Risk Factors Comparison 2024-02-20 to 2023-02-21 Form: 10-K

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Our operations and financial results are subject to various risks and uncertainties, including those described below. You should carefully consider the following risks and all of the other information contained in this report, including our consolidated financial statements and related notes, before investing in any of our securities. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks, or other risks and uncertainties that are not yet identified or that we currently think are immaterial, actually occur, our business, financial condition, results of operations and future prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline. We may amend, supplement or add to the risk factors described below from time to time in future reports filed with the SEC. Summary of Risk Factors We are providing the following summary of the risk factors contained in this Form 10- K to enhance the readability and accessibility of our risk factor disclosures. We encourage our stockholders to carefully review the full risk factors contained in this Form 10- K in their entirety for additional information regarding the risks and uncertainties that could cause our actual results to vary materially from recent results or from our anticipated future results. Risks Related to Our Business and Industry • We derive ~~a majority~~ **more than 40 %** of our total revenue from customers using our platform for SEC filings. • We cannot accurately predict subscription renewal or upgrade rates. • Failure to manage our growth may adversely affect our business or operations. • Our revenue growth rate in recent periods may not be indicative of our future performance. • We have not been profitable historically and may not achieve or maintain profitability in the future. • Our quarterly results may fluctuate significantly. • Our solutions face intense competition in the marketplace. • Our revenue growth will depend in part on the success of our efforts to augment our direct- sales channels by developing relationships with third parties. • Adverse economic conditions or reduced technology spending may adversely impact our business. • If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success. • We depend on our senior management team and other key employees. • ~~The COVID- 19 pandemic has impacted our business, and its ultimate impact on our business and financial results is uncertain. •~~ Our workforce is our primary operating expense and subjects us to risks associated with increases in the cost of labor. • Operations outside the United States expose us to risks inherent in international sales. • A significant fluctuation between the U. S. Dollar and other currencies could adversely impact our operating results. • Geopolitical conflicts, including the conflict between Russia and Ukraine **and the conflict in the Middle East**, may adversely affect our business and results of operations. • Fixed- fee engagements with customers may not meet our expectations if we underestimate the cost of these engagements. • If we fail to continue to develop our brand, our business may suffer. • Legislative and regulatory changes could adversely affect our business. • We may need to raise additional capital, which may not be available to us. • We have acquired, and may continue to acquire, other companies or technologies, which could divert our management' s attention, result in additional dilution to our stockholders and otherwise disrupt our operations and adversely affect our operating results. • Because we recognize revenue over the term of each subscription, downturns or upturns in sales may not be immediately reflected in our operating results. • We are subject to general litigation that may materially adversely affect us. • A failure to maintain adequate internal controls over our financial and management systems could cause errors in our financial reporting ~~, which could cause a loss of investor confidence and result in a decline in the price of our Class A common stock~~. • Our relatively limited operating history makes it difficult to predict our future operating results. Risks Related to Technology and Intellectual Property • ~~If we or~~ **We face continually evolving cybersecurity risks, which could result in the loss, theft, misuse, unauthorized disclosure, access,** ~~our~~ **or destruction of confidential information** ~~service providers fail to keep our~~ **or data, disruption of our solutions, damage to our brands, reputation and relationships with** customers ~~' information confidential or otherwise handle their information improperly~~, ~~our business~~ **legal exposure** and **financial losses** ~~reputation could be adversely affected~~. • The success of our cloud- based software largely depends on our ability to provide reliable solutions to our customers. • Any failure to offer high- quality technical support services may adversely affect our relationships with our customers. • Failure to establish and maintain partnerships that can provide complementary technology offerings and software integrations could limit our ability to grow our business. • If we do not keep pace with technological changes, our solutions may become less competitive. • **Issues relating to the development of AI, machine learning and other technological capabilities in our solutions and offerings may result in reputational harm, liability and adverse financial results. •** If we fail to manage our technical operations infrastructure, our existing customers may experience service outages, and our new customers may experience delays in the deployment of our solutions. • The inability to maintain software licenses, or the existence of errors in the software we license could result in increased costs or reduced service levels. • Any failure or interruptions in the internet infrastructure, bandwidth providers, data center providers, other third parties or our own systems could negatively impact our business. • Changes in laws and regulations related to **technology,** the internet or changes in the internet infrastructure itself may diminish the demand for our solutions. • We are subject to U. S. and foreign data privacy and protection laws and regulations as well as contractual privacy obligations. • Any failure to protect our intellectual property rights or defend against accusations of infringement of third- party intellectual property rights could impair our ability to protect our proprietary technology and our brand. • Some of our solutions utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business. Risks Related to Taxes • The adoption of new tax legislation could adversely affect our business and financial condition. • Determining our income tax rate is complex and subject to uncertainty. • Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations. Risks Related to Ownership of Our Securities • Our stock price has been and will likely continue to be volatile or may decline regardless of our operating performance. • If there are substantial sales of shares of our Class A common stock or some or all of our convertible senior notes are converted and sold, the price of our Class A common stock could decline. • The dual class structure of our common stock concentrates voting control with certain of our executives. • Anti- takeover provisions in our charter documents, our convertible senior notes and Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and may negatively affect the market price of our Class A common stock. • We do not intend to pay dividends for the foreseeable future. Risks Related to our Indebtedness • The conditional conversion feature of our convertible senior notes may adversely affect our financial condition and operating results. • Servicing our debt requires a significant amount of cash. We derive ~~a majority~~ **more than 40 %** of our total revenue from customers using our platform for SEC filings. We sell a variety of other solutions, including ESG, global statutory reporting, SOX, capital markets, enterprise risk management and audit management, but the introduction of new solutions beyond the SEC market may not be successful. Although non- SEC solutions generated ~~66~~ **70** % of new solution and new customer bookings in ~~2022~~ **2023** , it is uncertain whether they will achieve the level of market acceptance we have achieved in the SEC market. Any factor adversely affecting sales of our platform or solutions, including release cycles, market acceptance, competition, performance and reliability, reputation and regulatory, economic and market conditions, could adversely affect our business and operating results. Our business depends substantially on customers renewing their subscriptions with us and expanding their use of our services. Our customers have no obligation to renew their subscriptions for our services after the expiration of their current subscription period. While we have historically maintained a subscription and support revenue retention rate of greater than 94 %, we may be unable to maintain this historical rate and we may be unable to accurately predict our subscription and support revenue retention rate. In addition, our customers may renew for shorter contract lengths, lower prices or a reduced scope of service. We cannot accurately predict new subscription or expansion rates and the impact these rates may have on our future revenue and operating results. Our renewal rates may decline or fluctuate as a result of a number of factors, including customer dissatisfaction with our service, customers' ability to continue their operations and spending levels and deteriorating general economic conditions. If our customers do not renew their subscriptions for our service, purchase fewer solutions at the time of renewal, or negotiate a lower price upon renewal, our revenue will decline and our business will suffer. Our future success also depends in part on our ability to sell additional solutions and services, more subscriptions or enhanced editions of our services to our current customers, which may also require increasingly sophisticated and costly sales efforts that are targeted at senior management. If our efforts to sell additional solutions and services to our customers are not successful, our growth and operations may be impeded. Since our formation, we have experienced significant growth in our business, customer base, employee headcount and operations, and we expect to continue to expand our business over the next several years. This growth places a significant strain on our management team and employees as well as our operating and financial systems. To manage our future growth, we must continue to scale our business functions, improve our financial and management controls and our reporting systems and procedures and expand and train our work force. ~~In particular~~ **For example** , we grew from 2, ~~106~~ **447** employees as of December 31, ~~2021~~ **2022** to more than 2, ~~400~~ **500** employees as of December 31, ~~2022~~ **2023** . We anticipate that additional investments in sales personnel, infrastructure and research and development spending will be required to: • scale our operations and increase productivity; • address the needs of our customers; • further develop and enhance our existing solutions and offerings; • develop new technology; and • expand our markets and opportunity under management, including into new solutions and geographic areas. We cannot assure you that our controls, systems and procedures will be adequate to support our future operations or that we will be able to manage our growth effectively. We also cannot assure you that we will be able to continue to expand our market presence in the ~~United States~~ **U. S.** , Europe, Asia Pacific region and other current markets or successfully establish our presence in other markets. Failure to effectively manage growth could result in difficulty or delays in deploying customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties, and any of these difficulties could adversely impact our business performance and results of operations. We experienced revenue growth rates of **17 %,** 21 % ~~,~~ **and** 26 % ~~and 18 %~~ in fiscal **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. Our historical revenue growth rates are not indicative of future growth, and we may not achieve similar revenue growth rates in future periods. You should not rely on our revenue or revenue growth for any prior quarterly or annual periods as any indication of our future revenue or revenue growth. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability. We have posted a net loss in each fiscal year since we began operations in 2008, including net losses of approximately $ **127. 5 million in fiscal 2023, $** 90. 9 million in fiscal 2022 ~~,~~ **and** $ 37. 7 million in fiscal 2021 ~~and $ 48. 4 million in fiscal 2020~~ . While we have experienced continued revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of subscriptions to sustain or increase our growth or achieve or maintain profitability in the future. In addition, we plan to continue to invest in our infrastructure, new solutions, research and development and sales and marketing, and as a result, we cannot assure you that we will achieve or maintain profitability. Because we intend to continue spending in anticipation of the revenue we expect to receive from these efforts, our expenses will be greater than the expenses we would incur if we developed our business more slowly. In addition, we may find that these efforts are more expensive than we currently anticipate, which would further impact our profitability. Our quarterly results of operations, including the levels of our revenue, gross margin, profitability, cash flow and deferred revenue, may vary significantly in the future due to a variety of factors, including the risks and uncertainties described herein, and period- to- period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Fluctuations in quarterly results may negatively affect the value of our Class A common stock. In addition, we have historically experienced seasonal variations in our revenue from professional services as many of our customers employ our professional services just before they file their Form 10- K with the

SEC in the first calendar quarter. ~~The majority~~ **A significant percentage** of our SEC customers report their financials on a calendar year basis. While we expect our professional services revenue to become less seasonal as our non- SEC offerings grow, a significant portion of our revenue may continue to reflect seasonality, which makes it difficult to predict our future operating results. The market for our solutions is increasingly competitive, rapidly evolving and fragmented, and is subject to changing technology and shifting customer needs. Although we believe that our platform and the solutions that it offers are unique, many vendors develop and market products and services that compete to varying extents with our offerings, and we expect competition in our market to continue to intensify. Moreover, industry consolidation may increase competition. In addition, many companies have chosen to invest in their own internal reporting solutions and therefore may be reluctant to switch to solutions such as ours. We compete with many types of companies, including diversified enterprise software providers; providers of professional services, such as consultants and business and financial printers; governance, risk and compliance software providers; business intelligence / corporate performance management software providers; and business reporting software providers. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. We could lose customers if our competitors introduce new competitive products, add new features, acquire competitive products, reduce prices, form strategic alliances with other companies or are acquired by third parties with greater available resources. We may also face increasing competition from open source software initiatives, in which competitors may provide software and intellectual property for free. In addition, if a prospective customer is currently using a competing solution, the customer may be unwilling to switch to our solutions without access to setup support services. If we are unable to provide those services on terms attractive to the customer, the prospective customer may be unwilling to utilize our solutions. If our competitors' products, services or technologies become more accepted than our solutions, if they are successful in bringing their products or services to market earlier than ours, or if their products or services are more technologically capable than ours, then our revenue could be adversely affected. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses or a failure to maintain or improve our competitive market position, any of which would adversely affect our business. We have established strategic relationships with global advisory firms, regional consulting and implementation firms and technology partners. We expect these parties to contribute to our growth through referrals, influencing purchases and enhancing our value proposition through advisory and implementation services. We plan to continue to expand our partner ecosystem and build relationships with third parties. Identifying partners, negotiating and supporting relationships with them, on- boarding those firms into our ecosystem and maintaining relationships requires a significant commitment of time and resources that may not yield a significant return on our investment. If we are unsuccessful in establishing or maintaining our relationships with partners, or if these partners are unsuccessful in marketing or selling our solutions, or are unable or unwilling to devote sufficient resources to these activities, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results may suffer. Furthermore, our partners rely on highly skilled and trained professionals to position the platform in the market and to provide implementation and consulting services to our customers. We have formal training and enablement programs for our partners; however, our enablement efforts may be ineffective. If we do not adequately develop and maintain a sufficient number of qualified and trained partner professionals with knowledge of our solutions and our platform, we may suffer from services not being delivered correctly, improper expectations being set with our customers and customers therefore choosing not to expand the use of our platform or deciding not to renew their subscriptions. Also, our partners may have relationships with our competitors and experience with other products or services that could be used as substitutes for our platform. These relationships and product experience may result in our partners recommending our competitors' products or services over our own products or services. In addition, new or emerging technologies and technological trends or changes in customer requirements may result in certain third parties de-emphasizing their dealings with us or becoming potential competitors in the future. Our business depends on the overall demand for technology and on the economic health of our current and prospective customers. Global financial developments and global health crises or pandemics may harm us, including disruptions or restrictions on our employees' ability to work and travel. In general, weakened global economic conditions, including those from ~~the ongoing COVID- 19 pandemic,~~ inflation, interest rates, and armed conflicts (~~such as~~ **including between** Russia and Ukraine ~~conflict~~ **, and in the Middle East**) make it difficult for our customers, prospective customers and us to forecast and plan future business activities accurately. Weak global economic conditions or a reduction in technology spending could adversely impact our business, financial condition and results of operations in a number of ways, including longer sales cycles, lower prices for our solutions, reduced bookings and lower or no growth. Additionally, our capital markets business can serve as a point of entry for customers to our platform. The growth of our capital markets and SEC businesses are based in part on the strength of the IPO / special- purpose acquisition company (" SPAC ") market, which can fluctuate. A significant decline in the IPO / SPAC market has adversely affected sales of our capital markets solution and could potentially affect other solutions. ~~The United Kingdom formally left the European Union on January 31, 2020, and ratified a trade and cooperation agreement governing its future relationship with the E. U. on certain aspects of trade and other strategic and political issues. The longer term economic, legal, political and social implications of Brexit are unclear at this stage. In particular, any such longer term impact from Brexit will depend, in part, on the outcome of the U. K.' s continuing negotiations on a number of matters not definitively addressed in the trade and cooperation agreement. Changes impacting our ability to conduct business in the U. K. or other E. U. countries, or changes to the regulatory regime applicable to our operations in those countries, may cause disruptions to and create uncertainty surrounding our business in the U. K. and E. U. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the U. K. and the other economies in which we operate. Any of these events could have a material adverse effect on our business operations, results of operations and financial condition.~~ We believe our corporate culture is a critical component to our success. We have invested substantial time and resources in building our team. As we grow and develop the infrastructure of a **global** public company **and continue to operate in a remote working environment** , we may find it difficult to maintain our corporate culture **among a**

larger number of employees who are dispersed in various geographic regions internationally, both in our offices and remotely . Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and effectively focus on and pursue our corporate objectives. We rely on **the stability of** our leadership team and other key employees. From time to time, there are changes in our management team resulting from the hiring or departure of executives or other key employees, which could disrupt our business. Our senior management and key employees are generally employed on an at- will basis, which means that they could terminate their employment with us at any time. ~~The~~ **Any significant leadership change or senior management transition involves inherent risk, and the** loss of one or more of our executive officers or key employees could have a material adverse effect on our business. Further, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these individuals is intense, especially for engineers with high levels of experience in designing and developing software and internet- related services, senior sales executives and professional services personnel with appropriate financial reporting experience. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees have breached their legal obligations or that we have induced such breaches, resulting in a diversion of our time and resources. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected. ~~The COVID- 19 pandemic has significantly impacted the global economy, disrupted global supply chains and created significant volatility and disruption in financial markets, and increased unemployment levels. While it remains a developing situation, the pandemic and any quarantines, interruptions in travel and business disruptions with respect to us, our customers or partners have had and will continue to have an impact on our business. Although we are continuing to monitor and assess the effects of the COVID- 19 pandemic, the ultimate impact of the COVID- 19 pandemic on our business remains highly uncertain and will depend on certain developments, including the duration and spread of the outbreak, the emergence of new variants, the impact on our customers and our sales cycles, and the effect on our vendors, all of which are uncertain and cannot be predicted. As a result of the work and travel restrictions relating to the ongoing COVID- 19 outbreak, substantially all of our sales and operating activities are being conducted remotely or on a hybrid basis. This continuing global work- from- home operating environment may adversely impact the productivity of certain employees, and these conditions may persist and harm our business, including our future operating results. The pandemic and accompanying market volatility, uncertainty and economic disruption may also have the effect of heightening many of the other risks described in the " Risk Factors " set forth in this Annual Report on Form 10- K.~~ Labor is our primary operating expense. We may face labor shortages or increased labor costs because of increased competition for employees, higher employee turnover rates, or increases in employee benefit costs. If labor- related expenses increase, our operating expense could increase, which would adversely affect our business, financial condition and results of operations. We are subject to the Fair Labor Standards Act (" FLSA ") and various federal and state laws governing such matters as minimum wage requirements, overtime compensation and other working conditions, citizenship requirements, discrimination and family and medical leave. In recent years, a number of companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, overtime wage policies, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits may be threatened or instituted against us from time to time, and we may incur substantial damages and expenses resulting from lawsuits of this type, which could have a material adverse effect on our business, financial condition or results of operations. A key element of our growth strategy is to expand our international operations and develop a worldwide customer base. A growing portion of our revenue is from customers headquartered outside the ~~United States~~ **U. S.** . Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic and political risks that are different from those in the ~~United States~~ **U. S.** . Because of our limited experience with international operations, our international expansion efforts may not be successful in creating additional demand for our solutions outside of the ~~United States~~ **U. S.** or in effectively selling subscriptions to our solutions in all of the international markets we enter. In addition, we face risks in doing business internationally that could adversely affect our business, including: • the need to localize and adapt our solutions for specific countries, including translation into foreign languages and associated expenses; • increased management, travel, infrastructure, legal compliance and regulation costs associated with having multiple international operations; • sales and customer service challenges associated with operating in different countries; • data privacy laws that require customer data to be stored and processed in a designated territory; • inadequate local infrastructure and difficulties in staffing and managing foreign operations **, including compliance with local labor and employment laws and regulations** ; • different pricing environments and longer sales and collection cycles; • new and different sources of competition; • difficulties in enforcing intellectual property and other rights outside of the ~~United States~~ **U. S.** ; • laws and business practices favoring local competitors; • compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations; • increased financial accounting and reporting burdens and complexities; • restrictions on the transfer of funds; • an uncertain trade environment; • adverse tax consequences; • unstable regional economic and political conditions, including political unrest and armed conflicts (such as the Russia and Ukraine conflict **and the conflict in the Middle East**); • liquidity issues, including due to political actions by sovereign nations with a controlled currency environment, which could result in decreased values of cash balances or potential difficulties protecting our foreign assets or satisfying local obligations; • difficulties in obtaining export licenses for certain technology, tariffs, quotas and other trade barriers; • issues resulting from operations in locations with a higher incidence of corruption and fraudulent business practices; • challenges in integrating acquisitions with foreign operations; and • natural disasters, acts of war, terrorism, security breaches, pandemics or other health crises ~~, including the ongoing COVID- 19 pandemic~~ . Some of our third- party business partners have international operations and are also subject to these risks and if our third- party business partners are unable to appropriately manage these risks, our business may be harmed. Although our financial results are reported in U. S. Dollars, a portion of our sales and operating costs are **, and will continue to be,** realized in other currencies, with the largest concentration of foreign sales occurring in Europe. We anticipate that over time, an increasing portion of our international contracts may be denominated in local currencies. Therefore, fluctuations in the value of the U. S. Dollar and foreign currencies may impact our operating results when translated into U. S. Dollars. Such fluctuations **have been, and** may **continue to** be materially impacted by ~~the ongoing COVID- 19 pandemic~~, increases in inflation, fluctuations in interest rates, and any global events, wars or conflicts, including the current Russia and Ukraine conflict **and the conflict in the Middle East**. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. Significant long- term fluctuations in relative currency values, and in particular, an increase in the value of the U. S. Dollar against foreign currencies, has had and could continue to have an adverse effect on our operating results. We have operations or activities in numerous countries and regions outside the ~~United States~~ **U. S.**, including in Europe. As a result, our global operations are affected by economic, political and other conditions in the foreign countries in which we do business. Specifically, the current conflict between Russia and Ukraine is creating substantial uncertainty about the future impact on global capital markets. Countries across the globe are instituting sanctions and other penalties against Russia. The retaliatory measures that have been taken, and could be taken in the future, by the U. S., NATO, and other countries have created global security concerns that could result in broader European military and political conflicts and otherwise have a substantial impact on regional and global economies, any or all of which could adversely affect our business, particularly our European operations **. Additionally, while we do not have material operations in the Middle East, the current conflict in the Middle East and escalating tensions in the region may further disrupt global markets and impact the supply chains of our customers, leading to disruptions in our customers' ability to conduct business and affecting their ability to pay for our solutions**. We provide certain professional services on a fixed- fee basis. When making proposals for fixed- fee engagements, we estimate the costs and timing for completing the engagements. We provide professional services on both SEC and non- SEC solutions, including our financial services, integrated risk, global statutory reporting and FERC reporting solutions. Professional services on non- SEC solutions usually involve a different mix of subscription, support and services than professional services on our SEC solution. Growth in professional services on non- SEC solutions may impact our gross margins in ways that we cannot predict. If we are required to spend more hours than planned to perform these services, our cost of services revenue could exceed the fees charged to our customers on certain engagements and could cause us to recognize a loss on a contract, which would adversely affect our operating results. In addition, if we are unable to provide these professional services, we may lose sales or incur customer dissatisfaction, and our business and operating results could be significantly harmed. We believe that continuing to develop and maintain awareness of our brand is critical to achieving widespread acceptance of our ~~solution~~ **solutions** and is an important element in attracting and retaining customers. Efforts to build our brand may involve significant expense and may not generate customer awareness or increase revenue at all, or in an amount sufficient to offset expenses we incur in building our brand. Promotion and enhancement of our name and the brand names of our solutions depends largely on our success in being able to provide high quality, reliable and cost- effective solutions. If customers do not perceive our solutions as meeting their needs, or if we fail to market our solutions effectively, we will likely be unsuccessful in creating the brand awareness that is critical for broad customer adoption of our solutions. That failure could result in a material adverse effect on our business, financial condition and operating results. The market for our solutions depends in part on the requirements of the SEC, the Federal Reserve System, the Federal Deposit Insurance Corporation and other **domestic and foreign** regulatory bodies. Any legislation or **rule** ~~rulemaking~~ ---- **making** substantially affecting the content or method of delivery of documents to be filed with these regulatory bodies could have an adverse effect on our business. Uncertainty caused by political change in the ~~United States~~ **U. S.** and Western Europe ~~(including Brexit)~~ heightens regulatory uncertainty in these areas. **In addition, evolving market standards regarding ESG compliance and reporting may impact the demand for our solutions.** New legislation, or a significant change in rules, regulations, directives or standards **, including as a result of legal challenges to proposed regulations,** could reduce demand for our products and services, increase expenses as we modify our products and services to comply with new requirements and retain relevancy, impose limitations on our operations, and increase compliance or litigation expense, each of which could have a material adverse effect on our business, financial condition and results of operations. Our future liquidity and capital requirements are difficult to predict as they depend upon many factors, including the success of our solutions and competing technological and market developments. In the future, we may require additional capital to respond to business opportunities, challenges, acquisitions or unforeseen circumstances, and we may not be able to timely secure additional debt or equity financing on favorable terms, or at all. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters. **In addition, increases in interest rates have increased the cost of borrowing and volatility in the financial markets and could impact our access to, or further increase the cost of, any debt financing obtained by us in the future.** 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. We have acquired and may in the future seek to acquire or invest in businesses, applications or technologies that we believe could complement or expand our solutions, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have limited experience in acquiring other businesses. For businesses we have acquired or may acquire, we may not be able to integrate the acquired customers, personnel, operations and technologies successfully or effectively manage the combined business following the acquisition. We generally recognize subscription and support revenue from customers ratably over the terms of their subscription agreements, which are typically on an annual cycle and automatically renew for additional periods.

As a result, a substantial portion of the revenue we report in each quarter will be derived from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be immediately reflected in our revenue results for that quarter. Accordingly, the effect of any significant downturns in sales, ~~including changes as a result of the ongoing COVID- 19 pandemic,~~ may not be fully reflected in our results of operations until future periods. From time to time, we may be involved in disputes or regulatory inquiries that arise in the ordinary course of business. We expect that the number and significance of these potential disputes may increase as our business expands **domestically and internationally** and our company grows larger. While our agreements with customers limit our liability for damages arising from our solutions, 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, 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 business, financial condition, results of operations and prospects. ~~A failure to maintain adequate internal controls over our financial and management systems could cause errors in our financial reporting.~~ We must maintain effective financial and management systems and internal controls to meet our public company reporting obligations. Moreover, SOX requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. If we have a material weakness or deficiency in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. Effective internal controls are necessary for us to produce reliable financial reports and are important to prevent fraud. As a result, our failure to maintain effective financial and management systems and internal controls could result in errors in our financial reporting, us being subject to regulatory action and a loss of investor confidence in the reliability of our financial statements. We were founded in 2008 and have a relatively limited operating history. We began offering our first solution in 2010 and launched our platform in 2013. As a result of our limited operating history, 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. 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 due to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations and our business could suffer. Because data security is a critical competitive factor in our industry, we make numerous statements in our privacy policy and customer agreements, through our certifications to privacy standards and in our marketing materials, providing assurances about the security of our platform. If we fail to keep customers' proprietary information and documentation confidential, we may lose existing customers and potential new customers and may expose them to significant damages based on the premature release of confidential information. While we have security measures in place to protect customer information and prevent data loss and other security breaches, these measures **have been in the past, and** may **in the future** be **,** breached as a result of third- party action, employee error, malfeasance or otherwise **, including cyber attacks, account takeover attacks, denial of service attacks and other cyber security threats** . Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. **Further, cyber security threats have been increasing in frequency and sophistication globally, with threats ranging from individuals to sophisticated organizations, including state- sponsored actors and organizations. We may not be able to deploy, allocate, or retain sufficient resources to keep pace with the persistent and evolving cyber security threat landscape, which may result in significant data loss, significant costs and liabilities, and could reduce our revenue, harm our reputation and compromise the competitiveness of our business.** In addition, certain of our service providers (including, without limitation, hosting facilities, disaster recovery providers and software providers) have access to our customers' data and could suffer security breaches or data losses that affect our customers' information. If an actual or perceived security breach or premature release occurs, our reputation could be damaged and we may lose future sales and customers. We may also become subject to civil claims, including indemnity or damage claims in certain customer contracts, or criminal investigations by appropriate authorities, any of which could harm our business and operating results. Furthermore, while our errors and omissions insurance policies include liability coverage for these matters, if we experienced a widespread security breach that impacted a significant number of our customers for whom we have these indemnity obligations, we could be subject to indemnity claims that exceed such coverage or increased costs for such insurance. Because our solutions are complex and we continually release new features, our solutions could have errors, defects, viruses or security flaws that could result in unanticipated downtime for our subscribers and harm our reputation and our business. Since our customers use our solutions for important aspects of their business, any errors, defects, disruptions in access, security flaws, viruses, data corruption or other performance problems associated with our solutions could hurt our reputation and may damage our customers' businesses. If that occurs, customers could elect not to renew their subscriptions, could delay or withhold payment to us or may make warranty or other claims against us. In addition, if the public becomes aware of a security breach of our solutions, our future business prospects could be adversely impacted. Once our solutions are deployed, our customers depend on our customer success organization to resolve technical issues relating to our solutions. We may be unable to respond quickly enough to accommodate short- term increases in customer demand for support services without incurring additional expenses or at all. Increased customer demand for these services, without corresponding revenue, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on our solutions and business reputation and on positive recommendations from our existing customers. Our growth strategy includes expanding the use of our platform through complementary technology offerings and software integrations, such as third- party application programming interfaces, or APIs. While we have established relationships with certain providers of complementary technology offerings and software integrations, we cannot assure you that we will be successful in maintaining partnerships with these providers or in establishing additional partnerships of this type. Third- party providers of complementary applications and APIs may decline to enter into partnerships with us or may later terminate their relationships with us, change the features of their applications and platforms, restrict our access to their applications and platforms or alter the terms governing use of their applications and APIs and access to those applications and platforms in an adverse manner. Such changes could functionally limit or terminate our ability to use these third- party applications and platforms with the Workiva platform. Further, if we fail to integrate the Workiva platform with new third- party applications and platforms that our customers use, or to adapt to the data transfer requirements of such third- party applications and platforms, we may not be able to offer the functionality that our customers need. In addition, we may benefit from these partners' brand recognition, reputations, referrals and customer bases. Any losses or shifts in the referrals from or the market positions of these partners in general, in relation to one another or to new competitors or new technologies could lead to losses in our relationships or customers or our need to identify or transition to alternative channels for marketing our solutions. Our market is characterized by rapid technological change **(such as the use of artificial intelligence (" AI ") and machine learning)** , frequent product and service innovation and evolving industry standards. If we are unable to provide enhancements and new features for our existing solutions or new solutions that achieve market acceptance or that keep pace with these technological developments, our business could be adversely affected. For example, we focus on enhancing the features of our platform to improve its utility for larger customers with complex, dynamic and global operations. The success of enhancements, new features and solutions depends on several factors, including the timely completion, introduction and market acceptance of the enhancements or new features or solutions. If we fail to introduce platform enhancements, or if our customers experience difficulties using our platform as a result of the transition or of the implementation of these enhancements, our revenue retention and revenue growth may be adversely affected. In addition, because our solutions are designed to operate on a variety of systems, we will need to continuously modify and enhance our solutions to keep pace with changes in internet- related hardware, software, communication, browser and database technologies. We may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion. Furthermore, **as digital transformation accelerates across a customer' s enterprise, capabilities such as AI, machine learning, hyper automation, low- code / no-code application development, database scalability, consumer- grade user experiences, and collaboration become increasingly relevant to the customer' s evolving needs. The** uncertainties about the timing and nature of new ~~network platforms or~~ technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Any failure of our solutions to keep pace with technological changes or operate effectively with future network platforms and technologies could reduce the demand for our solutions, result in customer dissatisfaction and adversely affect our business. **Social and ethical risks, challenges and issues relating to the use of AI in our solutions and offerings may result in reputational harm, liability and additional costs. We currently incorporate AI technologies into certain of our solutions and offerings. If our AI development, deployment or governance is ineffective or inadequate, it may result in incidents that impair the public acceptance of AI solutions, result in our solutions not working as intended or producing unexpected outcomes or cause brand or reputational harm. In addition, the regulatory environment regarding AI is evolving and may increase our research and development costs, increase our liability related to the use of AI by our customers or users (including potential liability regarding intellectual property or privacy laws), increase compliance costs and result in inconsistencies in evolving legal frameworks across jurisdictions. While we have taken a responsible approach to the development and use of AI in our solutions, we may be unsuccessful in identifying or resolving issues before they arise, subjecting us to additional compliance requirements, regulatory action, competitive harm or legal liability. Additionally, the use of AI in business operations carries inherent risks to data privacy and security, such as unintended or inadvertent transmission of proprietary or sensitive information.** We have experienced significant growth in the number of users, projects and data that our operations infrastructure supports. We seek to maintain sufficient excess capacity in our operations infrastructure to meet the needs of all of our customers. We also seek to maintain excess capacity to facilitate the rapid provision of new customer deployments and the expansion of existing customer deployments. In addition, we need to properly manage our technological operations infrastructure in order to support changes in hardware and software parameters and the evolution of our solutions, all of which require significant lead time. Our platform interacts with and depends on technology provided by **AWS** ~~Amazon Web Services, Google Cloud Platform~~ and other third- party providers, and our data is hosted pursuant to service agreements with these providers. We do not control the operation of these providers or their facilities, and the facilities are vulnerable to damage, interruption or misconduct, which could result in interruptions in our services. We have experienced, and may in the future experience, website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. If we do not accurately predict our infrastructure requirements, our existing customers may experience service outages that may subject us to financial penalties, financial liabilities and customer losses. If our operations infrastructure fails to keep pace with increased sales, customers may experience delays as we seek to obtain additional capacity, which could adversely affect our reputation and our revenue. Our solutions incorporate certain third- party software that may be licensed to or hosted by or on behalf of Workiva, or may be hosted by a licensor and accessed by Workiva on a Software- as- a- Service basis. We anticipate that we will continue to rely on third- party software and development tools from third parties in the future. There may not be commercially reasonable alternatives to the third- party software we currently use, or it may be difficult or costly to replace. In addition, integration of the software used in our solutions with new third- party software may require significant work and require substantial investment of our time and resources. Any undetected errors or defects in this third- party software could prevent the deployment or impair the functionality of our solutions, delay new solution introductions, result in a failure of our solutions and injure our reputation. Interruptions in third- party services or software may damage our reputation, reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect our renewal rates and our ability to attract new customers. Our business would be harmed if our customers and potential customers believe our service is unreliable. Any inability to maintain or acquire third- party licensed software for use in our solutions could result in increased costs or reduced service levels, which would adversely affect our business. Our ability to deliver our solutions is dependent on the development and maintenance of the internet and other telecommunications services by third parties. Such services include maintenance of a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet access and services and reliable telecommunications systems that connect our operations. While our solutions are designed to operate without interruption, we may experience interruptions and delays in services and availability from time to time. Further, we rely on third- party systems and vendors, including data center, bandwidth, and telecommunications equipment providers, to provide our solutions. Our platform has been developed with, and is based on, cloud computing technology. It is hosted pursuant to service agreements on servers by third- party service providers, including ~~those~~ with **AWS** ~~Amazon Web Services and Google Cloud Platform~~. We do not control the operation of these providers or their facilities, and the facilities are vulnerable to damage, interruption or misconduct. We also do not maintain redundant systems for some of these services. Unanticipated problems at these facilities could result in lengthy interruptions in our services. If the services of one or more of these providers are terminated, disrupted, interrupted or suspended for any reason, we could experience disruption in our ability to offer our solutions, or we could be required to retain the services of replacement providers. We may move or transfer our data and our customers' data to other cloud hosting providers and any unsuccessful data transfers may impair the delivery of our service. The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication and business solutions. 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. Changes in these laws or regulations could require us to modify our solutions in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could result in reductions in the demand for internet- based solutions such as ours. 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. The performance of the internet and its acceptance as a business tool has been adversely affected by " viruses, " " worms " and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet **or technology generally** is adversely affected by these issues, demand for our solutions could suffer. We manage private and confidential information and documentation related to our customers' finances and transactions, often prior to public dissemination. The use of insider information is highly regulated in the ~~United States~~ **U. S.** and abroad, and violations of securities laws and regulations may result in civil and criminal penalties. In addition, we are subject to the data privacy and protection laws and regulations adopted by federal, state and foreign legislatures and governmental agencies. Privacy laws restrict our storage, use, processing, disclosure, transfer and protection of personal information that may be placed in our platform by our customers or collected from visitors while visiting our websites. The regulatory framework for privacy and data protection issues worldwide is evolving, and new or proposed legislation and regulations could also significantly affect our business. These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices. In addition, as we expand our operations internationally, compliance with regulations that differ from jurisdiction to jurisdiction may also impose substantial burdens on our business. In particular, the European Union has implemented the General Data Protection Regulation (" GDPR "), which came into force in May 2018. The GDPR includes more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies that process personal data of residents of the E. U., and imposes significant penalties for non- compliance. Further, because our customers often use a Workiva account across multiple jurisdictions, E. U. regulators could determine that we transfer data from the E. U. to the U. S., which could subject us to E. U. laws with respect to data privacy. Those laws and regulations are uncertain and subject to change. For example, in July 2020, the Court of Justice of the E. U. issued a decision that invalidated the E. U.- U. S. Privacy Shield framework, a mechanism that companies had previously relied on to transfer personal information from the E. U. to the U. S., on the basis that such transfer mechanism does not comply with the level of protection required under the GDPR. These changes to the legal bases for transferring data from E. U. to the U. S. could affect the manner in which we provide our services or adversely affect our financial results. In addition to government activity, the technology industry and other industries are considering various new, additional or different self- regulatory standards that may place additional burdens on us. If the processing of personal and confidential information were to be curtailed in this manner, our software solutions may be less effective or diminish the user experience, which may reduce demand for our solutions and adversely affect our business. We are also subject to the privacy and data protection- related obligations in our contracts with our customers and other third parties. We could be adversely affected by changes to these contracts in ways that are inconsistent with our practices or in conflict with the laws and regulations of the ~~United States~~ **U. S.**, foreign or international regulatory authorities. We may also be contractually liable to indemnify and hold harmless our clients from the costs or consequences of inadvertent or unauthorized disclosure of data that we store or handle as part of providing our services. Finally, we are also subject to contractual obligations and other legal restrictions with respect to our collection and use of data, and we may be liable to third parties in the event we are deemed to have wrongfully used or gathered data. As our customers and prospects prepare to comply with frequently changing privacy legislation, including GDPR, we are subject to our current and prospective customers' enhanced due diligence prior to contract execution. Furthermore, the uncertainty of how regulators will apply privacy laws in different jurisdictions has caused many companies to adopt very broad and restrictive vendor policies, contract templates and requirements. Due to the aforementioned changes to privacy law, our current and prospective customers have begun to require us to adopt standard contractual clauses, data processing agreements, or amendments to existing agreements regarding privacy and / or security compliance prior to conducting new (or any) business with us. In addition, due diligence by current or prospective customers may take the form of onsite audits and questionnaires. Negotiating these clauses and satisfying customers' concerns around privacy risk can slow down the overall sales cycle due to the coordination of so many subject matter experts. Slower sales cycles may limit our ability to grow and create focus on compliance points as opposed to new sales. Any failure by us or a third- party contractor providing services to us to comply with applicable privacy and data protection laws, regulations, self- regulatory requirements or industry guidelines, our contractual privacy obligations or our own privacy policies, may result in fines, statutory or contractual damages, litigation or governmental enforcement actions. These proceedings or violations could force us to spend significant amounts in defense or settlement of these proceedings, result in the imposition of monetary liability, distract our management, increase our costs of doing business, and adversely affect our reputation and the demand for our solutions. Furthermore, government agencies may seek to access sensitive information that our customers upload to our service providers or restrict customers' access to our service providers. Laws and regulations relating to government access and restrictions are evolving, and compliance with such laws and regulations could limit adoption of our services by customers and create burdens on our business. Moreover, investigations into our compliance with privacy- related obligations could increase our costs and divert management attention. Our success substantially depends upon our proprietary methodologies and other intellectual property rights. Unauthorized use of our intellectual property by third parties may damage our brand and our reputation. As of December 31, ~~2022~~ **2023** , we had ~~68~~ **76** issued patents and ~~16~~ **17** patent applications pending, and we expect to seek additional patents in the future. In addition, we rely on a combination of copyright, trademark and trade secret laws, employee and third- party non- disclosure and non- competition agreements and other methods to protect our intellectual property. However, unauthorized parties may attempt to copy or obtain and use our technology to develop products with the same functionality as our solutions. We cannot assure you that the steps we take to protect our intellectual property will be adequate to deter misappropriation of our proprietary information or that we will be able to detect unauthorized use and take appropriate steps to protect our intellectual property. ~~United States~~ **U. S.** federal and state intellectual property laws offer limited protection, and the laws of some countries provide even less protection. Moreover, changes in intellectual property laws, such as changes in the law regarding the patentability of software, could also impact our ability to obtain protection for our solutions. In addition, patents may not be issued with respect to our pending or future patent applications. Those patents that are issued may not be upheld as valid, may be contested or circumvented, or may not prevent the development of competitive solutions. Patent and other intellectual property disputes are common in our industry. We might be required to spend significant resources and divert the efforts of our technical and management personnel to monitor and protect our intellectual property. 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. Any failure to secure, protect and enforce our intellectual property rights could seriously adversely affect our brand and adversely impact our business. In addition, our success depends upon our ability to refrain from infringing upon the intellectual property rights of others. Some companies, including some of our competitors, own large numbers of patents, copyrights and trademarks, which they may use to assert claims against us. As we grow and enter new markets, we will face a growing number of competitors. As the number of competitors in our industry grows and the functionality of products in different industry segments overlaps, we expect that software and other solutions in our industry may be subject to such claims by third parties. Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. We cannot assure you that infringement claims will not be asserted against us in the future, or that, if asserted, any infringement claim will be successfully defended. A successful claim against us could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time- consuming and divert the attention of our management and key personnel from our business operations. Some of our solutions include software covered by open source licenses, which may include, by way of example, GNU General Public License and the Apache License. The terms of various open source licenses have not been interpreted by ~~United States~~ **U. S.** courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our solutions. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a certain manner. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re- engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and services. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third- party commercial software, as open source licensors generally do not provide warranties, assurance of performance or title, or controls on the origin of, or updates to, such software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business. Changes to U. S. tax laws could also impact how U. S. corporations are taxed. Although we cannot predict whether or in what form such changes will be issued or enacted, they could have a material impact on our effective tax rate, income tax expense, deferred tax assets, results of operations, cash flows, and profitability. Additionally, as our employees continue to work remotely from geographic locations across the U. S. and internationally, we may become subject to additional taxes and our compliance burdens with respect to the tax laws of additional jurisdictions may be increased. The computation of provision for income tax is complex, as it is based on the laws of numerous taxing jurisdictions and requires significant judgment on the application of complicated rules governing accounting for tax provisions under U. S. generally accepted accounting principles. In addition, the application of federal, state, local and international tax laws to services provided electronically is evolving, and new tax requirements could be applied solely or disproportionately to services provided over the internet. Provision for income tax for interim quarters is based on a forecast of our U. S. and non- U. S. effective tax rates for the year, which includes forward- looking financial projections, including the expectations of profit and loss by jurisdiction, and contains numerous assumptions. Various items cannot be accurately forecasted and future events may be treated as discrete to the period in which they occur. Our provision for income tax can be materially impacted, for example, by the geographical mix of our profits and losses, changes in our business, such as internal restructuring and acquisitions, changes in tax laws and accounting guidance and other regulatory, legislative or judicial developments changes in tax rates, tax audit determinations, changes in our uncertain tax positions, changes in our intent and capacity to permanently reinvest foreign earnings, changes to our transfer pricing practices, tax deductions attributed to equity compensation and changes in our need for a valuation allowance for deferred tax assets. The authorities in these jurisdictions in which we operate or otherwise conduct business, including state and local taxing authorities in the ~~United States~~ **U. S.** , could successfully assert that we are obligated to pay additional taxes, interest and penalties. The authorities could also claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties, tax holidays or government grants that we intend to utilize are not available to us or our subsidiaries, any of which could have a material impact on us and the results of our operations. The tax authorities in the ~~United States~~ **U. S.** and other countries where we do business regularly examine our income and other tax returns, and these examinations could result in the assessment of material additional taxes. Our tax expense also may be impacted if our intercompany transactions, which are required to be computed on an arm' s- length basis, are challenged and successfully disputed by the tax authorities. For these reasons, our actual income taxes may be materially different from our provision for income tax. In general, under Section 382 of the Internal Revenue Code, as amended (the " Code "), a corporation that undergoes an ownership change within the meaning of Section 382 of the Code and the underlying regulations is subject to limitations on its ability to utilize its pre- change net operating losses (" NOLs "), to offset future taxable income. If our existing NOLs are subject to limitations arising from previous ownership changes, our ability to utilize NOLs could be limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize the NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. There is also a risk that under prior regulations or due to other unforeseen reasons, our prior year NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability. The trading price for shares of our Class A common stock has been, and is likely to continue to be, volatile for the foreseeable future. The market price of our Class A common stock may fluctuate in response to many risk factors listed in this section, and others beyond our control. Furthermore, the stock markets recently have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, and technology companies in particular. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency 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 harm our business. The price of our Class A common stock could decline if our convertible senior notes are converted. In addition, upon conversion of the convertible senior notes, we have the option to pay or deliver, as the case may be, cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, and anticipated conversion of the convertible senior notes into shares of our Class A common stock could depress the price of our Class A common stock. Further, the existence of the convertible senior notes may encourage short selling by market participants that engage in hedging or arbitrage activity. The market price of the shares of our Class A common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market, including by us, our directors, executive officers and significant shareholders, or by the conversion of our convertible senior notes into shares of our Class A common stock and the subsequent sale of such shares in the public market. New investors in subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Class A common stock. 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** , the Class B common stock beneficially owned by certain of our current and former executive officers collectively represented approximately ~~44~~ **43** % of the voting power of our outstanding capital stock. This significant concentration of voting power may limit the ability of Class A common stockholders to influence corporate matters for the foreseeable future and may have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders. The holders of Class B common stock may also have interests that differ from those of Class A common stock holders and may vote in a way that may be adverse to the interests of holders of Class A common stock. Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our certificate of incorporation and bylaws include provisions that: • establish that our board of directors is divided into three classes, with each class serving three- year staggered terms; • provide that our directors may be removed only for cause; • provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; • require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent; • specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors or our chief executive officer or president (in the absence of a chief executive officer); • establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors; • authorize our board of directors to issue, without further action by the stockholders, up to 100, 000, 000 shares of undesignated preferred stock; • require the approval of our board of directors or the holders of a supermajority of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation; and • reflect two classes of common stock, as discussed above. In addition, certain provisions in the indenture governing our convertible senior notes may make it more difficult or expensive for a third party to acquire us. In addition, we are a Delaware corporation and governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any " interested " stockholder, in particular those owning 15 % or more of our outstanding voting stock, for a period of three years following the date on which the stockholder became an " interested " stockholder. We may not declare or pay cash dividends on our capital stock in the near future. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Consequently, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment. Risks Related to Our Indebtedness We completed ~~an offering~~ **offerings** of convertible senior notes in August 2019 **and August 2023** . In the event the conditional conversion ~~feature~~ **features** of our convertible senior notes ~~is~~ **are** triggered, holders of such notes will be entitled to convert the convertible senior notes at any time during specified periods at their option. If one or more holders elect to convert their convertible senior notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their convertible senior notes, we would be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the convertible senior notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our current and future indebtedness, including our convertible senior notes, depends on our future performance. In addition, holders of the convertible senior notes will have the right to require us to repurchase their convertible senior notes for cash upon the occurrence of certain fundamental changes. Upon conversion of the convertible senior notes, unless we elect to deliver solely shares of our Class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the notes being converted. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures.