Risk Factors Comparison 2024-02-23 to 2023-02-22 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 and in our other public filings, including our audited consolidated financial statements and the related notes and the section entitled " 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, results of operations and growth prospects. 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 deem immaterial may also impair our business operations. Risk Factors Summary Risks Related to our Business Model and Other Operations Risks • If we fail to attract new customers and retain and increase the spending of existing customers, our revenue, business, results of operations, financial condition and growth prospects would be harmed. • **We have experienced rapid revenue growth in recent periods and our recent growth rates may not be indicative of our future growth. •** Our platform and products are dependent on APIs built and owned by third parties, including social media networks, and ~~,~~ if we lose access to data provided by such APIs or the terms and conditions on which we obtain such access become less favorable, our business could suffer. • ~~We have experienced rapid revenue growth in recent periods and our recent growth rates may not be indicative of our future growth. •~~ If we are unable to attract potential customers through unpaid channels, convert this traffic to free trials and other leads or convert free trials and other leads to paid subscriptions, our business and results of operations may be adversely affected. • If we fail to adapt and respond effectively to rapidly changing technology, new social media platforms, evolving industry standards or changing customer needs, requirements, tastes or preferences, our products may become less competitive. • If we do not adequately fund our research and development efforts, or use research and development teams effectively, we may not be able to compete effectively, and our business and operating results may be harmed ~~. • If we fail to offer high- quality customer support, or if the cost of such support is not consistent with corresponding levels of revenue, our business and reputation may be harmed. • Our rapid growth and limited history with key features of our platform make it difficult to evaluate our prospects and future operating results~~ . Risks Related to the Use of Technology • Any cybersecurity- related attack, significant data breach or disruption of the information technology systems or networks on which we rely could negatively affect our business. • We rely upon third parties to operate our platform and any disruption of or interference with our use of such third party providers would adversely affect our business, results of operations and financial condition. Market and Competition Risk • Our business depends on a strong brand, and if we are not able to maintain, develop, and enhance our brand, our business and operating results may be negatively impacted. Moreover, our brand and reputation could be harmed if we were to experience significant negative publicity. • **Our estimates of market opportunity, forecasts of market growth and our operating metrics may prove to be inaccurate. •** The market in which we operate is competitive, and if we do not compete effectively, our operating results could be harmed ~~. • Our estimates of market opportunity, forecasts of market growth and our operating metrics may prove to be inaccurate~~ . Legal and Regulatory Risks • We are subject to stringent and changing ~~U. S. and foreign~~ laws ~~, regulations, rules, contractual obligations, policies,~~ and ~~other~~ obligations related to data privacy and security. Our actual or perceived failure to comply with such **laws and** obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences. • **If** ~~Changes in laws and regulations related to the internet, perceptions toward the use of social media and changes in internet infrastructure itself may diminish the demand for our platform or~~ **our** ~~products and~~ **information technology systems or data, or those of third parties upon which we rely, are or were compromised, we** could **experience** ~~adversely~~ -- **adverse** ~~affect~~ **consequences, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of** our business ~~and results of~~ operations **; reputational harm; loss of revenue or profits; loss of customers; and other adverse consequences** . Risks Related to Ownership of Our Class A Common Stock • Our share price has been and may continue to be volatile, and you could lose all or part of your investment. • The dual class structure of our common stock and the existing ownership of capital stock by our Co- Founders have the effect of concentrating voting control with our Co- Founders for the foreseeable future, which will limit the ability of our other investors to influence corporate matters. Risks Related to Tax and Accounting Matters • Failure to maintain effective internal control over financial reporting could result in our failure to accurately or timely report our financial condition or results of operations, which could have a material adverse effect on our business and stock price. • Taxing authorities may successfully assert that we should have collected or withheld, or in the future should collect or withhold, sales and use, gross receipts, value- added, federal, state, or foreign employment, or similar taxes and may successfully impose additional obligations on us, and any such assessments or obligations could adversely affect our business, financial condition and results of operations. General Risk Factors • **Unstable market and economic conditions, including a global or domestic recession or the fear of a recession, may have serious adverse consequences on our business, financial condition and share price. •** We may make acquisitions of, or invest in, other businesses or technologies, which may divert our management' s attention and result in the incurrence of indebtedness or dilution to our stockholders. We may be unable to integrate acquired businesses or technologies successfully or achieve the expected benefits of such acquisitions and investments. • We ~~depend largely on the continued~~ **may not be able to generate sufficient cash to** service ~~of~~ our ~~senior management~~ **indebtedness,** and **may be forced to take** other **actions to satisfy** ~~key employees, the loss of any of whom could adversely affect our business, results of operations and financial~~

~~condition. • If we cannot attract and retain qualified personnel or~~ **our** ~~maintain~~ **obligations under** our **indebtedness** ~~culture as we grow~~ , ~~we~~ **which** may **not** be **successful** ~~unable to execute our business strategy~~ . We derive, and expect to continue to derive, substantially all of our revenue and cash flows from sales of subscriptions to our platform and products. Our ability to generate increasing revenue is dependent on our capacity to attract new customers and retain and increase the spending of existing customers. Demand for our platform and products is affected by a number of factors, many of which are beyond our control, such as: • continued market acceptance of our platform and products for existing and new use- cases; • the timing of development and release of new products and functionality introduced by us and our competitors; • our ability to develop functionality and integrations with third parties, including social media networks, based on customer demand; • the usability and time to value of our products; • the pricing of our products and the impact of any future price increases; • the level of customer service that we provide; • technological change; • growth or contraction in our addressable market; and • macroeconomic factors and their impacts on users of our platform and products. Our current and prospective customers are impacted by worsening macroeconomic conditions to varying degrees ~~and as a result~~ **. Such conditions include** , **but** ~~in some cases we~~ are **not limited to the high** ~~experiencing slower growth of existing customers most impacted~~ -- **impact** ~~by these conditions~~ **of high levels of inflation, high interest rates and ongoing overseas conflict** . We cannot predict the impact macroeconomic conditions will have on our **existing or prospective** customers and how that may impact their spending with us. We announced a price increase in November 2022 and may announce additional price increases in the future. **For the year ended December 31, 2023, as compared to the year ended December 31, 2022, this price increase contributed to an increase in our average revenue per customer and a decrease in our total number of customers.** As a result of this and any future pricing increase, ~~we may experience a decrease in the number of prospective customers requesting demonstrations, signing up for our free trial or converting to paying customers, and the number of new customers who purchase subscriptions to our products and services may decrease. As a result,~~ our total number of customers ~~or the number of net new customers we add each quarter~~ may **continue to** decrease even ~~if~~ **when** the average spend **per** ~~of each new~~ customer increases over time. We may also experience softening demand or negative sentiment from our customers and prospective customers as a result of our increased pricing, which could impact our brand and competitiveness. If we are unable to meet customer demands and manage customer experiences through flexible solutions designed to address their needs or otherwise achieve more widespread market acceptance of our platform and products, our revenue, business, results of operations and financial condition and growth prospects will be adversely affected. In order for us to maintain or improve our operating results, it is important that our existing customers renew their subscriptions, maintain or increase the level of their plans and add additional users, social profiles and products to their subscriptions. Our customers have no obligation to renew their subscriptions, and we cannot assure you that our customers will renew subscriptions with a similar or increased subscription term or plan level or with the same or a greater number of users, social profiles or products. Some of our customers have elected not to renew their agreements with us and we may not be able to accurately predict renewal rates. Moreover, while our contracts are generally non- cancellable during the contractual subscription term, certain customers have the right to cancel their agreements prior to the expiration of the subscription term. Our renewal rates may decline or fluctuate and our cancellation rates may increase as a result of a number of factors, including customer satisfaction with our platform and products, our customer success and support experience, the price and functionality of our solutions relative to those of our competitors, mergers and acquisitions affecting our customer base, the effects of global economic conditions, or reductions in our customers' spending levels. This may also cause our calculation of the lifetime value of our customers to decline or fluctuate between periods as this calculation assumes the subscription renewal rate for a given year will remain consistent in future years. If our customers cancel or do not renew their subscriptions, renew on less favorable terms, fail to add more users or products or fail to purchase additional products, our revenues and growth prospects may decline. **We have experienced rapid revenue growth in recent years. In 2023, our revenue was $ 333. 6 million, an increase of 31 % as compared to our revenue of $ 253. 8 million in 2022, which was an increase of 35 % as compared to our revenue of $ 187. 9 million in 2021. Although we have experienced rapid revenue growth in recent years, we may not continue to grow as rapidly in the future and our revenue growth rates may decline.** Our ~~platform and~~ **revenue growth may slow or our revenue may decline for a number of other reasons, including reduced demand for our** products **, increased competition, a decrease in the growth or reduction in size of our overall market, failure to capitalize on growth opportunities, and the impacts to our business from macroeconomic factors such as high levels of inflation, high interest rates, ongoing overseas conflict, volatility in the capital markets and related market uncertainty. Our current and prospective customers** are ~~dependent~~ **impacted by worsening macroeconomic conditions to varying degrees and as a result, in some cases we are experiencing slower growth of existing customers most impacted by these conditions. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile or decline, and we may not achieve or maintain profitability. You should not rely** on ~~APIs built and owned by third parties, including social media networks, and if we lose access to data provided by such APIs or~~ **our revenue for any prior quarterly** ~~the terms and conditions on which we obtain such access become less favorable, our~~ - **or** ~~business could suffer~~ **annual periods as any indication of our future revenue or revenue growth** . Our platform and products depend on the ability to access and integrate with third- party APIs. In particular, we have developed our platform and products to integrate with certain social media network APIs and the third- party applications of other parties. Generally, APIs and the data we receive from the APIs are written and controlled by the application provider. Any changes or modifications to the APIs or the data provided could negatively impact the functionality of, or require us to make changes to, our platform and products, which would need to occur quickly to avoid interruptions in service for our customers. To date, we have not relied on negotiated agreements to govern our relationships with most data providers and, in ~~general~~ **many cases** , we rely on publicly available APIs. As a result, ~~in many cases,~~ we are **often** subject to the standard terms and conditions for application developers of such providers, which govern the distribution, operation and fees of such integrations ~~,~~ and which are subject to change by such providers from time to time. In ~~some~~ **other** cases, we rely on negotiated agreements with social media networks and other data providers. These negotiated agreements may provide increased access to APIs and data that **may** allow us to provide a more comprehensive solution for our customers. These agreements are subject to termination ~~in certain circumstances,~~ and **renewal according to** ~~there~~ - **their terms. There** can be no assurance that we will be able to renew ~~those agreements or that the terms of any such renewal, including pricing and levels of service, will be favorable. We cannot accurately predict the potential impact of the termination of~~ any of our agreements with social media networks and other data providers **, or that the terms of any such renewal, including pricing and levels of service, will be favorable. We cannot accurately predict the potential impact of any modification or termination of such agreements** , including the impact on our access to the related APIs. There can be no assurance that following any such **modification or** termination, we would be able to maintain our platform' s current level of functionality in such circumstances, as a result of more limited access to APIs or otherwise, which could adversely affect our results of operations. For example, we are currently a member of the **X (formerly known as** Twitter **)** Official Partner Program ~~(TOPP)~~ . There can be no assurance that ~~Twitter~~ **X** will maintain ~~TOPP~~ **this program** in its current form or at all and any change to the program, our access or the terms of our membership **, including pricing,** may have a negative impact on our business. In addition, there can be no assurance that we will not be required to enter into new negotiated agreements with data providers in the future to maintain or enhance the level of functionality of our platform, or that the terms and conditions of such agreements, including pricing and levels of service, will not be less favorable, which could adversely affect our results of operations. Our business, cash flows or results of operations may be harmed if any data provider: • changes, limits or discontinues our access to its APIs and data; • modifies its terms of service or other policies, including fees charged or restrictions on us or application developers; • changes or limits how customer information **and other data** is accessed by us or our customers; • changes or limits how we can use customer information and other data collected through the APIs; • establishes more favorable relationships with one or more of our competitors; or • experiences disruptions of its technology, services or business generally. ~~We have experienced rapid revenue growth in recent years. In 2022, our revenue was $ 253. 8 million, an increase of 35 % as compared to our revenue of $ 187. 9 million in 2021, which was an increase of 41 % as compared to our revenue of $ 132. 9 million in 2020. Although we have experienced rapid revenue growth in recent years, we may not continue to grow as rapidly in the future and our revenue growth rates may decline. Our revenue growth may slow or our revenue may decline for a number of other reasons, including reduced demand for our platform or products, increased competition, a decrease in the growth or reduction in size of our overall market, failure to capitalize on growth opportunities, and the impacts to our business from macroeconomic factors such as the Russia- Ukraine war, global geopolitical tension and more recently, rising inflation and interest rates, volatility in the capital markets and related market uncertainty the COVID- 19 pandemic, or if we cannot capitalize on growth opportunities. Our current and prospective customers are impacted by worsening macroeconomic conditions to varying degrees and as a result, in some cases we are experiencing slower growth of existing customers most impacted by these conditions. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile or decline, and we may not achieve or maintain profitability. You should not rely on our revenue for any prior quarterly or annual periods as any indication of our future revenue or revenue growth.~~ Our primary go- to- market strategy is an inbound marketing funnel designed to drive traffic to our web properties that offer prospective customers the ability to sign up for free trials or demonstrations of our platform and certain products. We utilize various unpaid content marketing strategies, including webinars, blogs, thought leadership and social media engagement, as well as paid advertising, to attract visitors to our web properties, free trials and demonstrations. We cannot assure you that these unpaid or paid efforts will continue to attract the same volume and quality of traffic to our web properties and free trials and demonstrations and, in the future, we may be required to increase our marketing spend to maintain the same volume and quality of traffic. The conversion rate of free trials and other lead sources to paid subscriptions is impacted by a number of factors, including our ability to promptly demonstrate value to trial and other prospective customers, drive trial customer adoption deeper into our product capabilities and deliver a favorable trial and demonstration customer experience with our sales and customer support teams. Any change in the number or quality of prospective customers entering free trials or requesting demonstrations or the conversion rates for such free trials or demonstrations to paid subscriptions could have an adverse impact on our business and results of operations. Social media and the software industry are each subject to rapid technological change, evolving industry standards and practices and changing customer and user needs, requirements, tastes and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis **. A significant example of these changes is the rapid advancement of artificial intelligence (" AI ") technologies** . If we are unable to develop and sell new products that satisfy our customers and provide enhancements and new features for our existing platform and products that keep pace with the rapid change in social media and the software industry, our revenue and operating results could be adversely affected. Our platform must also integrate with a variety of network, hardware, browser, mobile and software platforms, and technologies, and we must continuously modify and enhance our products to adapt to changes and innovation in these technologies. If new technologies emerge or our competitors are able to deliver solutions at lower prices or more efficiently, conveniently or securely, such technologies or solutions could adversely affect our ability to compete. The social media industry has experienced and is likely to continue to experience rapid change due to the evolving trends, tastes and preferences of users. If consumers widely adopt new social media networks and other third-party platforms or our customers' use cases require new integrations with third- party platforms, we may need to develop integrations and functionality related to these new networks and platforms. This development effort may require significant research and development and sales and marketing resources, as well as licensing fees, all of which could adversely affect our business and operating results. In addition, new social media networks and other third- party platforms may not provide us with sufficient access to data from their platforms, preventing us from building effective integrations with our platform and products. Changing consumer tastes may also render our current integrations or functionality obsolete and the financial terms, if any, under which we obtain such integrations or functionality unfavorable. Any failure of our products to operate effectively with the social media networks and other third- party platforms used most frequently by consumers or customers could reduce the demand for our products. If we are unable to respond to these changes in a cost- effective manner, our products may become less marketable and less competitive or obsolete, and our operating results may be negatively affected. In addition, the technology industry has experienced, and may continue to experience, leadership changes, layoffs and other corporate changes that could have a negative impact on our ability to work effectively with the partner. To remain competitive, we must continue to develop new product offerings, as well as features and enhancements to our existing platform and products. Maintaining adequate research and development personnel and resources to meet the demands of the market is essential. If we experience high employee turnover, lack of management ability or a lack of other research and development resources, we may miss market opportunities. The success of our business is dependent on our research and development teams developing a roadmap that allows us to retain and increase the spending of our existing customers and attract new customers. Social media is quickly evolving and we may invest significantly in particular functionality or integrations that may become obsolete in the future. Further, many of our competitors may expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' research and development programs. Our failure to maintain adequate research and development resources, to use our research and development resources efficiently or to compete effectively with the research and development programs of our competitors could materially adversely affect our business. **If we fail to offer high- quality customer support, or if the cost of such support is not consistent with corresponding levels of revenue, our business and reputation may be harmed.** Our customers rely on our customer support organization to respond to inquiries and resolve issues related to their use of our platform quickly and effectively. Our customer support relies on third- party technology platforms, which may become unavailable or otherwise prevent our customers and customer support team from interacting on a timely basis. Our response times to customers and prospects may be impacted for reasons outside our control, such as changes to social media networks and other third- party APIs, which may interrupt aspects of our service to our customers. From time to time, we experience spikes in the number of customer support tickets that we receive, which may result in an increase in customer requests and significant delays in responding to our customers' requests. Increased customer demand for our support services, without corresponding revenue increases, could increase our costs and harm our operating results. As we continue to grow our operations and support our global user base, we need to continue to provide efficient and high- quality support that meets our customers' needs globally at scale. Our sales process is highly dependent on the ease of use of our platform and products, 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 such levels of support, could harm our reputation, our ability to sell to existing and prospective customers and our business. Our international sales and operations subject us to additional risks and costs, including exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, operating results and financial condition. For each of the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~, we derived 28 % ~~, 28 % and 29 %, respectively,~~ of our revenue from customers located outside of the United States. We are continuing to expand our international operations as part of our growth strategy. However, there are a variety of risks and costs associated with our international sales and operations, which include making investments prior to the proven adoption of our products, the cost of conducting our business internationally and hiring and training international employees and the costs associated with complying with local law. Furthermore, we cannot predict the rate at which our platform and products will be accepted in international markets by potential customers. We believe our ability to attract new customers to subscribe to our platform or to attract existing customers to renew or expand their use of our platform is directly correlated to the level of engagement we obtain with the customer. To the extent we are unable to effectively engage with non- U. S. customers due to our limited international sales force capacity, we may be unable to grow in international markets effectively. As our international operations expand, our exposure to the effects of fluctuations in currency exchange rates grows. While we have primarily transacted with customers and vendors in U. S. dollars historically, we expect to continue to expand the number of transactions with our customers that are denominated in foreign currencies in the future. Fluctuations in the value of the U. S. dollar and foreign currencies may make our subscriptions more expensive for international customers, which could harm our business. Additionally, we incur expenses for employee compensation and other operating expenses at our non- U. S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U. S. dollar and other currencies could result in an increase to the U. S. dollar equivalent of such expenses. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations. We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities 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 effective hedges with such instruments. **As more of our sales efforts target larger enterprise customers, our sales cycle may become longer and more expensive and we may encounter increased pricing pressure and compliance challenges. As we continue to target more of our sales efforts toward larger enterprise customers, we expect to face continued heightened costs, longer sales cycles, greater competition and less predictability in completing some of our sales. A large customer' s decision to use our services may require broad consensus within their organization, requiring multiple levels of sign off. Such sales require considerable time for the customer to evaluate and test our platform prior to making a purchasing decision. In addition, we may face stronger competition to attract larger customers, resulting in the need to reduce our pricing or offer additional incentives in order to complete a sale. Also, such customers may require greater levels of education regarding the use and benefits of our services, as well as**

addressing concerns regarding data privacy and security obligations, and international law. As a result of these factors, these sales opportunities may require us to devote greater resources to individual customers, driving up costs and time required to complete sales and diverting our resources to a smaller number of larger transactions. If we fail to effectively manage these risks associated with sales cycles and sales to larger enterprise customers, our business, financial condition, and results of operations may be harmed. Technological advances in AI may in the future disrupt the social media industry, which could significantly reduce the demand for our services or otherwise adversely impact our business or reputation if we are unable to successfully keep pace and navigate this evolving environment. Our failure to invest in AI technologies and incorporate them into various facets of our business and product offerings in a timely, effective and compliant manner may place us at a competitive disadvantage, reducing demand for our offerings and adversely affecting our business, financial condition and results of operations. Our competitors may more effectively internally utilize AI, enabling their business to run more efficiently than Sprout, placing us at a competitive disadvantage, and they may better incorporate AI into their product offerings, negatively impacting demand for our products. AI advances have the potential to enable the development of alternative competitive services or enable our customers to reduce or bypass the use of our services, such as a reduction of seats used by our customers. If any of our customers, social network partners, competitors or new market entrants were to develop algorithms or other AI tools capable of replicating or better competing against our services, our services and solutions could, over time, become obsolete or unnecessary, or demand for our services could be significantly reduced, particularly if any such AI alternative proved to be more accurate, more efficient or more cost- effective. Any widespread automation of our services could have a material adverse effect on our business, financial condition and results of operations. We use machine learning and AI technologies in our business, and we are making investments in expanding AI capabilities in our products, services and tools, including improving existing and developing new AI technologies. However, AI technologies are complex and rapidly evolving, and we face significant competition from other companies as well as an evolving regulatory landscape. The proliferation of new and emerging AI technologies, such as generative AI, may require additional investment in the development of proprietary datasets and machine learning models, new approaches and processes to provide attribution or remuneration to creators of training data and appropriate protections and safeguards for handling the use of customer data with AI technologies, which may be costly and could impact our expenses if we decide to further expand AI technologies in our product offerings. The introduction of AI technologies into new or existing products may result in new or enhanced governmental or regulatory scrutiny, confidentiality or security risks, ethical concerns, legal liability or other complications that could adversely affect our business, reputation and financial results. For example, our employees and personnel may use AI technologies to perform their work, and the disclosure and use of personal data in AI technologies is subject to various privacy laws and other privacy obligations. Furthermore, AI technologies incorporated into our product offerings may use algorithms, datasets or training methodologies that may be flawed or contain deficiencies that may be difficult or impossible to proactively detect which, in turn, may suggest content that is factually inaccurate, biased or otherwise flawed. If our customers or others rely on or use such content to their detriment, it may lead to adverse outcomes, which may expose us to reputational harm, competitive harm or legal liability. Additionally, the use of certain AI technologies, including generative AI, may place our and our customers' information at risk if adequate security measures are not employed. Further, the intellectual property ownership and license rights, including copyright and open source license liability, surrounding AI technologies has not been fully addressed by U. S. courts or other federal or state laws or regulations, and the use or adoption of third- party AI technologies into our products and services may result in exposure to claims of copyright infringement or other intellectual property misappropriation. Furthermore, AI is subject to data privacy and security laws, as well as increasing regulation and scrutiny. Several jurisdictions around the globe, including Europe and certain U. S. states, have proposed enacted, or are considering laws governing AI, including the EU' s AI Act. We expect other jurisdictions will adopt similar laws. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our use of AI technologies and machine learning. These obligations may make it harder for us to conduct our business using AI technologies and machine learning, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI technologies and machine learning, or prevent or limit our use of AI technologies and machine learning. For example, the U. S. Fair Trade Commission (" FTC ") has required other companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI technologies and machine learning where they allege the company has violated privacy and consumer protection laws. If we cannot use AI technologies and machine learning or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage. Additionally, any sensitive information (including confidential, competitive, proprietary, or personal data) that we input into a third- party generative AI technologies and machine learning platform could be leaked or disclosed to others, including if sensitive information is used to train the third parties' AI technologies and machine learning models. Additionally, where an AI technologies and machine learning model ingests personal data and makes connections using such data, those technologies may reveal other personal or sensitive information generated by the model. If we are unable to develop and maintain successful relationships with channel partners, our business, results of operations and financial condition could be harmed. We have established relationships with certain channel partners, including resellers and referral partners, to distribute our platform. We believe that continued growth in our business is dependent upon identifying, developing and maintaining strategic relationships with our existing and potential channel partners that can drive substantial revenue and provide additional value- added services to our customers. We expect channel partners to become increasingly important as we expand within the United States and internationally. Although a small portion of our revenue is currently derived from our channel partners, loss of or reduction in sales through these third parties could reduce our revenue. Our competitors may, in some cases, be more effective than we are in utilizing channel partners to increase sales of their products and services. Recruiting and retaining qualified resellers in our network and training them in our technology and product offerings requires significant time and resources. If we fail to maintain relationships with our resellers, fail to develop relationships with new resellers in new markets or expand the number of resellers in existing markets or fail to manage, train or provide appropriate incentives to our existing resellers, our ability to increase the number of new customers and increase sales to existing customers could be adversely impacted, which would harm our business. In addition, if resellers do not effectively market and sell our products, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be harmed. ~~Changes in the sizes or types~~ **Our rapid growth and limited history with key features** of ~~organizations that purchase~~ our platform ~~or products could affect our business and our financial results may fluctuate due to increasing variability in our sales cycles. Our strategy is to sell subscriptions of our platform to organizations of all sizes with a focus on Mid- market~~ -- **make it difficult** ~~and Enterprise customers. Selling~~ to **evaluate** ~~small- to- medium businesses may involve greater credit risk and uncertainty, as well as lower retention rates and limited interaction with~~ our ~~sales~~ **prospects** and **future** ~~other personnel. Conversely, sales to Enterprise customers may entail longer sales cycles, more significant selling efforts and greater uncertainty. We plan our expenses based on certain assumptions about the length and variability of our sales cycle based upon historical trends for sales and conversion rates associated with our existing customers. If we are successful in expanding our customer base to include more Enterprise customers, our sales cycles may lengthen and become less predictable, which, in turn, may adversely affect our financial results. If there are changes in the mix of organizations that purchase our platform and products, our gross margins, number of customers, and~~ operating results ~~could be adversely affected, and fluctuations increasing the variability in our sales cycles could negatively affect our financial results. We have incurred and expect to continue to incur significantly increased costs and substantial demands on management time to operate as a public company. As a public company, we have incurred and expect to continue to incur significant legal, accounting, and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, or the Dodd- Frank Act, the listing requirements of the Nasdaq Capital Market on which our Class A common stock is traded and other applicable securities rules and regulations. Furthermore, we no longer qualify as an emerging growth company and, as a result, are subject to additional reporting requirements and standards and accelerated filing deadlines for our periodic reports. For example, we have incurred and continue to incur significant expenses and devoted substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes- Oxley Act. We also became subject to enhanced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and requirements to hold a nonbinding advisory vote on executive compensation. Compliance with these requirements has increased our legal and financial compliance costs and has made some activities more time consuming and costly. In addition, our management and other personnel devote substantial time to our public company requirements, which diverts attention from operational and other business matters. We have and will continue to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and maintain an internal audit function. We cannot predict or estimate the amount of additional costs we may incur as a result of operating as a public company or the timing of such costs~~ . We were incorporated in 2010 and we introduced our first solution in 2011. Since then, our business has grown rapidly and evolved significantly. Many of the key features of our platform and products have only launched in the past few years. As a result of the rapid growth and evolution of our business, our ability to forecast our future operating results is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. As such, any predictions about our future revenue and expenses may not be as accurate as they could be **with** ~~if we had a~~ longer operating history **in the enterprise segment,** with our current ~~platform or products~~ - **product set, due to** ~~or~~ **our acquisition of Tagger or if we** operated in a more predictable market. We have encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties, which we use to plan our business, are incorrect or change, or if we do not address these risks and uncertainties successfully, our operating and financial results could differ materially from our expectations and our business could suffer. We have a history of losses and may not achieve profitability in the future. We have incurred net losses since inception and expect to incur net losses in the future. We incurred net losses of $ **66. 4 million, $** 50. 2 million ~~,~~ **and** $ 28. 7 million ~~and $ 31. 7 million~~ in **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~226~~ **292** . ~~0~~ **4** million. We have never achieved profitability on an annual or quarterly basis and we do not know if we will be able to achieve or sustain profitability. We plan to continue to invest in our research and development and sales and marketing efforts, and we anticipate that our operating expenses will continue to increase as we scale our business and expand our operations. Our ~~business and results of operations may be materially adversely affected by the ongoing COVID- 19 pandemic or other similar outbreaks. The ongoing COVID- 19 pandemic has resulted in a widespread health crisis that has adversely affected businesses, economies and financial markets worldwide and has caused significant volatility in U. S. and international debt and equity markets. The COVID- 19 pandemic continues to evolve and measures remain in place to varying degrees as the rate and pace of recovery from COVID- 19 has differed and continues to differ by geography and industry. The extent of COVID- 19' s effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. For example, the COVID- 19 pandemic and related worsening macroeconomic conditions, including rising interest rates and volatility in the capital markets, may cause companies to decrease marketing and social media spending, or pause such spending altogether, making it more difficult for us to acquire new customers, as well as retain and upsell existing customers. Similarly, customers under economic stress related to the COVID- 19 pandemic may be less likely to pay us on time or at all. As a result of this uncertainty, it is not currently possible to ascertain the~~

~~overall impact of COVID- 19 on our business. Our~~ operations rely on information technology systems for the use, storage and transmission of sensitive and confidential information with respect to our customers, **content creators,** our customers' consumers or other social media audiences, the third- party technology platforms of other parties and our employees. A ~~malicious~~ cybersecurity- related attack, **malicious internet- based activity, online and offline fraud, and** intrusion or disruption by either an internal or external source or other breach of the systems on which our platform and products operate, and on which our employees conduct business, could lead to unauthorized access to, use of, loss of or unauthorized disclosure of sensitive and confidential information, disruption of our services, and resulting regulatory enforcement actions, litigation, indemnity obligations and other possible liabilities, as well as negative publicity, which could damage our reputation, impair sales and harm our business. In addition to traditional computer " hackers, " malicious code (such as viruses and worms), **compromised accounts with elevated privileges (** phishing **), credential stuffing, credential harvesting** , employee **misconduct or error,** theft or misuse, and denial- of- service attacks, sophisticated nation- state and nation- state supported actors now engage in attacks (including advanced persistent threat intrusions) **and attacks are now enhanced or facilitated by AI** . Despite efforts **designed** to create security barriers to such threats, it is not feasible, as a practical matter, for us to entirely mitigate these risks. If our security measures are compromised as a result of third- party action, employee, customer, or user error, malfeasance, stolen or fraudulently obtained log- in credentials or otherwise, our reputation would be damaged, our data, information or intellectual property, or those of our customers, may be destroyed, stolen or otherwise compromised, our business may be harmed and we could incur significant liability. We have not always been able in the past and may be unable in the future to anticipate or prevent techniques used to obtain unauthorized access to or compromise of our systems because they change frequently and are generally not detected until after an incident has occurred. We also cannot be certain that we will be able to prevent vulnerabilities in our software or quickly address vulnerabilities that we may become aware of in the future. **While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and / or software, including that of third parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities including on a timely basis.** Further, ~~as~~ **we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident. As** we rely on third- party cloud infrastructure **and SaaS services** , we depend in part on third- party security measures to protect against unauthorized access, cyberattacks and the mishandling of data and information. Any cybersecurity event, including any vulnerability in our software, cyberattack, intrusion or disruption, could result in significant increases in costs, including costs for remediating the effects of such an event, lost revenue due to network downtime, and a decrease in customer and user trust, increases in insurance premiums due to cybersecurity incidents, increased costs to address cybersecurity issues and attempts to prevent future incidents, and harm to our business and our reputation because of any such incident. There can be no assurance that any limitation of liability provisions in our subscription agreements would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any claim related to a cybersecurity incident. We also cannot be sure that our existing general liability insurance coverage and coverage for cyber liability ~~or~~ **,** errors **,** or omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims or that the insurer will not deny coverage **of** ~~as to~~ any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, would harm our business. Many governments have enacted laws requiring companies to provide notice of data security incidents involving certain types of personal data. In addition, some of our customers **or other relevant stakeholders may** require us to notify them of data security breaches. **Such notifications are costly, and the notification or the failure to comply with such requirements could lead to adverse consequences** Security compromises experienced by our competitors, by our customers or by us may lead to public disclosures, which may lead to widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures, negatively affect our ability to attract new customers, encourage consumers to restrict the sharing of their personal data with our customers or the social media networks, cause existing customers to elect not to renew their subscriptions or subject us to third- party lawsuits, regulatory fines or other action or liability, which could harm our business. We outsource the ~~vast~~ majority of our cloud infrastructure to Amazon Web Services, or AWS, which hosts our platform and products ~~and~~ **. In addition, we outsource a small portion of our cloud infrastructure to other provider,** which **, together with AWS,** we refer to as our Hosting ~~Provider~~ **Providers** . Our customers must have the ability to access our platform at any time, without interruption or degradation of performance. Our Hosting ~~Provider~~ **Providers** runs ~~its~~ **their** own platform upon which our platform and products depend, and we are, therefore, vulnerable to service interruptions at our Hosting ~~Provider~~ **Providers** . We have experienced, and expect that in the future we may experience interruptions, delays and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. Capacity constraints could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks. In addition, if our security, or that of our Hosting ~~Provider~~ **Providers** , is compromised, our platform or products are unavailable or our users are unable to use our products within a reasonable amount of time or at all, then our business, results of operations and financial condition could be adversely affected. We note that our ability to conduct security audits on our Hosting ~~Provider~~ **Providers** is limited and our contracts do not contain strong indemnification terms in our favor. In some instances, we may not be able to identify and / or remedy the cause or causes of these performance problems within a period of time acceptable to our customers. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times, as our products become more complex and the usage of our products increases. To the extent that we do not effectively address capacity constraints, either through our Hosting ~~Provider~~ **Providers** or an alternative provider of cloud infrastructure, our business, results of operations and financial condition may be adversely affected. In addition, any changes in service levels from our Hosting ~~Provider~~ **Providers** may adversely affect our ability to meet our customers' requirements. The substantial majority of the services we use from AWS are for cloud- based server capacity **, storage,** and, to a lesser extent, ~~storage and~~ certain other proprietary offerings. AWS enables us to order and reserve server capacity in varying amounts and sizes distributed across multiple availability zones and regions. We access AWS infrastructure through standard ~~intellectual property~~ **internet protocol** , or IP, connectivity. AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. If any of the AWS data centers become unavailable to us without sufficient advance notice, we would likely experience delays in delivering our platform and products until we could migrate to an alternate data center provider. Our disaster recovery program contemplates transitioning our platform and products to our backup data centers or regions in the event of a catastrophe, but we have not yet fully tested the procedure, and our platform and products may be unavailable, in whole or in part, during any transition procedure. Although we expect that we could receive similar services from other third parties, if any of our arrangements with AWS are terminated, we could experience interruptions on our platform and in our ability to make our products available to customers, as well as delays and additional expenses (including research and development expenses) in arranging alternative cloud infrastructure services. Any of the above circumstances or events may harm our reputation, cause customers to stop using our products, impair our ability to attract new customers and increase revenue from existing customers, subject us to financial penalties and liabilities under our service level agreements and otherwise harm our revenue, business, results of operations and financial condition. We are subject to subscription and payment processing risk from our third- party vendors and any disruption to such processing systems could adversely affect our business and results of operations. We rely on a third- party subscription management platform to process the subscription plans and billing frequencies of our customers. In addition, we rely primarily on a single third party for credit card payment processing services for the portion of our customers paying by credit card. If ~~either~~ **any** of these third- party vendors were to experience an interruption, delay or outages in service and availability, we may be unable to process new and renewing subscriptions or credit card payments. In addition, if ~~either~~ **any** of these third- party vendors experience a cybersecurity breach affecting data related to services provided to us, we could experience reputational damage or incur liability. Although alternative providers may be available to us, we may incur significant expense and research and development efforts to deploy any alternative providers. To the extent there are disruptions in our or third- party subscription and payment processing systems, we could experience revenue loss, accounting issues and harm to our reputation and customer relationships, which would adversely affect our business and results of operations. Real or perceived errors, failures or bugs in our platform or products could materially and adversely affect our operating results and growth prospects. The software underlying our platform and products is highly technical and complex. Our software has previously contained, and may now or in the future contain, undetected errors, bugs or vulnerabilities. In addition, errors, failures and bugs may be contained in open source software utilized in building and operating our products or may result from errors in the deployment or configuration of open source software. Some errors in our software may only be discovered after the software has been deployed or may never be generally known. Any errors, bugs or vulnerabilities discovered in our software after it has been deployed, or never generally discovered, could result in interruptions in platform availability, product malfunctioning or data breaches, and thereby result in damage to our reputation, adverse effects upon customers and users, loss of customers and relationships with third parties, including social media networks, loss of revenue or liability for damages. In some instances, we may not be able to identify the cause or causes of these problems or risks within an acceptable period of time. We believe that maintaining, developing, and enhancing our brand is critical to achieving widespread acceptance of our platform and products, attracting new customers, retaining existing customers, persuading existing customers to adopt additional products and use- cases, and hiring and retaining our employees. We believe that the importance of our brand will increase as our awareness and business continue to expand. Successful promotion of our brand will depend on a number of factors, including the effectiveness of our marketing efforts, our thought leadership, our ability to provide a high- quality, reliable and cost- effective platform, the actions of our employees, executives, and board members, the perceived value of our platform and products, and our ability to provide quality customer success and support experience. The promotion of our brand, however, may not directly generate customer awareness or increase revenue, and any increase in revenue may not offset the expenses we incur in building and maintaining our brand. We operate in a public- facing industry in which every aspect of our business is impacted by social media. Negative publicity, whether or not justified, can spread rapidly through social media. To the extent that we are unable to respond timely and appropriately to negative publicity, our reputation and brand could be harmed. Moreover, even if we are able to respond in a timely and appropriate manner, we cannot predict how negative publicity may affect our reputation and business. We and our employees also use social media to communicate externally. There is risk that the use of social media by us, our employees, executives, or board members to communicate about our business or other matters may give rise to liability, damage our brand, or result in public exposure of personal data of our employees or customers, each of which could affect our revenue, business, results of operations and financial condition. Market opportunity estimates and growth forecasts,including those we have generated ourselves,are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate.The variables that go into the calculation of our market opportunity are subject to change over time,and there is no guarantee that any particular number or percentage of addressable users or companies covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us.Any expansion in the markets in which we operate ~~depends~~ - **depend** on a number of factors,including the cost,performance,and perceived value associated with our platforms and those of our competitors.Even if the markets in which we compete meet the size estimates,our business could fail to grow at similar rates.Our growth is subject to many factors,including our success in implementing our business strategy,which is subject to many risks and uncertainties.Accordingly,our forecasts of market growth should not be taken as indicative of our future growth.For more information regarding the estimates of market opportunity and the forecasts of market growth,see “ Business — Our Industry ”. The market for our social media management platform is fragmented, rapidly evolving, and competitive. In addition to competing with comprehensive social media management platforms with diverse capabilities, we compete with point solutions for sentiment monitoring, **influencer marketing,** compliance, social listening, content management and distribution, employee advocacy, relationship management and social commerce, among others, as well as native use of individual social media networks. To remain competitive, we must deliver features and functionality that enhance the utility of our platform to our new and prospective customers, without the presence of software defects, adapt to changing functionality and APIs of the social media networks and other third party platforms, maintain and develop integrations with third parties that provide value to our customers, ensure our platform and products are easy to use and deliver value to our customers, provide a superior customer success and support experience and demonstrate value to our current and prospective customers across multiple functions within their organizations. We may not be successful in delivering on some or all of the foregoing or doing so while maintaining competitive pricing of our platform and products, which could result in customer dissatisfaction and adversely affect our business. Many of our current and future competitors may benefit from competitive advantages over us, such as greater name recognition, longer operating histories, more varied products and services, larger sales and marketing or research and development budgets, more established relationships with social media networks and different or a greater number of third-party integrations. In addition, some of our competitors may make acquisitions or enter into strategic relationships to offer a broader range of products and services than we do. These combinations may make it more difficult for us to compete effectively. We expect this to continue as competitors attempt to strengthen or maintain their market positions. Many factors, including our marketing, customer acquisition and technology costs, and the pricing and marketing strategies of our competitors, can significantly affect our pricing strategies. Certain competitors offer, or may in the future offer, lower- priced products or services that compete with our platform or may bundle and offer a broader range of products and services. Similarly, certain competitors may use marketing strategies that enable them to acquire customers at a lower cost than we can. Even if such products do not include all the features and functionality that our platform provides, we could face pricing pressure to the extent that users find such alternative products to be sufficient to meet their needs. There can be no assurance that we will not be forced to engage in price- cutting initiatives or other discounts or to increase our sales and marketing and other expenses to attract and retain customers in response to competitive pressures, either of which would harm our business and operating results. Market opportunity estimates and growth forecasts,...... “ Business — Our Industry ”. We are subject to stringent and changing obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences. In the ordinary course of business, we **collect and** process personal data, including proprietary and confidential business data, intellectual property, and other third-party data. For example, we process personal data about our customers’ consumers **, content creators,** and other social media users that interact with our customers’ social media pages. Our data **collection and** processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contracts, and other obligations that govern the processing of personal data by us and on our behalf. While we contractually prohibit our customers from using our platform to process, store, or collect sensitive information (such as personal health information or credit card information), our customers may breach these use prohibitions **and** ~~without our knowledge. Such breach may~~ cause us to inadvertently violate laws, rules, or regulations regarding the use and protection of personal ~~information~~ **data** , which in turn may adversely impact our business. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, and consumer protection laws **(e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws)** . For example, the CCPA imposes **certain** obligations on businesses **and service providers with respect** to ~~which it applies~~ **collecting and processing personal data of consumers, business representatives, and employees who are California residents** . These obligations include, but are not limited to, providing specific disclosures in privacy notices and affording California residents with certain rights related to their personal data. The CCPA allows for statutory fines for noncompliance of up to $ 7, 500 per violation. In addition, the CPRA **amends and** ~~, which went into effect on January 1, 2023,~~ expands the CCPA **and** ~~. For example, the CPRA~~ establishes a new California Privacy Protection Agency to implement and enforce the CPRA, which ~~could increase~~ **increases** the risk of an enforcement action. Other states, like Virginia ~~and~~ **,** Colorado **, and Oregon** , have also enacted or proposed data privacy laws that may differ from the ~~CPRA~~ **CCPA** . If we are or become subject to these laws and / or new or amended data privacy laws, the risk of enforcement actions against us could increase because we may be subject to additional obligations under applicable regulatory frameworks, and the number of individuals or entities that could initiate actions against us may increase, in addition to further complicating our compliance efforts **. Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. For example, some of our data processing practices may be challenged under wiretapping laws, if we obtain consumer information from third parties through various methods, including chatbot and session replay providers, or via third- party marketing pixels. These practices may be subject to increased challenges by class action plaintiffs. Our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands** . Outside the United States, an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the EU GDPR and the equivalent law in the UK GDPR impose strict requirements for processing the personal data of individuals. Under the EU GDPR, government regulators may impose temporary or definitive bans on data processing, as well as fines of up to 20 million euros or 4 % of annual global revenue, whichever is greater. Similar processing penalties and fines exist under the UK GDPR, and the variations in the application of GDPR in the UK following Brexit has increased the complexity of our compliance efforts. Further, individuals may initiate litigation related to our processing of their personal data. As another example, Brazil' s General Data Protection Law (Lei Geral de Proteção de Dados Pessoais, or " LGPD ") (Law No. 13, 709 / 2018) may apply to our operations. The LGPD broadly regulates processing of personal data of individuals in Brazil and imposes compliance obligations and penalties comparable to those of the EU GDPR. In Canada, the Personal Information Protection and Electronic Documents Act (" PIPEDA ") may apply to our operations. We may also process personal data about our customers' consumers in Asia and therefore, may become subject to new and emerging data privacy regimes in Asia, including China' s Personal Information Protection Law, Japan' s Act on the Protection of Personal Information, and Singapore' s Personal Data Protection Act. Certain jurisdictions have enacted data localization laws and cross- border personal data transfer laws. For example, absent appropriate safeguards or other circumstances, the EU GDPR, UK GDPR, and laws in Switzerland generally restrict the transfer of personal data to countries ~~such as the United States~~ that these jurisdictions consider to not provide an adequate level of personal data protection. **Although there are currently various mechanisms** ~~The European Commission released a set of " Standard Contractual Clauses "~~ that **may** ~~are designed to~~ be **used to** ~~a valid mechanism by which entities can~~ transfer personal data **from** ~~out of~~ the EEA **and UK** to ~~jurisdictions~~ **the United States in compliance with law, such as the EEA' s standard contractual clauses, the UK' s International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self- certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance** that **we** ~~the European Commission has not found to provide an~~ **can satisfy or rely on** ~~adequate level of protection. Currently,~~ these **measures** ~~Standard Contractual Clauses are a valid mechanism~~ to **lawfully** transfer personal data ~~outside of the EEA. The Standard Contractual Clauses, however, require parties that rely upon that legal mechanism~~ to ~~comply with additional obligations, such as conducting transfer impact assessments to determine whether additional security measures are necessary to protect the at- issue personal data. Moreover, due to legal challenges, there~~ -- **the United States** ~~exists some uncertainty regarding whether the Standard Contractual Clauses will remain a valid mechanism for transfers of personal data out of the EEA. Similar restrictions and transfer mechanisms exist under the UK GDPR~~. In addition to European restrictions on cross- border transfers of personal data, other jurisdictions, such as China' s Personal Information Protection Law and Brazil' s LGPD, have enacted or are considering similar cross- border personal data transfer laws and local personal data residency laws, any of which could increase the cost and complexity of doing business in foreign jurisdictions. If we cannot implement valid compliance mechanisms for cross- border personal data transfers, we may face increased exposure to regulatory actions, substantial fines, and injunctions against processing or transferring personal data from Europe or elsewhere. The inability to import personal data to the United States could significantly and negatively impact our business operations; limit our ability to collaborate with parties that are subject to European and other data privacy and security laws; or require us to increase our personal data processing capabilities and infrastructure in Europe and / or elsewhere at significant expense. **We publish privacy policies, marketing materials, and other statements, such as compliance with certain certifications or self- regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences.** Our obligations related to data privacy and security are quickly changing in an increasingly stringent fashion, creating some uncertainty as to the effective future legal framework. **These obligations may be subject to differing applications and interpretations, which may be inconsistent or in conflict among jurisdictions.** As our platform and products evolve and the ways we use personal data ~~may~~ change to meet the complex needs of our customer base, we ~~may~~ **continue to** become subject to additional privacy and security obligations. **Even if we believe we have satisfied compliance requirements in our activities, regulators may disagree with our compliance posture and issue high penalties and fines for noncompliance.** Additionally, ~~these obligations may be subject to differing applications and interpretations, which may be inconsistent or~~ **our** ~~in conflict among jurisdictions. Our~~ sales cycles may increase due to increasingly rigorous privacy and security assessments that must be completed prior to purchasing our platform and products as a result of increased regulation. Preparation for and compliance with these obligations require us to devote significant resources (including, without limitation, financial and time- related resources). For example, the increased consumer control over the sharing of their personal data afforded by the CCPA may affect our customers' ability to share such personal data with us or may require us to delete or remove consumer information from our records or data sets, which may result in considerable costs for our organization. Further, these obligations may necessitate changes to our information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model or our products. For example, social media networks (which are integral third- party services to our platform) are under heightened scrutiny from international regulators as well as individuals seeking to bring claims for alleged non- compliance. If the interpretation or application of data privacy or security laws or regulations adversely impact social media networks, this may change the APIs and data made available to us from the social media networks. Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail (or be perceived to have failed) to do so. Despite our efforts, our personnel or third parties upon whom we rely may fail to comply with such obligations, which could negatively impact our business operations and compliance posture. For example, any failure by a third- party that processes personal data on our behalf to comply with applicable law, regulations, or contractual obligations could result in adverse effects, including inability to operate our business and proceedings against us by governmental entities or others. If we fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences. These consequences may include, but are not limited to, government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- related claims); additional reporting requirements and / or oversight; bans on **collecting or** processing personal data; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to, loss of customers; interruptions or stoppages in our business operations; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our platform and services; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or revision or restructuring of our operations. The ~~success of our business depends upon the continued use of the internet and social media networks. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees or other charges for accessing the internet, generally. These laws, taxes, fees or charges could limit the use of the internet or decrease the demand for internet- based solutions. The~~ public' s increasing concerns about **data** privacy and the use of social media may negatively affect the use or popularity of social media networks, and, in turn, adversely affect our business. For example, negative publicity surrounding particular forums of social media may have an adverse effect on our customers' and prospective customers' perceived value of our solution and willingness to purchase subscriptions or expand such subscriptions to more users or additional departments across their organizations. Similarly, enhanced scrutiny may lead to an increase in regulation of social media, which in turn could change the data or the manner in which data is shared by social media networks to social media management providers and other developers. Any change to the data we receive from social media networks or other third parties may negatively affect the functionality of our platform and products. ~~In addition, the use of the internet as a business tool could be adversely affected due to 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. If the use of the internet is reduced as a result of these or other issues, then demand for our platform and products could decline, which could adversely affect our revenue, business, results of operations and financial condition.~~ If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and ~~penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers; and other adverse consequences.~~ In the ordinary course of our business, we may collect, store, use, transmit, disclose, or otherwise process proprietary and confidential data, including personal data and intellectual property. We may rely upon third party service providers and technologies to operate critical business systems to process confidential and personal data in a variety of contexts, including, without limitation, third- party providers of cloud- based infrastructure, encryption and authentication technology, employee email, content delivery to customers, and other functions. Our ability to monitor these third parties' cybersecurity practices is limited, and these third parties may not have adequate information security measures in place. We may inadvertently share or receive sensitive ~~data~~ **information** with or from third parties ~~. Cyberattacks, malicious internet- based activity, and online and offline fraud are prevalent and continue to increase. These threats are becoming increasingly difficult to detect~~ . We and the third parties upon which we rely may be subject to a variety of evolving threats, including but not limited to social- engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks (such as credential stuffing), personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. Ransomware attacks, including those perpetrated by organized criminal threat actors, nation- states, and nation- state- supported actors, are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Similarly, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our supply chain or our third- party partners' supply chains have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems (including our platform) or the third- party information technology systems that support us and our services. **During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our services.** Our remote workforce poses increased risks to our information technology systems and data, as more of our employees work from home, utilizing network connections outside our premises. Future business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems (including our platform) could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies **. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program** . We may expend significant resources or modify our business activities in an effort to further protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures to protect our information technology systems, including our platform, and data. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosures or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on processing data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; and other similar harms. ~~position~~ .Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.Our agreements with customers and other third parties may include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement,damages caused by us to property or persons,or other liabilities relating to or arising from our platform,products or other acts or omissions.For some of our larger customers,we sometimes negotiate additional indemnification for breaches of our obligations,representations or warranties in the subscription agreement,gross negligence or willful misconduct,breaches of confidentiality,losses related to security incidents,breach of the data processing addendum or violations of applicable law.The term of these contractual provisions often survives termination or expiration of the applicable agreement.Large indemnity payments or damage claims from contractual breach could harm our business,operating results and financial condition.From time to time,third parties may assert infringement claims against our customers.These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers,regardless of the merits of these claims.If any of these claims succeed,we may be forced to pay damages on behalf of our customers or may be required to obtain licenses for the platform or products they use or modify our platform or products.If we cannot obtain all necessary licenses on commercially reasonable terms or made such modifications to avoid a claim,our customers may be forced to stop using our platform or products.Further,customers may require us to indemnify or otherwise be liable to them for breach of confidentiality or failure to implement adequate security measures with respect to their data stored,transmitted or processed by our employees,platform or products.Although we normally contractually limit our liability with respect to such obligations,we may still incur substantial liability related to them.Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers,reduce demand for our platform or products,and harm our revenue,business and operating **results** We are subject to U. S. economic sanctions and export control and anti- corruption laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations. We are subject to U. S. economic sanctions and export control laws and regulations that prohibit the provision of certain products and services to certain countries, governments, and persons targeted by U. S. sanctions. We have taken precautions to prevent our services from being exported in violation of U. S. export control and U. S. sanctions laws and regulations. However, we cannot be certain that the precautions we take will prevent violations of these laws. Currently, we do not allow users with IP addresses associated with countries that are the target of comprehensive U. S. economic sanctions to access our platform on a subscription or free trial basis. In the past, parties who self- identified as being in a country that is the target of comprehensive U. S. sanctions signed up for our free trial offering. However, we believe the free- trial features of our offering are consistent with the general licenses issued by the U. S. Department of the Treasury' s Office of Foreign Assets Control, authorizing access to personal communication tools by parties in countries subject to comprehensive sanctions. If in the future we are found to be in violation of U. S. sanctions or export control laws, we may be fined or other penalties could be imposed. Finally, changes in export control or economic sanctions laws and enforcement could also result in increased compliance requirements and related costs, which could materially adversely affect our business, results of operations, financial condition and / or cash flows. We are also subject to various U. S. and international anti- corruption laws, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act, as well as other similar anti- bribery and anti- kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering or providing improper payments or benefits to officials and other recipients for improper purposes. Our exposure for violating these laws may increase as we continue to expand our international presence, and any failure to comply with such laws could harm our business. Our use of " open source " software could negatively affect our ability to offer and sell access to our platform and products and subject us to possible litigation. We use open source software in our platform and products 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 such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to use such open source software, and consequently to provide or distribute our platform and products. Although use of open source software has historically been free, recently several open source providers have begun to charge license fees for use of their software. If our current open source providers were to begin to charge for these licenses or increase their license fees significantly, this would increase our research and development costs and have a negative impact on our results of operations and financial condition. Additionally, we may from time to time face claims from third parties claiming ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of source code for the open source software, derivative works or our proprietary source code that was developed using or that is distributed with such open source software. These claims could also result in litigation and could require us to make our proprietary software source code freely available, require us to devote additional research and development resources to change our platform or incur additional costs and expenses, any of which could result in reputational harm and would have a negative effect on our business and operating results. In addition, if the license terms for the open source software we utilize change, we may be forced to reengineer 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, as open source licensors generally do not provide warranties or controls on the origin of software or indemnification for third party infringement claims. Although we have implemented policies to regulate the use and incorporation of open source software into our platform and products, we cannot be certain that we have not incorporated open source software in our platform and products in a manner that is inconsistent with such policies . Indemnity provisions in various agreements potentially...... our revenue, business and operating results . We may be subject to litigation, disputes or regulatory inquiries for a variety of claims, which could adversely affect our results of operations, harm our reputation or otherwise negatively affect our business. From time to time, we may be involved in litigation, disputes or regulatory inquiries that arise in the ordinary course of business. These may include claims, lawsuits and proceedings involving labor and employment, wage and hour, commercial, alleged securities law violations or other investor claims, and other matters. We expect that the number and significance of these potential disputes may increase as our business expands and our company grows larger. While our agreements with customers generally limit our liability for damages arising from our platform, we cannot assure you that these contractual provisions will protect us from liability for damages in the event we are sued. Although we carry general 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 liability that may be imposed. Any claims against us, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time, adversely affect our reputation and result in the diversion of significant 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 revenue, business, brand, results of operations and financial condition. The market price of our Class A common stock has been, and is likely to continue to be, volatile and could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including: • actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results; • our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public; • rumors, announcements or articles regarding our or our competitors' operations, management, organization, financial condition or financial statements; and • issuance of new or updated research or reports by securities analysts or the failure of a security analyst to continue covering our company. Furthermore, the stock markets and software and technology stocks have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies, as recently illustrated by the impact on stock markets from ~~weakening~~ **shifting** macroeconomic conditions ~~and other adverse effects or developments relating to the effects of the ongoing COVID- 19 pandemic, macroeconomic factors including inflation and rising interest rates, and geopolitical instability, including instability resulting from the invasion of Ukraine by Russia and the related sanctions imposed against Russia~~ . These broad market and industry fluctuations may negatively impact the market price of our Class A common stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management' s attention from other business concerns, which could seriously harm our business. Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. As of December 31, ~~2022~~ **2023** , our outstanding Class B common stock represented approximately ~~61~~ **58** . ~~1~~ **7** % of the voting power of our outstanding capital stock. In addition, as a result of our dual class stock, the holders of Class B common stock, our Co- Founders, collectively control all matters submitted to our stockholders for approval. This concentrated control limits the ability of our other investors to influence corporate matters for the foreseeable future. For example, these stockholders will control elections of directors, amendments of our certificate of incorporation or bylaws, increases to the number of shares available for issuance under our equity incentive plans or adoption of new equity incentive plans, and approval of any merger, sale of assets or other major corporate transaction for the foreseeable future. This may also prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. This control may adversely affect the market price of our Class A common stock. In addition, future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. We cannot predict the effect our dual class structure may have on the market of our Class A common stock. We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock, in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple- class share structures in certain of their indices. ~~S & P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S & P 500, pursuant to which, companies with multiple classes of shares of common stock are excluded.~~ In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our common stock may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices or any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could adversely affect the value and trading market of our Class A common stock. Future sales of our common stock in the public market could cause our share price to fall. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. As of December 31, ~~2022~~ **2023** , we had ~~47~~ **49** , ~~562~~ **241** , ~~911~~ **563** shares of Class A common stock outstanding and ~~7~~ **6** , ~~460~~ **994** , ~~432~~ **196** shares of Class B common stock outstanding. We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments, equity incentive plan awards or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline. We have never paid dividends on our capital stock and we do not intend to pay dividends for the foreseeable future. We have never declared or paid any dividends on our Class A common stock and do not intend to pay any dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation and growth of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Furthermore, any debt agreement we may enter into may contain negative covenants that limit our ability to pay dividends. Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock. Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include: • providing for a classified board of directors with staggered, three- year terms; • authorizing our board of directors to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control; • prohibiting cumulative voting in the election of directors; • providing that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; • prohibiting the adoption, amendment or repeal of our amended and restated bylaws or the repeal of the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors without the required approval of at least 66. 67 % of the shares entitled to vote at an election of directors; • prohibiting stockholder action by written consent; • limiting the persons who may call special meetings of stockholders; and • requiring advance notification of stockholder nominations and proposals. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, we are subject to the anti- takeover provisions contained in Section 203 of the Delaware General Corporation Law, or the DGCL. Under Section 203 of the DGCL, a corporation may not, in general, engage in a business combination with any holder of 15 % or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction. These and other provisions in our amended and restated certificate of incorporation and our amended and restated bylaws and under Delaware law could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of our Class A common stock and result in the market price of our Class A common stock being lower than it would be without these provisions. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our current or former directors, officers, employees or our stockholders; • any action asserting a claim against us arising under the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws (as either may be amended from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and • any action asserting a claim against us that is governed by the internal- affairs doctrine. By becoming a stockholder in our Company, you are deemed to have notice of and have consented to the provisions of our amended and restated certificate of incorporation related to choice of forum. This exclusive forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. This provision does not apply to claims arising under the Securities Act, the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. If a court were to find the exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business. If securities or industry analysts do not continue to publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our Class A common stock depends, in part, on the research and reports that securities or industry analysts publish about us or our business. 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 Class A common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our Class A common stock price and trading volume to decline. The rapid growth of our operations and becoming a publicly traded company have created a need for additional resources within the accounting and finance functions due to the increasing need to produce timely financial information and to ensure the level of segregation of duties customary for a U. S. public company. We continue to reassess the sufficiency of finance personnel in response to these increasing demands and expectations. We have and expect to continue to expend significant resources in developing the necessary documentation and testing procedures required by Section 404 of the Sarbanes- Oxley Act. However, we cannot be certain that the actions we have taken and may in the future take to improve our internal controls over financial reporting will be sufficient, or that we will be able to implement our planned processes and procedures in a timely manner. Furthermore, as we grow as a business, including through acquisitions, our internal controls may become more complex and require additional resources to implement and be effective. We have in the past, and may in the future, fail to maintain adequate internal controls. The existence of any material weakness or significant deficiency could result in errors in our financial statements. If we are unable to produce accurate financial statements on a timely basis, investors could lose confidence in the reliability of our financial statements, which could cause the market price of our Class A common stock to decline and make it more difficult for us to finance our operations and growth. Taxing authorities may successfully assert that we should have collected or withheld, or in the future should collect or withhold, sales and use, gross receipts, value added, federal, state, or foreign employment, or similar taxes and may successfully impose additional obligations on us, and any such assessments or obligations could adversely affect our business, financial condition and results of operations. The application of indirect taxes, such as sales and use, value- added, goods and services, business, gross receipts taxes, and employment taxes to businesses like ours is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the internet or remote work. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations and, as a result, amounts recorded are estimates and are subject to adjustments. Additionally, we often rely on third- party technology and consulting firms for tax advice and compliance tools, both of which could fail to work as intended. Our business is, or may be, subject to such indirect taxes in the United States and various foreign jurisdictions, and we may face indirect tax audits in various U. S. and foreign jurisdictions. In certain jurisdictions, we collect and remit indirect taxes. However, taxing authorities may raise questions about or challenge or disagree with our calculation, reporting or collection of such taxes and may require us to collect and remit such taxes in jurisdictions in which we do not currently do so, and could impose associated interest, penalties and fees. For example, after the U. S. Supreme Court decision in South Dakota v. Wayfair Inc., certain states have adopted, or started to enforce, laws that may require us to calculate, collect and remit taxes on sales in their jurisdictions, even if we do not have a physical presence in such jurisdictions. A successful assertion by one or more tax authorities requiring us to collect indirect taxes in jurisdictions in which we do not currently do so, to collect additional indirect taxes in a jurisdiction in which we currently collect such taxes, or to withhold additional employment taxes, could, among other things, result in substantial tax liabilities (including taxes on past sales, as well as penalties and interest), create significant administrative burdens for us, discourage users from utilizing our products or otherwise harm our business, financial condition and results of operations. We recognize subscription revenue ratably over the term of our customer contracts. Consequently, downturns or upturns in new sales may not be immediately reflected in our operating results and may be difficult to discern. We generally recognize subscription revenue from customers ratably over the terms of their contracts, which can range from monthly to one- year or multi- year arrangements. As a result, a substantial portion of the subscription revenue we report in each period is derived from the recognition of deferred revenue relating to subscriptions entered into during previous periods. Consequently, a decline in new sales or renewals in any one period may not be immediately reflected in our results of operations for such period. However, the cumulative impact of such declines could negatively impact our business and results of operations in future periods. Accordingly, the effect of significant downturns in sales and market acceptance of our solutions, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We also may be unable to adjust our cost structure to reflect the changes in revenue, resulting in lower margins and earnings. In addition, our subscription- based model also makes it difficult to rapidly increase our revenue through additional sales in any period, as revenue from new customers generally will be recognized over the term of the applicable agreement. Our ability to utilize our net operating loss carryforwards may be limited. As of December 31, ~~2022~~ **2023** , we had U. S. federal and state net operating loss carryforwards of approximately $ ~~56~~ **64** . 8 million and $ ~~10~~ **12** . ~~1~~ **5** million, respectively. Our ability to utilize our federal net operating loss carryforwards may be limited under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code. The limitations apply if we experience an " ownership change, " which is generally defined as a greater than 50 percentage point change (by value) in the ownership of our equity by certain stockholders over a rolling three- year period. Similar provisions of state tax law may also apply to limit the use of our state net operating loss carryforwards. Future changes in our stock ownership, which may be outside of our control, may trigger an ownership change and, consequently, the limitations under Section 382 of the Code. As a result, if or when we earn net taxable income, our ability to use our pre- change net operating loss carryforwards to offset such taxable income may be subject to limitations, which could adversely affect our future cash flows. Risks Related to Intellectual Property Matters Inability or failure to protect our intellectual property rights could impair our business. Our success and ability to compete depend in part upon our intellectual property. We attempt to protect our intellectual property rights through a combination of trademark, patent, copyright and trade secret laws, as well as licensing agreements and third- party nondisclosure and assignment agreements. However, the steps we take to protect our intellectual property rights may be inadequate. Additionally, because of the differences in foreign intellectual property laws, our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States. Furthermore, it is not always possible to predict where our business will expand to adequately secure our intellectual property rights or obtain protection in countries where we do not currently do business. The inability or failure to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, results of operations and financial condition. In order to protect our intellectual property, we may be required to spend significant resources to monitor and protect our rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely affect our business. We rely on our intellectual property to distinguish our products, services, inventions and works of authorship, including software, from those of our competitors and to create competitive advantages in the marketplace. We have applied for and registered much of this intellectual property in the United States and also applied for trademark protection in certain foreign countries. We cannot assure you that our intellectual property applications will be approved. Additionally, although we rely on copyright laws to protect our works of authorship, including our software, we do not apply to register the copyrights in any of our works. We also rely on unpatented proprietary technology that is only protected to the extent that it is kept secret from and not independently developed by others. To protect our trade secrets and other proprietary technology and information, we have entered into confidentiality agreements with most of our employees and consultants. We cannot assure you that these agreements will provide meaningful protection against unauthorized use, misappropriation or unlawful disclosure of such trade secrets, know- how or other proprietary technology information. **In addition, the rapid adoption of AI software has made it increasingly difficult to keep proprietary information secret.** If we are unable to maintain the proprietary nature of our technologies and information, our business, financial condition and results of operations could be harmed. Third party intellectual property infringement claims could impair our business. From time to time, our competitors or other third parties may claim, and it may be found, that we are infringing upon or otherwise violating their intellectual property rights, which we may not be aware of prior to such claims. Third parties have and may in the future challenge, attempt to invalidate or attempt to circumvent our intellectual property rights or applications, or may use and register similar intellectual properties in the United States and in other jurisdictions. We cannot assure you that our intellectual property may be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Any claims of intellectual property infringement or other intellectual property violations or challenges, even those without merit, could be expensive and time consuming to defend. Any licensing agreements to use any third party' s intellectual property, if required, may not be available to us on acceptable terms. A successful claim of infringement against us could result in our being required to pay significant damages, enter into costly settlement agreements, or prevent us from offering our platform or products in their present form or at all, or under their current trademarks, any of which could have a negative impact on our results of operations and financial condition and harm our future prospects. We may also be obligated to indemnify our customers or business partners in connection with any such litigation or refund subscription fees, which could further exhaust our resources. Disruptions to our platform or products from such claims could adversely affect our customer satisfaction and ability to attract customers. In the event that our intellectual property is successfully challenged, we could be forced to amend, revise or rebrand our products and services, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. ~~Unstable market and economic conditions, including a global or domestic recession or the fear of a recession, may have serious adverse consequences on our business, financial condition and share price.~~ The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, ~~increases in~~ **high levels of** inflation ~~rates~~, ~~higher~~ -- **high** interest rates and uncertainty about economic stability. For example, **ongoing overseas conflict** ~~the COVID- 19 pandemic resulted in widespread unemployment, economic slowdown and extreme volatility in the capital markets. Similarly, the Russia- Ukraine war~~ has created ~~extreme~~ volatility in the global capital markets ~~and is expected to have further global economic consequences~~ , including disruptions of the global supply chain and energy markets. In addition, ~~rising~~ **high levels of** inflation and other macroeconomic pressures in the United States and the global economy could exacerbate extreme volatility in the global capital markets and heighten unstable market conditions. Any such volatility and disruptions may have adverse consequences on us, our customers, partners or other third parties on whom we rely. If the equity and credit markets continue to deteriorate, including as a result of global geopolitical tension or a global or domestic recession or the fear thereof, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive. ~~Increased~~ **High levels of** inflation ~~rates~~ can adversely affect us by increasing our costs, including labor and employee benefit costs. In addition, ~~higher~~ -- **high** inflation also could increase our customers' operating costs, which could result in reduced social media budgets for our customers and potentially less demand for our platform and products. Any significant increases in inflation and related ~~increase~~ **increases** in interest rates could have a material adverse effect on our business, results of operations and financial condition. We may evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products and other assets in the future. We also may enter into relationships with other businesses to expand our platform and products, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing or investments in other companies. Any ~~acquisition,~~ investment ~~or~~ **,** business relationship **or acquisition, including our acquisitions of Repustate in January 2023 and Tagger Media in August 2023,** may result in unforeseen operating difficulties and expenditures or business liabilities. In particular, we may encounter difficulties integrating the businesses, technologies, products, personnel or operations of the acquired companies, particularly if key personnel of the acquired company choose not to work for us, the acquired platform, products or services are not easily adapted to work with our platform or products or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. Acquisitions may also disrupt our business, divert our resources and require significant management and research and development attention that would otherwise be available for development of our existing platform and products. Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized, we may be exposed to unknown risks or liabilities **. Furthermore** , ~~may be required to obtain financing on unfavorable terms, become subject to adverse tax consequences, substantial depreciation or deferred compensation charges, or~~ our ability to complete these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if announced, may not be completed. **In connection with such strategic transactions, we may: • issue additional equity securities that would dilute our existing stockholders; • use cash that we may need in the future to operate our business; • incur large charges or substantial liabilities; • incur indebtedness on terms unfavorable to us or that we are unable to repay; • encounter hidden liabilities, defects, bugs, vulnerabilities, or past or future data breaches within any acquired company' s code or technical environment; • encounter additional legal and compliance risk and expenses; • encounter difficulties retaining key employees of the acquired company or integrating diverse software codes or business cultures; and • become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.** The occurrence of any of the foregoing could adversely affect our revenue, **business, results of operations and financial condition. Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and results of operations, which in turn are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend on, among other things, the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more**

onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Further, our Credit Agreement contains, and any future credit facility or other debt instrument may contain, provisions that will restrict our ability to dispose of assets and use the proceeds from any such disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If we cannot make the scheduled payments on our debt, we will be in default and, as a result, the lenders under our Credit Agreement could declare all outstanding principal and interest to be due and payable, the lenders under our credit facility could terminate their commitments to loan money and foreclose against the assets securing the borrowings under such credit facility, and we could be forced into bankruptcy or liquidation, which could result in an adverse impact to your investment in our company. We have incurred a substantial amount of debt, which could adversely affect our business, including by restricting our ability to engage in additional transactions or incur additional indebtedness, and prevent us from meeting our debt obligations. We entered into the Credit Agreement with the lenders named therein and MUFG Bank, LTD. as administrative agent and collateral agent, in August 2023, which provides for a $ 100 million senior secured credit facility. As of December 31, 2023, we had $ 55 million in secured indebtedness outstanding under the Credit Agreement. This substantial level of debt could have important consequences to our business, including, but not limited to: • reducing the benefits we expect to receive from our prior and any future acquisition transactions; • making it more difficult for us to satisfy our obligations; • requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund acquisitions, capital expenditures, R & D and future business opportunities; • exposing us to the risk of increased interest rates to the extent of any future borrowings, including borrowings under our Credit Agreement, are at variable rates of interest; • increasing our vulnerability to, and reducing our flexibility to respond to, changes in our business or general adverse economic and industry conditions; • limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes and increasing the cost of any such financing; • limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and placing us at a competitive disadvantage as compared to our competitors, to the extent they are not as highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage may prevent us from exploiting; and • restricting us from pursuing certain business opportunities. The Credit Agreement contains, and the terms of any future indebtedness may impose, various restrictive covenants, including, among other things, restrictions on the Company' s ability to incur liens, incur indebtedness, make or hold investments, execute certain change of control transactions, business combinations or other fundamental changes to their business, dispose of assets, make certain types of restricted payments, including dividends and other distributions to shareholders, or enter into certain related party transactions, subject to customary exceptions. In addition, the Credit Agreement contains financial covenants as to (i) minimum liquidity requiring the maintenance, at all times and measured at the end of each fiscal quarter, of cash and cash equivalents of not less than the greater of (x) $ 30 million and (y) 30 % of the total revolving commitments, and (ii) minimum recurring revenue growth, requiring recurring revenue growth for the trailing four fiscal quarter period, measured at the end of each fiscal quarter, of not less than 115 % of the actual recurring revenue for the same period in the prior fiscal year. Pursuant to the Credit Agreement, we granted the lenders thereto a security interest in substantially all of our assets. See the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources " for additional information. Our ability to comply with these restrictive and financial covenants can be impacted by events beyond our control and we may be unable to do so. The Credit Agreement provides that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, the administrative agent, at the direction of the lenders, could elect to declare all amounts outstanding under the Credit Agreement to be immediately due and payable. In addition, the administrative agent would have the right to proceed against the assets we provided as collateral pursuant to the Credit Agreement. If the debt under our Credit Agreement were to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient collateral to repay such debts, which would have an immediate adverse effect on our business, liquidity, and financial condition. We depend largely on the continued service of our senior management and other key employees, the loss of any of whom could adversely affect our business, results of operations and financial condition. Our future performance depends on the continued service and contributions of our senior management and other key employees to execute on our business plan, to develop our platform and products, to attract and retain customers and to identify and pursue strategic opportunities. The loss of service of senior management or other key employees could significantly delay or prevent the achievement of our development and strategic objectives. In particular, we depend to a considerable degree on the vision, skills, experience and effort of our Co- Founder, Chairman and Chief Executive Officer, Justyn Howard ~~,~~ **and** President, Ryan Barretto ~~and Co- Founder and Chief Technology Officer, Aaron Rankin~~ . The replacement of any of our senior management personnel would likely involve significant time and costs, and such loss could adversely affect our revenue, business, results of operations and financial condition. **If we cannot attract and retain qualified personnel or maintain our culture as we grow, we may be unable to execute our business strategy.** We believe that a critical component of our success has been our company culture and values. We have invested substantial time and resources in building our team and we believe our strong employer brand has been instrumental in our ability to attract and retain highly qualified personnel. Competition for executives, software developers, product managers, sales personnel and other key personnel in the software industry is intense. We have experienced and may in the future experience difficulty attracting and retaining qualified candidates to fill open positions. Many of the companies with which we compete for talent have greater resources than we have and may offer greater compensation packages. To remain competitive, we must also retain and motivate existing employees through compensation practices, career development opportunities and our company culture and values. As we continue to grow, including expanding our presence domestically and internationally, and to allow our employees to work remotely, we will need to maintain our company culture and values among a larger number of employees dispersed in various geographic regions. Any failure to preserve the company culture and values we have created could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. Our recent growth and any future growth in headcount may be difficult to manage effectively. We have recently experienced, and anticipate that we will continue to experience, a period of rapid growth in our operations and headcount. Our growth has placed, and future growth will place, a significant strain on our management, technical, administrative, operational and finance, tax, and accounting infrastructure. Our success will depend in part on our ability to manage this growth effectively. To manage the expected growth of our operations and personnel, we will need to continue to improve our management, technical, administrative, operational, finance, tax, and accounting controls and our reporting systems and procedures. Failure to effectively manage our growth could result in difficulty or delays in effectively scaling our platform or products, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features, regulatory and legal action, or other difficulties. Any of these difficulties could adversely affect our revenue, business, results of operations and financial condition. We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs. We have funded our operations since inception primarily through sales of equity securities, bank loans and subscription payments by our customers for use of our platform and products. We do not know when or if our operations will generate sufficient cash to fund our ongoing operations. In the future, we may require additional capital to respond to business opportunities, challenges, acquisitions, a decline in the level of subscriptions for our platform or products or unforeseen circumstances. We may not be able to timely secure additional debt or equity financing on favorable terms, or at all. **Changing** ~~Recently worsening~~ macroeconomic conditions, including ~~rising~~ **high** interest rates and volatility in the capital markets, exacerbate this risk ~~. Any debt financing obtained by us could involve restrictive covenants relating to financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions~~ . If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders 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 we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. There are risks associated with potential future indebtedness that may adversely affect our financial condition and future financing agreements may contain restrictive operating and financial covenants that could limit our operating flexibility. Future financing agreements may contain restrictive operating and financial covenants that could limit our operating flexibility, including covenants that limit our ability to incur additional indebtedness or liens, merge with other companies or consummate certain changes of control, acquire other companies, engage in new lines of business, add new offices or business locations, make certain investments, pay dividends, transfer or dispose of certain assets, liquidate or dissolve, amend certain material agreements and enter into various specified transactions. Our ability to remain in compliance with the covenants under any future debt instruments, and to pay fees, interest and principal on our indebtedness will depend on, among other things, our operating performance and market conditions. Accordingly, our cash flow may not be sufficient to allow us to pay principal and interest on future indebtedness and meet our other business obligations. ~~51~~ **54**