~ **partners, civil litigation claims by customers and data subjects, and could jeopardize our ability to sell products and** ~~Services~~ **services to customers in certain jurisdictions** ~~Office for Civil Rights (“ OCR ”)~~ , **and loss of trust with our customers and partners. Any of the foregoing results could have** ~~and~~ - **an** ~~various state, local,~~ **adverse effect on our reputation** and **business results** ~~foreign agencies and other authorities~~ . ~~Our~~ **In addition, our** data handling ~~also~~ is subject to contractual obligations and industry standards ~~. In addition~~ , **and** we have internal policies and ~~publicly~~ -- **public** ~~posted~~ documentation regarding our collection, processing, use, disclosure, deletion, and security of information. Although we endeavor to comply with ~~our~~ **these contracts, standards,** policies **,** and documentation, we may at times fail to do so or face allegations of failure to do so. The publication of our privacy practices and other documentation that include commitments about data privacy and security may **also** subject us to potential actions if they are found to be deceptive, unfair, or otherwise misrepresent our actual practices, which could materially and adversely affect our business, financial condition, and operating results ~~. In the U. S., we are subject to various laws, regulations, and agency rules and opinions that apply to the collection, processing, disclosure, and security of certain types of data, including: the Electronic Communications Privacy Act; the Computer Fraud and Abuse Act; the Gramm Leach Bliley Act (“ GLBA ”); the Health Insurance Portability and Accountability Act (“ HIPAA ”); and various state laws relating to privacy and data security, including the CCPA and the CPRA. Internationally, many countries have established data privacy and security legal frameworks with which we, our customers, and our partners may need to comply. For example, we are subject to the GDPR, U. K. General Data Protection Regulation (“ U. K. GDPR ”), and U. K. Data Protection Act 2018, all of which impose stringent data protection and cybersecurity requirements and could increase the risk of non- compliance and the costs of providing our services in a compliant manner. A breach of these statutes could result in regulatory investigations, reputational damage, fines and sanctions, orders to cease or change our processing of our data, enforcement notices, or assessment notices (for a compulsory audit), and civil litigation claims by customers and data subjects. We may also face civil claims including representative actions and other class action- type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm. The GDPR and U. K. GDPR also impose strict rules on the transfer of personal data out of the EU or U. K. (as applicable) to a “ third country, ” including the U. S. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the~~

~~EU and the U. K. to the U. S. While we endeavor to appropriately safeguard these data transfers, we may not be able to do so in compliance with the evolving framework of data privacy laws and data transfer requirements, and any failure to do so would jeopardize our ability to sell products and services to customers in certain jurisdictions, could lead to significant penalties or liabilities, and could have an adverse effect on our business, financial condition or operating results Additionally, the relationship between the U. K. and the EU in relation to certain aspects of data protection law remains unclear, and it is unclear how U. K. data protection laws and regulations, including those regarding data transfers to and from the U. K., will develop in the medium to longer term. This uncertainty may lead to additional costs and increase our overall risk exposure. We expect that new laws, regulations, and industry standards will continue to be proposed and enacted relating to privacy, data protection, marketing, advertising, consumer communications, and information security in the U. S., the EU, and other jurisdictions, and we cannot currently determine the impact these future laws, regulations, and standards may have on our business. Any failure or perceived failure by us to comply with laws, regulations, policies, legal or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security may result in: governmental investigations and enforcement actions (including, for example, a ban by EU data protection authorities on the processing of EU personal data under the GDPR); litigation; fines and penalties; adverse publicity; and loss of trust with our customers and partners. Any of the foregoing results could have an adverse effect on our reputation and business. Changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself may diminish the demand for our platform and services and could harm our business. U. S. federal, state, and foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations relating to Internet usage. The adoption of any laws or regulations that could reduce the growth, popularity, or use of the Internet, including laws or practices regarding Internet neutrality, could decrease the demand for, or the usage of, our platform and services, increase our cost of doing business, and harm our operating results. Changes in these laws or regulations, or changes in the application of existing laws and regulations to the Internet and services provided via the Internet, could also require us to modify, in some instances substantially, our platform to maintain compliance. In addition, government agencies or private organizations may begin to impose taxes, fees, or other charges for accessing the Internet or for commerce conducted via the Internet. These laws or charges could limit the growth of Internet- related commerce or communications or reduce demand for Internet- based services and platforms such as ours. Further, we use email as part of our platform for communication and workflow management. Internet service providers continually develop new technologies to filter messages deemed to be unwanted before they reach users' inboxes, which may interfere with the deliverability of email messages from our platform. Government regulations and laws regarding electronic communications, evolving practices regarding the use of email, or misuse of our email features by customers, could restrict our use of email. Any deliverability issues or restrictions on our use of email would reduce functionality of our platform, impact user adoption, and harm our business. In addition, the use of the Internet and, in particular, cloud- based solutions, could be adversely affected by delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. The performance of the Internet has been adversely affected by " viruses, " " worms, " and similar malicious programs; businesses have experienced a variety of outages and other delays as a result of damage to Internet infrastructure. These issues could diminish the overall attractiveness of, and demand for, our platform~~ . We could be subject to additional sales tax or other tax liabilities. State, local, and foreign taxing jurisdictions have differing rules and regulations governing sales, use, value added, and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. In particular, the applicability of sales taxes to our platform in various jurisdictions is unclear. It is possible that we could face tax audits and that our liability for these taxes could exceed our estimates as taxing authorities could still assert that we are obligated to collect additional amounts as taxes from our customers and remit those taxes to those authorities. Additionally, we do not collect transaction taxes in all jurisdictions in which we have sales ~~,~~ based on our understanding that these taxes are not applicable or **that** an exemption applies. If we become subject to tax audits in these jurisdictions and a successful assertion is made that we should be collecting sales, use, value added, or other taxes where we have not historically done so, it could result in ~~:~~ substantial tax liabilities for past sales; customers deciding not to purchase our products; or harm to our business, operating results, and financial condition. Further, an increasing number of states and foreign jurisdictions have considered or adopted laws or administrative practices, with or without notice, that impose new taxes on all or a portion of gross revenue or other similar amounts or impose additional obligations on remote sellers to collect transaction taxes such as sales, consumption, value added, or similar taxes. If new laws are adopted in a jurisdiction where we do not collect these taxes, we may not have sufficient lead time to implement systems and processes to collect these taxes. Failure to comply with these laws or administrative practices, or a successful assertion by jurisdictions requiring us to collect taxes where we do not, could result in substantial tax liabilities, including for past sales, as well as penalties and interest. In addition, if the tax authorities in jurisdictions where we are already subject to sales tax or other indirect tax obligations were to successfully challenge our positions, our tax liability could increase substantially. Our ability to use our net operating loss to offset future taxable income may be subject to certain limitations. As of January 31, ~~2023~~ **2024** , we had U. S. federal net operating loss carryforwards (" NOLs "), of approximately $ ~~473~~ **388** . ~~8~~ **6** million. In general, under Section 382 of the Internal Revenue Code of 1986, as amended (" Code "), a corporation that undergoes an " ownership change " is subject to limitations on its ability to utilize its NOLs to offset future taxable income. As a result, our existing NOLs **are, and** may **continue to** be **,** subject to limitations arising from previous ownership changes. Future changes in our stock ownership, the causes of which may be outside of our control, could result in an ownership change under Section 382 of the Code. Our NOLs may also be impaired under state laws. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize any tax benefit from the use of our NOLs. Changes in tax laws or regulations could be enacted or existing tax laws or regulations could be applied to us or our customers in a manner that could increase the costs of our platform and services and harm our business. Income, sales, use, value added, or other tax laws, statutes, rules, regulations, or ordinances could be enacted or amended at any time, possibly with retroactive effect, and could be applied solely or disproportionately to products and services provided over the Internet. These enactments or amendments could reduce our sales activity by increasing gross sales prices, inclusive of tax, and ultimately harm our operating results and cash flows. **In addition,** ~~Global~~ **global** tax developments applicable to multinational businesses could have an adverse impact on our financial condition, results of operations, and cash flows. Such developments, for example, include without limitation certain Organization for Economic Cooperation and Development proposals regarding the implementation of the global minimum tax under the Pillar Two model rules. We are continuing to evaluate the impact of these tax developments as new guidance and regulations are published. Given these developments, we believe that tax authorities in the U. S. and other jurisdictions are likely to increase audit efforts, which could increase the amount of taxes we incur in those jurisdictions, and in turn, increase our global effective tax rate. The application of U. S. federal, state, local, and international tax laws to services provided electronically is unclear and continuously evolving. Existing tax laws, statutes, rules, regulations, or ordinances could be interpreted or applied adversely to us, possibly with retroactive effect, which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines, penalties, or interest for past amounts. If we are unsuccessful in collecting these taxes due from our customers, we could be held liable for outstanding amounts, which could adversely affect our operating results and harm our business. Failure to comply with Federal Acquisition Regulation clauses or anti- corruption and anti- money laundering laws, including the FCPA and similar laws associated with our activities outside of the U. S., could subject us to penalties and other adverse consequences. We are subject to contractual clauses promulgated under the Federal Acquisition Regulations (" FAR "), the Foreign Corrupt Practices Act (" FCPA "), the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA PATRIOT Act, the U. K. Bribery Act 2010, and other anti- corruption and anti- money laundering laws in countries in which we conduct activities. We face significant risks if we fail to comply with the FCPA and other anti- corruption and anti- money laundering laws that prohibit companies and their employees and third- party intermediaries from promising, authorizing, offering, or providing, directly or indirectly, improper payments or anything of value to foreign government officials, political parties, and private- sector recipients for the purpose of obtaining or retaining business, directing business to any person, or securing any advantage. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable anti- corruption and anti- money laundering laws and regulations. As we **seek to** expand our international business activities, our potential liabilities under these laws and regulations ~~will~~ **could** increase. In addition, we use various third parties to sell our products and services and conduct our business ~~abroad~~ **internationally** and with the **U. S.** federal government. We or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third- party intermediaries, our employees, representatives, contractors, partners, and agents, even though these activities would violate our internal policies and even if we do not explicitly authorize these activities. We have implemented an anti- corruption compliance program and adopted an anti- corruption policy, but we cannot assure you that all **of** our employees and agents, as well as those companies to which we outsource certain of our business operations, will comply with our policies and applicable law, and we may be ultimately held responsible for any non- compliance. Any breach of applicable FAR clauses or violation of the FCPA, the laws underlying the applicable FAR clauses, or other applicable anti- corruption laws or anti- money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, and suspension or debarment from eligibility for U. S. government contracts, any of which could have a materially adverse effect on our reputation, business, operating results, and prospects. In addition, responding to any enforcement action may result in a significant diversion of management' s attention and resources and significant defense costs and other professional fees. Governmental export or import controls could limit our ability to compete in foreign markets and subject us to liability if we violate them. Our products and services may be subject to U. S. export controls, including U. S. Export Administration Regulations administered by the Department of Commerce' s Bureau of Industry and Security, and we incorporate encryption technology into certain features. U. S. export controls may require submissions classifying our products and annual or semi- annual reports. Governmental regulation of encryption technology and regulation of imports or exports of encryption products, or our failure to obtain required import or export authorization or licenses for our products and services, when applicable, could harm our international sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our products and services may create delays in the introduction of our feature releases in international markets, prevent our customers with international operations from using our platform and services, or, in some cases, prevent the use of our products and services in some countries or regions altogether. If we fail to comply with these regulations, then we may be subject to criminal and civil penalties. Furthermore, economic sanctions prohibit the distribution of certain products and the provisioning of technology and services to countries, governments, and persons identified by government sanction programs, including trade sanctions regulations maintained by the U. S. Department of Treasury' s Office of Foreign Assets Control. If we fail to comply with these economic sanctions or fail to maintain controls sufficient to monitor our sanctions compliance on an ongoing basis, we may suffer reputational harm and the government may fine or impose other civil or criminal penalties on us, including a denial of certain export privileges. While our controls and policies are designed to prevent the use of certain products and services in sanctioned countries, or by governments or persons identified by government sanction programs, we may not be able to prevent distribution or use in violation of these sanctions from occurring, and these controls may not be fully effective. Additionally, trade sanctions and similar regulations may experience periods of rapid and complex change, and we may experience difficulties or delays implementing updated compliance protocols. Moreover, any new export or import restrictions, trade sanctions, new legislation, or shifting approaches in the enforcement or scope of existing regulations could result in decreased use of our products or services by, or in our decreased ability to export or sell our services or access to our platform to, existing or potential customers with international operations. Any decreased use of our products or services, or limitation on our ability to export or sell our services or access to our platform, would likely adversely affect our business. General Risk Factors The loss of one or more of our key personnel could harm our business. Our success depends largely upon the continued service of our senior management team, which provides leadership and contributions in the areas of product development, operations, security, marketing, sales, customer support, human resources, finance and accounting, legal, and compliance. From time to time, there may be changes in our senior management team resulting from the hiring, promotion **,** or departure of executives, which could disrupt our business. We do not have employment agreements with any member of our senior management team, and we do not maintain key person life insurance for any employee. The loss of one or more of our key employees or members of our senior management team, especially our President and Chief Executive Officer, Mark P. Mader, may be disruptive to our business. Contractual disputes or commitments, including indemnity obligations, may be costly, time- consuming, may result in contract or relationship terminations, and could harm our reputation. The sale of our products and services to customers, and our engagements with other vendors and partners, are contract intensive and we are a party to contracts globally. Contract terms with these counterparties are not always standardized and may be subject to differing interpretations, which could result in contractual disputes. Our contracts with customers contain a wide variety of operational commitments, including security ~~and~~ **,** privacy ~~obligations~~ **,** and regulatory compliance obligations. These commitments are memorialized both in legal agreements and documentation describing the features and functionality of our platform. If we fail to meet our commitments, then our counterparties could notify us of an alleged contract breach; make claims or demands for damages arising from their use of our platform; or otherwise dispute any contractual provision or the accuracy of our documentation; and the resolution of these failures, disputes, claims **,** or demands in a manner adverse to us could negatively affect our operating results. Even the existence of these issues, or resolution in a manner favorable to us could negatively affect our operating results due to the loss of customer goodwill, termination of revenue- generating contracts, or the costs associated with defending or enforcing our contractual rights. Further, certain of our customer agreements contain service level commitments. If we are unable to meet the stated service level commitments, including uptime requirements, we may be contractually obligated to provide these affected customers with service credits or refunds which could significantly affect our revenue in the period in which the uptime failure occurs or the period in which the credits are due. We could also face subscription terminations, which may significantly affect both our current and future revenue. We have issued credits and other recompense to customers in the past based on outages experienced by our platform. Additional service level failures could damage our reputation, which would also affect our future revenue and operating results. Our agreements with customers, vendors, and partners may also include provisions under which we agree to provide certain defense and indemnity obligations for losses suffered or incurred as a result of third- party claims of intellectual property infringement or other commitments or liabilities relating to or arising from our contractual obligations. Indemnity payments and defense costs may be substantial and could harm our business, operating results, and financial condition. Any dispute involving a customer and relating to our indemnity obligations could have adverse effects on our relationship with that customer and other existing or potential customers and may harm our business and operating results. There can be no assurance that contractual provisions will protect us from liability for damages in the event we are sued by parties with which we contract, or if we are called upon to fulfill indemnification obligations. We may be subject to litigation or regulatory proceedings for a variety of claims, which could adversely affect our operating results, harm our reputation, or otherwise negatively impact our business. We may be involved as a party to, or an indemnitor in, disputes or regulatory inquiries that arise in the ordinary course of business. These may include ~~alleged~~ **demands,** claims, lawsuits, ~~and~~ **arbitration, or regulatory** proceedings regarding labor and employment issues, commercial disagreements, securities law violations, merger and acquisition activity, and other matters ~~. For example, we recently settled a lawsuit seeking indemnification from the Company in connection with a lawsuit against a former director and shareholder to which we are not a party~~ . We expect that the number and significance of these potential disputes may increase as our business expands and our company grows larger. Although we carry general liability, employment practices, and director and officer liability insurance coverage, our insurance may not cover all potential claims to which we are exposed or may not be adequate to indemnify us for all **resulting** liability ~~that may be imposed~~ . Any claims made against us, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time, and ~~result in the diversion of significant~~ **significantly divert** operational resources. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, financial condition, operating results, and prospects. If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock. Adverse economic and market conditions and reductions in productivity spending may harm our business. Our business depends on the overall demand for cloud- based collaborative work management platforms and on the economic health of our current and prospective customers. The U. S. has experienced ~~, and may currently be experiencing,~~ cyclical downturns resulting in a significant weakening of the economy, more limited availability of credit, a reduction in business confidence and activity, increased inflation and interest rates, and other difficulties that may affect one or more of the industries to which we sell products and services. In addition, events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kind or other similar risks, have in the past and may in the future lead to market- wide liquidity problems ~~. For example, on March 10, 2023, Silicon Valley Bank (" SVB ") was closed by the California Department of Financial Protection and Innovation. While the Company' s deposits with SVB are not a significant percentage of its cash and cash equivalents and short- term investments, the Company will maintain deposits at financial institutions as a part of doing business that could be at risk if another similar event were to occur~~ . Our ongoing cash management strategy is to maintain diversity in our deposit accounts at multiple financial institutions, but there can be no assurance that this strategy will be successful. If **any of our or** other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, then our ability to access our cash and cash equivalents may be threatened and could have a material adverse effect on our business and financial condition ~~. Further, our operations expose us to risks associated with public health crises, such as the COVID- 19 pandemic, which could harm our business and cause our operating results to suffer. International events such as the Russia / Ukraine conflict have created significant worldwide operational and economic volatility, uncertainty, and disruption, and the extent to which these events will adversely impact our business in the future is highly uncertain, rapidly changing, and cannot be accurately predicted~~ . Continued uncertainty due to general macroeconomic conditions makes it difficult for us and our customers to accurately forecast and plan future business activities, which could cause customers to delay or reduce their information technology spending. This could result in reductions in sales of our platform and services, longer sales cycles, reductions in subscription duration and value, slower adoption of new technologies, and increased price competition. Any of these events could harm our business and operating results. ~~In addition, there can be no assurance that cloud- based collaborative work management and productivity spending levels will increase following any recovery.~~ Political developments, including wars and conflicts **,** and their associated effects ~~,~~ may harm our business. Political developments, wars and conflicts, other governmental changes, and trade disputes and tariffs may negatively impact markets and cause weaker macroeconomic conditions. These conditions have created and may in the future create economic, operational, and political uncertainty, including volatility in global financial markets and the value of foreign currencies. ~~The current Russia /~~ **For example, the ongoing conflicts in the Middle East and** Ukraine ~~conflict~~ **have had a negative impact on global economic and market conditions** , and any **laws, sanctions, or regulations** resulting **from these conflicts may** ~~laws, sanctions, or regulations, impacts~~ - **impact** our ability to do business in certain jurisdictions **. Any geopolitical wars or** ~~; we continue to monitor the conflict~~ **conflicts** ~~for potential and actual impact to our business. The persistence or escalation of the Russia / Ukraine conflict~~ could adversely affect our business in ~~those~~ -- **the involved** jurisdictions and more broadly in the geographic area surrounding the **war or** conflict. As we monitor **the** developments **related to and resulting from wars and conflicts** , we may be required to adjust our business plans to achieve compliance with applicable law, sanctions, regulations, and **,** as necessary **,** to support our customers and employees. The impact of wars, conflicts, domestic and international political developments, and governmental changes may not be fully realized for several years or more. Uncertainty about these impacts may cause some of our customers or potential customers to curtail spending and may ultimately result in new regulatory, operational, and cost challenges to our global operations. These adverse conditions could result in reductions in sales of our ~~platform~~ **products** and services, longer sales cycles, reductions in subscription duration and value, slower adoption of new technologies, and increased price competition. Any of these events would likely have an adverse effect on our business, operating results, and financial position. ~~Investors' expectations~~ **Expectations** of our performance relating to environmental, social, and governance factors may impose additional costs and expose us to new risks. There is an increasing focus from **regulatory bodies,** investors **, customers** , employees, and other stakeholders on corporate responsibility, specifically related to environmental, social, and governance (" ESG ") factors. **The** ~~In addition, the~~ SEC ~~has proposed~~ **recently adopted** additional disclosure requirements regarding ESG factors, including the impact our business has on the environment, making it important for reporting companies to increase transparency regarding ESG data. **A number of other recently enacted and emerging U. S. state and international laws are set to require substantive disclosures regarding greenhouse gas emissions and climate related risks and may become applicable to us.** Some investors may use these **ESG** factors to guide their investment strategies and, in some cases, may choose not to invest in us and instead invest in our competitors if they believe our policies **and practices** relating to corporate responsibility are inadequate. Third- party providers of corporate responsibility ratings and reports on companies have increased to meet growing investor demand for measurement of corporate responsibility performance, and implementation of these tools can be costly both financially and in terms of human capital. The criteria by which companies' corporate responsibility practices are assessed may change, including as a result of the SEC' s ~~recent~~ **recently** ~~proposals~~ **adopted rules** , which ~~would~~ **may** require us to establish additional internal controls, engage additional consultants, and incur additional costs related to evaluating our environmental impact and preparing ~~any~~ newly required disclosures. If we elect not to or are unable to satisfy new criteria, investors may conclude that our corporate responsibility policies are inadequate. We may face reputational damage in the event that our corporate responsibility procedures or standards do not meet the standards set by various constituencies ~~. Furthermore, if our competitors' corporate responsibility performance is perceived to be greater than ours, potential or current investors may elect to invest with our competitors instead of with us~~ . In addition, in the event that we communicate certain initiatives and goals regarding ESG matters, we could fail, or be perceived to fail, in our achievement of these initiatives or goals, or we could be criticized for the scope of the initiatives or goals. If we fail to satisfy the expectations of investors, employees, and other stakeholders, or, if our initiatives are not executed as planned, our reputation and business, operating results, and financial condition could be adversely impacted **. Catastrophic events may disrupt our business** . Natural disasters or other catastrophic events may cause damage or disruptions to our operations. Our corporate headquarters are located in the greater Seattle area, which is an earthquake- prone region. We also rely on our network and third- party infrastructure and enterprise applications, internal technology systems, and our website for our development, marketing, operational support, and sales activities. In addition, we utilize banking and financial services to manage our business and financial operations. In the event of a major earthquake, hurricane, or catastrophic event such as fire, power loss, telecommunications failure, a failure of banking or other financial institutions, social unrest, cyber- attack, war, or terrorist attack, our disaster recovery and business continuity plans may be inadequate and we may endure ~~:~~ system interruptions; reputational harm; delays in our product development; lengthy interruptions in our platform and services; breaches of data security; loss of critical data; delays in payment processing or the inability to access financial assets; and inability to continue our operations, all of which could harm our operating results. In addition, the long- term effects of climate change on general economic conditions and the technology industry are unclear, and this may heighten or intensify existing risk of natural disasters **that could negatively impact our business** .