Risk Factors Comparison 2024-03-13 to 2023-03-17 Form: 10-K

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You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10- K, including our consolidated financial statements and related notes, before making a decision to invest in our common stock. 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 affect our business. If any of the following risks occur, our business, financial condition, operating results and prospects could be materially harmed. In that event, the price of our common stock could decline, and you could lose part or all of your investment. Risk Factor Summary This risk factor summary contains a high- level summary of risks associated with our business, but does not address all of the risks that we face. Additional discussion of the risks summarized below, and other risks that we face, may be found immediately following this summary. Risks Related to Our Business and Industry • Our revenue growth rate has slowed in recent periods. • We have a history of losses and may not achieve profitability in the future. • Adverse economic conditions including inflation or reduced technology spending may adversely impact our business. • Because we recognize revenue from subscriptions for our platform over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results. • **Our** ~~We have a limited operating history and our~~ business has evolved, which makes it difficult to predict our future operating results. • We have experienced significant changes to our organization and structure and may not be able to effectively manage such changes. • Failure to adequately manage our sales force will impede our growth. • We have **significant** ~~expanded our~~ international operations, which exposes us to ~~significant risks~~ - **risk** . • Our growth depends in part on the success of our strategic relationships with existing and prospective Publisher Network application providers. • Changes ~~in~~ **to** our pricing models could adversely affect our operating results. • Our success depends on a fragmented internet environment for finding information, particularly information about businesses. • Our platform faces competition in the marketplace. If we are unable to compete effectively, our operating results could be adversely affected. • Business and professional service providers may not widely adopt our platform to manage their information or as an important part of their marketing strategy, which would limit our ability to grow our business. • If customers do not renew their subscriptions for our platform or if they reduce their subscriptions at the time of renewal, our revenue will decline and our business will suffer. • If we are unable to attract new customers, our revenue growth could be slower than we expect and our business may be harmed. • If we fail to integrate our platform with a variety of third- party technologies, our platform may become less marketable and less competitive or obsolete and our operating results would be harmed. • If we are unable to successfully develop and market new features, make enhancements to our existing features, or expand our offerings into new markets, our business, results of operations and competitive position may suffer. • If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards and changing customer needs or requirements, our platform may become less competitive. • If customers do not expand their use of our platform beyond their current subscriptions and licenses, our ability to grow our business and operating results may be adversely affected. • Because our platform is sold to enterprises that often have complex operating environments, we may encounter long and unpredictable sales cycles, which could adversely affect our operating results in any given period. • A portion of our revenue is dependent on a few customers. • A significant portion of our revenue is dependent on third- party reseller customers, the efforts of which we do not control. • We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all. Risks Related to Information Technology, Intellectual Property, and Data Security • A security breach, network attack or security incident could delay or interrupt service to our customers, result in the unauthorized access to, or use, modification or publishing of customer content or other information, harm our reputation or subject us to significant liability. • Assertions by third parties of infringement or other violations by us of their intellectual property rights could result in significant costs and harm our business and operating results. • We could incur substantial costs in protecting or defending our intellectual property rights, and any failure to protect our intellectual property could adversely affect our business, results of operations and financial condition. • Our platform utilizes 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. • We employ third- party licensed software for use in or with our platform, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which could adversely affect our business. • The reliability of our network and support infrastructure will be critical to our success. Sustained failures or outages could lead to significant costs and service disruptions, which could negatively affect our business, financial results and reputation. • Real or perceived errors, failures or bugs in our software, or in the software or systems of our third- party application providers and partners, could materially and adversely affect our operating results and growth prospects. **• We are incorporating generative artificial intelligence (" AI"), into some of our products. This technology is new and developing and may present both compliance risks and reputational risks.** Risks Related to Laws, Regulation and Taxation • We are subject to governmental regulation and other legal obligations, including those related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. Compliance with such laws **and obligations** could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue **. • Regulatory and legislative developments related to the use of AI could adversely affect our use of such technologies in our products, services, and business** . Risks Related to Ownership of Our Common Stock and Our Status as a Public Company • Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business. • The market price of our common stock has been and may continue to be volatile and may decline. Market volatility may affect the value of an investment in our common stock and could subject us to litigation. We experienced **declines in our** revenue growth rates **in recent years, including revenue growth rates** of ~~19~~ **10** % from the fiscal year ended January 31, ~~2020~~ **2021** to the fiscal year ended January 31, ~~2021~~ **2022** , ~~10~~ **3** % from the fiscal year ended January 31, ~~2021~~ **2022** to the fiscal year ended January 31, ~~2022~~ **2023** , and ~~3~~ **1** % from the fiscal year ended January 31, ~~2022~~ **2023** to the fiscal year ended January 31, ~~2023~~ **2024** . **While** ~~We expect~~ our ~~growth in the coming year to be slower. Our~~ historical revenue growth rates are not indicative of future growth, ~~and~~ we may not achieve ~~similar~~ revenue growth **in future periods, or our growth** rates **may slow further or even contract** in future periods. You should not rely on our revenue for any prior quarterly or annual periods as an indication of our future revenue or revenue growth. Our operating results may vary as a result of a number of factors, including our ability to execute on our business strategy, our ability to compete effectively for customers and business partners, the impact of **public health emergencies, such as** the COVID- 19 pandemic **and other macroeconomic factors** on our business, and other factors that are outside of our control. As we adjust our strategies to reflect the recent changes in our business, including transitioning a portion of our services business to various third- party service providers, this **has and** may **continue to** negatively impact our revenue growth rates. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it could be difficult to achieve or maintain profitability. We generated a net loss of $ **2. 6 million, $** 65. 9 million ~~,~~ **and** $ 93. 3 ~~million and $ 94. 7~~ million for the fiscal years ended January 31, **2024,** 2023 ~~,~~ **and** 2022 ~~and 2021~~ , respectively. As of January 31, ~~2023~~ **2024** , we had an accumulated deficit of $ ~~676~~ **679** . ~~5~~ **2** million, reflecting our losses recognized historically on a GAAP basis. While we have recognized losses on a GAAP basis, we may be deemed to be profitable for tax purposes. See " Risks Related to Laws, Regulation and Taxation " for further discussion. We will need to generate and sustain increased revenue levels and reduced expenses in future periods to become profitable, and, even if we do, we may not be able to maintain or increase our level of profitability. As a result, we may continue to experience operating losses for the indefinite future. Further, while we ~~are reducing~~ **have recently reduced** operating expenses ~~in the near term~~ , we expect our operating expenses may increase in the coming years as we hire additional personnel, expand our distribution channels, develop our technology and new features, face increased compliance costs associated with our growth and entry into new markets and geographies and adopt new systems to scale and automate our operations. If our revenue does not increase to offset these and other potential increases in operating expenses, we may not be profitable in future periods. If we are unable to achieve and sustain profitability, the market price of our common stock may significantly decrease. Adverse economic conditions **, including inflation** or reduced technology spending **,** may adversely impact our business. Our business depends on the overall demand for technology and on the economic performance of our current and prospective customers. In general, worldwide economic conditions **such as inflation** may remain unstable ~~, including inflation~~ , and these conditions would make it difficult for our customers, prospective customers and us to forecast and plan future business activities accurately, and they could cause our customers or prospective customers to reevaluate their decision to purchase our features. Weak global economic conditions, changes in consumer behavior or a reduction in technology spending even if economic conditions stabilize, could adversely impact our business and results of operations in a number of ways, including longer sales cycles, lower demand or prices for our platform, fewer subscriptions and lower or no growth ~~. For example, increased inflation in recent months, the residual effects of the collapse of Silicon Valley Bank, or SVB, and other financial institutions in March 2023, and related instability in the global financial markets, may cause difficulties for our customers, resulting in reduced spending by them on our business~~ . In addition, the economies of certain countries or regions around the world may experience weakness or uncertainty, which may lead to negative impacts on our business in those areas. We generally recognize revenue from customers ratably over the terms of their agreements, which are typically one year in length but may be up to three years or longer in length. As a result, most of the revenue we report in each quarter is the result of subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be reflected in our revenue results for that quarter. Any such decline, however, will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our products or a decline in our retention rate, may not be fully apparent or reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term. ~~Our business has evolved, which makes it difficult to predict our future operating results.~~ As a result of changes to our platform and our sales model, 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 our future growth. The dynamic nature of our business and our industry may make it difficult to evaluate our current business and future prospects, and as a result our historical performance should not be considered indicative of our future performance. 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. In addition, the duration and extent of the impact of volatile macroeconomic conditions on our business and industry are uncertain and introduce additional uncertainty to our forecasts of future operating results. If our assumptions regarding these risks and uncertainties are incorrect or change due to changes in our industry, 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. We have experienced significant changes to our organization and structure and may not be able to effectively manage those changes. Our **management,** headcount and operations have grown substantially since the Company went public **in 2017, growing to approximately 1, 100** ~~. We increased the number of our full- time employees from over 450~~ as of January 31, ~~2016 to approximately 1, 200 as of January 31, 2023~~ **2024** ~~and have hired several members of our senior management team in recent years~~ . After years of growth, our overall headcount experienced a reduction in the fiscal year ended January 31, 2023. In addition, a reduction in force was initiated in late January of 2023, resulting in additional terminations of approximately eight percent (8 %) **of** overall headcount that took effect in the ~~early part of the~~ **three months ended April 30** ~~new fiscal year. Overall headcount after such terminations took effect was approximately 1~~ , ~~100~~ **2023** . Our overall headcount may fluctuate in the near term as we adjust our strategies to reflect the recent changes in our business. In addition, we have experienced significant leadership changes in recent quarters. In March 2022, our Chief Executive Officer, Howard Lerman, and our Chief Financial Officer, Steven Cakebread resigned, and our Chairman, Michael Walrath, and our Chief Accounting Officer, Darryl Bond, succeeded them as Chief Executive Officer and Chief Financial Officer, respectively. Additionally, in June 2022, our President and Chief Revenue Officer, David Rudnitsky resigned, and in October 2022, our Chief Revenue Officer, Brian Distelburger, announced that he would step down from his position as Chief Revenue Officer and Tom Nielsen was appointed as Chief Revenue Officer. Mr. Distelburger further announced in March 2023 that he would be stepping back as an employee as well **,** although he ~~will continue~~ **continues** to serve on our Board of Directors **. More recently, in September 2023, Marc Ferrentino, our President and Chief Operating Officer, resigned** . While we believe these will be of long term value to our stockholders, the resulting changes and related disruption ~~has~~ **have** and ~~will~~ **may** continue to have near- term effects on our business, growth and profitability. We believe that our corporate culture has been a critical component of our success. We have invested substantial time and resources in building our team and nurturing our culture. As we change our business, we may find it difficult to maintain our corporate culture. Any failure to manage organizational changes in a manner that preserves the key aspects of our culture could hurt our chance for future success, including our ability to recruit and retain personnel and effectively focus on and pursue our corporate objectives. Furthermore, ~~as a result of the COVID- 19 pandemic,~~ our corporate culture may be **more** difficult to maintain as many ~~of our~~ employees ~~continue to~~ work remotely. In addition, we will need to continue to improve our information technology infrastructure and our operational, financial and management systems and procedures. We have implemented many of these systems and procedures only recently, and they may not work as we expect or at all. If we grow in the future, additional headcount and capital investments will increase our costs, which will make it more difficult for us to address any future revenue shortfalls by reducing expenses in the short term. However, to the extent we cannot scale our information technology infrastructure, we will continue to rely on manual processes that are costly, inefficient and subject to error. Finally, our organizational structure has become more complex. We have added personnel and may need to continue to scale and adapt our operational, financial and management controls, as well as our reporting systems and procedures. Changes to our systems and infrastructure may require us to commit additional financial, operational and management resources before our revenue increases and without any assurances that our revenue will increase. If we fail to successfully manage this organizational complexity, we likely will be unable to successfully execute our business strategy, which could have a negative impact on our business, operating results and financial condition. Our revenue growth is substantially reliant on our sales force. Much of our sales process is relationship- driven, which requires a significant sales force. We have historically had difficulty recruiting and retaining a sufficient number of sales personnel, and this difficulty was heightened during the COVID- 19 pandemic. If we are unable to adequately recruit for and retain our sales force, we will not be able to reach our market potential and execute our business plan. In addition, we may change our strategy from time to time in how we go to market. As a result, we may change the size of our sales force to reflect strategic realignment in how we go to market, which recently has resulted in a net decrease in sales personnel in the near term before potentially growing headcount again. Identifying and recruiting qualified sales personnel and training them on our products requires significant time, expense and attention. Our financial results will suffer if our efforts to recruit for, train and retain our sales force do not generate a corresponding increase in revenue. We have hired a significant number of sales personnel in recent years. If new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if we are unable to retain and develop talented sales personnel, we may not be able to realize the expected benefits of this investment or increase our revenue. In 2014, we opened our first office outside the United States, and we have expanded our operations abroad. Our international expansion has created and will create significant challenges for our management, administrative, operational and financial infrastructure. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks in addition to those we already face in the United States. Because of our limited experience with international operations and developing and managing sales in international markets, our international expansion efforts may not be successful. Some of the specific risks we will face in conducting business internationally that could adversely affect our business include: • the difficulty of recruiting and managing international operations and the increased operations, travel, infrastructure and legal compliance costs associated with numerous international locations; • our ability to effectively price our multi- tiered subscriptions in competitive international markets; • our ability to identify and manage sales partners; • new and different sources of competition in each country or region; • potentially greater difficulty collecting accounts receivable and longer payment cycles; • the need to adapt and localize our products for specific countries, including differences in the location attributes and formats used in each country and differences in languages, for example in the case of our search product, which relies on natural language processing; • the need to develop integrations with new third- party applications used by international customers; • the need to offer customer support in various languages; • fluctuations in currency exchange rates, which could increase the price of our products outside of the United States, increase the expenses of our international operations, or have a negative impact on our revenue and expose us to foreign currency exchange rate risk; • difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions; • compliance with U. S. laws and regulations for foreign operations, including, without limitation, the Foreign Corrupt Practices Act, or FCPA, the U. K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell in certain foreign markets, and the risks and costs of non- compliance; • compliance with international laws and regulations, including without limitation, those governing privacy, data security and data transfer, such as the General Data Protection Regulation ~~, or~~ **("** GDPR **")** , which may impair our ability to grow our business or offer our service in some locations, may subject us to liability for non- compliance or may require us to change our business practices; • expanded demands on, and distraction of, senior management; • difficulties with differing technical and environmental standards, data privacy and telecommunications regulations and certification requirements outside the United States; • varying levels of internet technology adoption and infrastructure; • tariffs and other non- tariff barriers, such as quotas and local content rules; • more limited protection for intellectual property rights in some countries; • adverse tax consequences; • currency control regulations, which might restrict or prohibit our conversion of other currencies into U. S. dollars; • restrictions on the transfer of funds, including the repatriation of cash; • deterioration of political relations between the United States and other countries; • natural disasters, pandemics, acts of terrorism **, war (including the ongoing military conflicts between Russia and Ukraine and in the Middle East, and resulting sanctions imposed by the United States and other countries),** and other events beyond our control; and • political or social unrest or economic instability in a specific country or region in which we operate, which could have an adverse impact on our operations in that location ~~. In particular, in February 2022, Russia launched a large- scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including the United States. It is not possible to predict the full extent of the broader consequences of Russia' s invasion of Ukraine, which could include sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets. Our business, financial condition and results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from such conflict~~ . Also, our network service provider fees outside of the United States are generally higher than domestic rates, and our gross margin may be affected and may fluctuate as we expand our operations and customer base worldwide. Our failure to manage any of these risks successfully could harm our international operations, and adversely affect our overall business, operating results and financial condition. Some of our customers and Publisher Network application providers also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if these customers and application providers are not able to successfully manage these risks. We have established strategic relationships with over 200 third- party service and application providers that comprise our Publisher Network, including Amazon Alexa, Apple Maps, Bing, Cortana, Facebook, Google, Google Assistant, Google Maps, Siri, Yelp and many others. These application providers provide us with direct access to update content on their websites and applications. This direct access enables our customers to control their business listings on the Publisher Network application providers' websites and applications and to push real- time or nearly real- time updates to those business listings. In order to maintain relationships with application providers, we may need to modify our products or strategies in a way that may be adverse to our business and financial results. Furthermore, if we were to lose access to these applications, either in whole or in part, our Publisher Network would not be as efficient, accurate or competitive. Our customers may also place a significant value on particular application providers such as Google such that the termination or impairment of our relationship with one or a limited number of application providers could lead to a loss of a significant number of customers. In order to grow our business, we anticipate that we will need to continue to maintain and potentially expand these relationships. We may be unsuccessful in renegotiating our agreements with these third- party application providers or third- party application providers may insist on fees to access their applications. Additionally, our contracts with these third- party application providers may be canceled after a notice period or may not be renewed, and we could lose access to these resources without having sufficient time to replace them. We believe we will also need to establish new relationships with third- party application providers, including third- party application providers in new geographic markets that we enter, and third- party application providers that may emerge in the future as leading sources of information about businesses for end consumers. Identifying potential third- party application providers, and negotiating and documenting relationships with them, requires significant time and resources. Our competitors may be more effective than we are in providing incentives to application providers to favor their products or services or to prevent or reduce subscriptions to our products. In addition, the acquisition of a competitor by one of our third- party application providers could result in the termination of our relationship with that third- party application provider, which, in turn, could lead to decreased customer subscriptions. If we are unsuccessful in establishing or maintaining our relationships with third- party application providers, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results could suffer. ~~Changes to our pricing models could adversely affect our operating results.~~ Any changes we make to our pricing models could adversely affect our operating results. For example, we recently began offering capacity- based pricing for our Pages and Search products. There is no assurance that this new pricing and distribution model will be successful thus adversely affecting our financial results. Furthermore, as the markets for our features grow, as new competitors introduce new products or services that compete with ours or reduce their prices, or as we enter into new international markets, we may be unable to attract new customers or retain existing customers at the same price. Moreover, large customers, which have historically been the focus of our sales efforts, may demand greater price discounts. As we expand internationally, we also must determine the appropriate price to enable us to compete effectively internationally. In addition, if the mix of **products and** features we sell changes, then we may need to, or choose to, revise our pricing. As a result, in the future we may be required to reduce our prices or offer shorter contract durations, which could adversely affect our revenue, gross margin, profitability, financial condition and cash flow. We believe that our platform offers value to our customers in part because of the difficulty for a customer to update information about their business across many websites and apps, many of which are owned or controlled by different entities and receive information from a variety of sources. Industry consolidation or technological advancements could result in a small number of websites or applications emerging as the predominant sources of information about businesses, thereby creating a less fragmented internet environment for purposes of end consumer searches about businesses. Additionally, we may enter new geographies with less fragmented internet environments. If most end consumers relied on a few websites or applications for this information, or if reliably accurate information across the most used websites and applications were generated from a single source, the need to synchronize information about a business and for our platform could decline significantly. In particular, if larger providers of internet services were able to consolidate or control key websites and apps from which end consumers seek information about businesses, including regarding physical locations, other entities and attributes, our platform may become less necessary or attractive to our customers, and our revenue would suffer accordingly. The market for our ~~features~~ **platform** is competitive, rapidly evolving and fragmented, and is subject to changing technology and shifting customer needs. Many companies develop and market products and services that compete to varying extents with ~~our~~ **ours** ~~features~~ , and we expect competition in our market to intensify. As we develop our platform, we will introduce products and features that compete in new markets and as a result we will face new competitors. For example, in October 2019 we launched our search product, and as a result we face competition from established companies in enterprise search. We believe that our ability to compete depends upon many factors both within and beyond our control, including product capabilities, such as speed, scale, and relevance, with which to power search experiences; ease of deployment and ease of use; adoption of our products by many types of users such as developers, IT professionals, and organizational leaders; and low total cost of ownership. Our competitors in enterprise search may have greater experience in these areas as well as greater name recognition, more established relationships with current and potential customers and larger customer bases. As a result, potential customers may be unwilling to use or switch to our product. We also face many other competitors with a variety of product offerings. These companies have developed, or are developing, products that currently, or in the future are likely to, compete with some or all of ~~our~~ **ours** ~~features~~ . A number of potential new competitors, such as application providers, that enter our markets through acquisitions or otherwise, may decide to create or acquire products that compete with our platform or we may develop products that compete with their existing platforms. Moreover, industry consolidation may increase competition. Some of these current and potential competitors may have longer operating histories, greater name recognition, more established relationships with current and potential customers, larger customer bases or significantly greater financial, technical, marketing and other resources than we do. As a result, 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 to existing competitive products, acquire competitive products, reduce prices, form strategic alliances with other companies or are acquired by third parties with greater available resources. If our competitors' products, services or technologies become more accepted than our features, if they are successful in bringing their products or services to market earlier than we bring our features to market, or if their products or services are more technologically capable than our features, then our revenue growth could be adversely affected. Certain of our existing and new competitors have or may develop technologies and services that compete with specific products or features in our platform seeking to be best- in- class. To the extent our customers or potential customers choose to work with several of these vendors rather than implement our platform, our revenue growth could be adversely affected. In addition, some of our competitors offer their products and services at a lower price. If we are unable to achieve our target pricing levels, our margins and operating results could be negatively affected. Our ability to grow our business and increase revenue depends on our success in educating businesses and professional service providers about the potential benefits of our cloud- based platform. Cloud applications for organizing and managing information about a business, particularly for their locations, entities and attributes, have not previously been widely adopted. Concerns about cost, security, reliability and other issues may cause businesses and professional service providers not to adopt our platform. Moreover, businesses and professional service providers who have already invested substantial resources in other marketing strategies and data management systems or methods may be reluctant to adopt a new approach like ours to supplement or replace existing systems or methods. If businesses and professional service providers do not widely adopt software such as ours, our ability to grow our business will be limited. Our customers have no obligation to renew their subscriptions for our platform after the expiration of their subscription periods. In the normal course of business, some customers have elected not to renew their subscriptions with us. Our customers may seek to renew their subscriptions for fewer features, at renegotiated rates, or for shorter contract lengths, all of which could reduce the amount of the subscription. Our renewal rates may decline or fluctuate as a result of a number of factors, including limited customer resources, changes in our pricing and subscription models, customer satisfaction with our platform and / or our services, the acquisition of our customers by other companies and deteriorating general economic conditions. For example, as a result of the COVID- 19 pandemic certain customers reduced their subscriptions, elected not to renew their subscriptions, reduced length of contracts, requested extended billing and payment terms or sought more favorable rates, and certain of these trends contributed to a general decline in our retention rate. Challenging macroeconomic conditions may also contribute to similar results. If our customers do not renew their subscriptions for our platform or decrease the amounts they spend with us, our revenue will decline and our business will suffer. If our renewal rates fall significantly below the expectations of the public market, equity research analysts or investors, the price of our common stock could also be harmed. To increase our revenue, we must add new customers. If competitors introduce lower cost or differentiated products or services that are perceived to compete with our features, our ability to sell our features based on factors such as pricing, technology and functionality could be impaired. As a result, we may be unable to attract new customers at rates or on terms that would be favorable or comparable to prior periods, which could negatively affect the growth of our revenue. Our marketing efforts may not be successful and we may not attract as many new customers as we have historically, which could harm our future revenue and revenue growth. Our platform must integrate with a variety of third- party technologies, and we need to continuously modify and enhance our platform to adapt to changes in cloud- enabled hardware, software, networking, mobile, browser and database technologies. Any failure of our platform to operate effectively with future technologies could reduce the demand for our platform, resulting in customer dissatisfaction and harm to our business. If we are unable to respond to these changes in a cost- effective and timely manner, our platform may become less marketable and less competitive or obsolete and our operating results may be negatively affected. In addition, an increasing number of customers are utilizing mobile devices to access the internet and conduct business. If we cannot continue to effectively make our platform available on these mobile devices and offer the information, services and functionality required by enterprises that widely use mobile devices, we may experience difficulty attracting and retaining customers, which could negatively affect our revenue. The software industry is subject to rapid technological change and evolving standards and practices, as well as changing customer needs, requirements and preferences. Our ability to attract new customers and increase revenue from existing customers depends, in part, on our ability to enhance and improve our existing features, increase adoption and usage of our platform and introduce new products and features. We expend significant resources on research and development to enhance our platform and to incorporate additional features, improve functionality or add other enhancements in order to meet our customers' rapidly evolving demands. The success of any enhancements or new features depends on several factors, including timely completion, adequate quality testing, actual performance quality, market- accepted pricing levels and overall market acceptance. We may not be successful in these efforts, which could result in significant expenditures that could impact our revenue or distract management' s attention from current offerings. Increased emphasis on the sale and development of new features could distract us from other parts of the business and the development and sale of our core platform, negatively affecting our overall sales. We have invested and expect to continue to invest in new businesses, products, features, services, and technologies. Such endeavors may involve significant risks and uncertainties, including insufficient revenue from such investments to offset any new liabilities assumed and expenses associated with these new investments, inadequate return of capital on our investments, distraction of management from current operations, failure to adequately develop and enhance existing products and unidentified issues not discovered in our due diligence of such strategies and offerings that could cause us to fail to realize the anticipated benefits of such investments and incur unanticipated liabilities. Because these new strategies and offerings are inherently risky, no assurance can be given that they will be successful. As we enhance our platform and develop new features, our platform has also become increasingly sophisticated requiring additional technology, sales, customer support and professional services resources. In order for our customers to understand and derive value from these new products and features, we will need to devote additional resources to train our sales personnel and provide higher- quality customer support and professional services. In addition, as our software becomes more complex, we may fail to detect errors, bugs or vulnerabilities. Even if we are successful in these endeavors, diversifying our platform offerings will bring us more directly into competition with other providers that may be better established or have greater resources than we have. Our new features or enhancements could fail to attain sufficient market acceptance for many reasons, including: • delays in introducing new, enhanced or modified features; • failure to accurately predict market demand or end consumer preferences; • defects, errors or failures in any of our features or our platform; • introduction of competing products; • poor business conditions for our customers or poor general macroeconomic conditions; • changes in legal or regulatory requirements, or increased legal or regulatory scrutiny, adversely affecting our platform; • failure of our brand promotion activities or negative publicity about the performance or effectiveness of our existing features; and • disruptions or delays in the availability and delivery of our platform. There is no assurance that we will successfully identify new opportunities or develop and bring new features to market on a timely basis, or that products and technologies developed by others will not render our platform obsolete or noncompetitive, any of which could materially and adversely affect our business and operating results and compromise our ability to generate revenue. If our new features or enhancements do not achieve adequate acceptance in the market, or if our new features do not result in increased sales or subscriptions, our brand and competitive position will be impaired, our anticipated revenue growth may not be achieved and the negative impact on our operating results may be particularly acute because of the upfront technology and development, marketing, advertising and other expenses we may incur in connection with the new feature or enhancement. Our future success depends on our ability to adapt and be innovative. To attract new customers and increase revenue from existing customers, we need to continue to enhance and improve our offerings to meet customer needs at prices that our customers are willing to pay. Such efforts will require adding new functionality and responding to technological advancements, which will increase our research and development costs. If we are unable to develop new features that address our customers' needs, or to enhance and improve our platform in a timely manner, we may not be able to maintain or increase market acceptance of our platform. Our ability to grow is also subject to the risk of future disruptive technologies. Access and use of our platform is provided via the cloud, which, itself, was disruptive to the previous enterprise software model. If new technologies emerge that are able to deliver software and related applications at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect our ability to compete. Our ability to grow our business depends in part on our ability to encourage current and future customers to subscribe to our higher priced packages with more extensive features or to purchase greater capacity. If we fail to achieve market acceptance of new features, or if a competitor establishes a more widely adopted platform, our revenue and operating results will be harmed. In addition, customers may initially purchase licenses for only a portion of the locations or entities that comprise their business or a limited amount of capacity. If these customers do not expand the number of licenses managed with our platform or purchase additional capacity, our revenue and operating results will be harmed. Our ability to increase revenue and achieve profitability depends, in large part, on widespread acceptance of our platform by enterprises. As we target our sales efforts at these customers, we face greater costs, longer sales cycles and less predictability in completing some of our sales. As a result of the variability and length of the sales cycle, we have only a limited ability to forecast the timing of sales. A delay in or failure to complete sales could harm our business and financial results, and could cause our financial results to vary from period to period. Our sales cycle varies widely, reflecting differences in potential customers' decision- making processes, procurement requirements and budget cycles, and is subject to significant risks over which we have little or no control, including: • customers' budgetary constraints and priorities; • the timing of customers' budget cycles; • the need by some customers for lengthy evaluations prior to purchasing products; and • the length and timing of customers' approval processes. Our typical sales cycles for more substantial enterprise customers can often be long, and we expect that this lengthy sales cycle may continue or could even increase, particularly during times of uncertain or volatile macroeconomic conditions. In the large enterprise market, the customer' s decision to use our platform may be an enterprise-wide decision or may require the approval of senior management, which may not only lengthen the sales cycle but also reduce the likelihood of completing a sale. Delayed and more complex sales cycles could cause our operating results and financial condition to suffer in a given period. If we cannot adequately expand and scale our sales force, we will experience further delays in signing new customers, which could slow our revenue growth. For the fiscal years ended January 31, **2024,** 2023 ~~,~~ **and** 2022

~~and 2021~~ , the aggregate of our top five customers accounted for approximately **8 %,** 9 % ~~,~~ **and** 8 % ~~and 9 %~~ , respectively, of our revenue **. During the three months ended January 31, 2024, we experienced the attrition of one of these top five customers. We expect that the corresponding absence of revenue from this customer will become more apparent in our quarterly results for the fiscal year ending January 31, 2025** . We anticipate that sales of our platform to a relatively small number of customers will continue to account for a significant portion of our revenue in future periods. If we were to lose any **more** of our ~~significant~~ **large** customers, our revenue could decline and our business and results of operations could be materially and adversely affected. These negative effects could be exacerbated by customer consolidation, changes in technologies or solutions used by customers, changes in demand for our features, selection of suppliers other than us, customer bankruptcies or customer departures from their respective industries, pricing competition or deviation from marketing and sales methods away from physical location retailing, any one of which may result in even fewer customers accounting for a high percentage of our revenue and reduced demand from any single ~~significant~~ **large** customer. In addition, some of our customers have used, and may in the future use, the size and relative importance of their purchases to our business to require that we enter into agreements with more favorable terms than we would otherwise agree to, to obtain price concessions, or to otherwise restrict our business. Third- party reseller customers comprise a significant portion of our revenue. In transactions with third- party reseller customers, we are only party to the transaction with the reseller and are not a party to the reseller' s transaction with its customer, and we do not control the efforts of these resellers. Such resellers may elect not to renew their subscriptions with us or may elect to purchase significantly fewer licenses, which would materially adversely affect our operating results and financial condition. In addition, our third- party reseller customers, which often sell to small and midsized organizations that can have liquidity and expense limitations, are also susceptible to global economic weakness and uncertainty. See also" — If customers do not renew their subscriptions for our platform or if they reduce their subscriptions at the time of renewal, our revenue will decline and our business will suffer." Lower demand from certain of our reseller customers has and may continue to result in them not renewing their subscriptions with us, purchasing fewer licenses, attempting to renegotiate contracts to obtain concessions and requesting extended billing and payment terms. Such an adverse effect on our financial condition and operating results would not be fully reflected in our results of operations until future periods. In addition, if third- party reseller customers merge or consolidate with other businesses, declare bankruptcy or depart from their respective industries, our business could be harmed. For example, consolidation among our third- party reseller customers may require us to renegotiate agreements on less favorable terms, including longer payment periods, or may lead to a termination of our agreements with these resellers. We may expend significant resources managing these relationships. Further, in some international markets, we grant certain reseller customers the exclusive right to sell our features. If those reseller customers to whom we have granted exclusive rights elect not to renew their subscriptions or to purchase significantly fewer licenses, then we may be unable to adequately address sales opportunities in that territory. If we are unable to maintain or replace our contractual relationships with our existing reseller customers, efficiently manage our relationships with them or establish new contractual relationships with other third parties, we may fail to retain customers or acquire potential new customers and may experience delays and increased costs in adding or replacing customers that were lost, any of which could materially adversely affect our business, operating results and financial condition. We previously identified material weaknesses in our internal control over financial reporting. We may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal control over financial reporting, and as a result, investor confidence in us and the value of our common stock could be materially and adversely affected. As a public company, we are required to establish and maintain internal control over financial reporting. Section 404 of the Sarbanes- Oxley Act of 2002, or Section 404, requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting. Under standards established by the United States Public Company Accounting Oversight Board, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected and corrected on a timely basis. As of January 31, 2021, we had identified a material weakness in our internal control over financial reporting associated with processes to calculate, record and account for sales commissions. In fiscal year 2022, we remediated the previously identified deficiencies in internal control over financial reporting and concluded that as of January 31, 2022, and thereafter, we maintained effective internal control over financial reporting. If we are unable to maintain an effective system of internal control over financial reporting, the reliability of our financial reporting, investor confidence in us and the value of our common stock could be materially and adversely affected. In addition, we may discover other control deficiencies in the future, and we cannot assure you that we will not have a material weakness in future periods. Additionally, the process of designing, implementing and maintaining internal control over financial reporting required to comply with Section 404 is time consuming, costly and complicated. Effective internal control over financial reporting is necessary for us to provide reliable and timely financial reports and, together with adequate disclosure controls and procedures, are designed to reasonably detect and prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation and maintenance could cause us to fail to meet our reporting obligations. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation. Deficiencies in our internal control over financial reporting that are identified in such assessments may be deemed to be material weaknesses or may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. We may 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. We have in the past acquired and may in the future seek to acquire or invest in businesses, features or technologies that we believe could complement or expand our platform, 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. Although we have previously acquired businesses, we have limited acquisition experience. If we acquire additional businesses, we may not be able to integrate the acquired personnel, operations and technologies successfully or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including: • unanticipated liabilities associated with the acquisition; • difficulty incorporating acquired technology and rights into our platform and of maintaining quality and security standards consistent with our brand; • inability to generate sufficient revenue to offset acquisition or investment costs; • incurrence of acquisition- related costs; • difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business; • difficulty converting the customers of the acquired business into our customers; • diversion of our management' s attention from other business concerns; • adverse effects to our existing business relationships as a result of the acquisition; • potential loss of key employees; • use of resources that are needed in other parts of our business; and • use of substantial portions of our available cash to consummate the acquisition. In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. If an acquired business fails to meet our expectations, our business, operating results and financial condition may suffer. Natural disasters and other events beyond our control could adversely affect us. Natural disasters or other catastrophic events may cause damage or disruption to our operations and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, civil unrest, pandemics, acts of terrorism and other events beyond our control. While we maintain crisis management and disaster response plans, natural disasters and other events could also make it difficult or impossible for us to continue operations, and could decrease demand for our platform. In addition, our data centers are located in New Jersey and Texas and our cloud computing providers operate from facilities in northern Virginia, Frankfurt, Germany and Tokyo, Japan, making our business particularly susceptible to natural disasters and other catastrophic events in those areas. Any natural disaster or other event affecting our data centers could have an adverse effect on our financial condition and operating results. We depend on our senior management team **,** and the loss of **one** ~~our~~ - **or** ~~chief~~ **more of our** executive ~~officer~~ **officers** ~~, president~~ or ~~one or more~~ key employees could adversely affect our business. Our success depends largely upon the continued services of our key executive officers. We also rely on our leadership team in the areas of research and development, marketing, sales, services and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. For example **,** in March 2022, we changed our Chief Executive Officer, Chief Financial Officer and broader leadership team and the change of key executives may disrupt strategic initiatives of these functions for a period of time. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees could have a serious adverse effect on our business. The failure to attract and retain additional qualified personnel could prevent us from executing our business strategy. To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other companies for software developers with high levels of experience in designing, developing and managing cloud- based software and search software, as well as for skilled information technology, sales, marketing, legal and accounting professionals, and we may not be successful in attracting and retaining the professionals we need. In the future, we may experience difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Recent decreases in our stock price may also decrease retention. We face intense competition for qualified individuals from numerous software and other technology companies. For example, we may not be successful in attracting and retaining software developers with search expertise, as our competitors have greater experience and name recognition in this area. Competition for qualified personnel is particularly intense in metropolitan areas where we have offices including the New York area. We may incur significant costs to attract and retain qualified personnel, and we may lose new employees to our competitors or other technology companies before we capitalize the benefit of our investment in recruiting and training them. We also employ a number of foreign nationals on work visas, primarily under the H- 1B visa. Current and future restrictions on the availability of visas or delays in the issuance of visas could impair our ability to employ skilled professionals. If we are unable to hire and retain highly qualified personnel, our rate of growth and business will be adversely affected. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines, does not appreciate or experiences significant volatility, our ability to attract or retain key employees will be adversely affected. Also, as employee equity awards vest, we may have difficulty retaining key employees or may be required to grant larger equity awards from our equity plans, which would cause dilution. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed. If we fail to provide high- quality customer support and professional services, our business and reputation may suffer. High- quality customer support and professional services are important for the successful retention of existing customers. Providing support and services, including education, training, data cleansing and processing, ongoing support as well as custom development services, requires that our personnel have specific knowledge and expertise of our platform, making it more difficult for us to hire qualified personnel and to scale up these operations. The importance of high- quality customer support and professional services and the difficulty of hiring qualified personnel will increase as we expand our business and pursue new customers and as our platform becomes more complex with the development more features and capabilities. If we do not provide effective and timely ongoing customer support and professional services, our ability to sell additional features to, or to retain, existing customers may suffer, and our reputation with existing or potential customers may be harmed. In addition, certain aspects of our customer support, for example data cleansing, are conducted manually and are subject to error. While there are processes designed to verify the accuracy of data, if information is not updated or matched correctly, our reputation may be harmed and we may be subject to liability. While we have historically delivered the majority of our professional services to our customers, we plan to transition a portion of our services business to various third- party service providers. In transactions with third- party service providers, we are not a party to the transaction with the customer, and we do not control the efforts or quality of services provided by these third- parties. In addition, if we do not manage this transition effectively our ability to sell additional features to, or to retain, existing customers may suffer, and our reputation with existing or potential customers may be harmed. Furthermore, as we transition our services business to various third- party service providers, this may negatively impact our revenue growth rates. If we fail to continue to develop our brand, our business may suffer. We believe that continuing to develop and maintain awareness of our brand is critical to achieving widespread acceptance of our platform 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. In addition, we sell our features to companies in a number of industries, including healthcare **, hospitality, food services** , retail and financial services. If we are not successful in building our brand, we may become identified with a single industry, which could make it more difficult for us to penetrate other industries. Promotion and enhancement of our brand will depend largely on our success in being able to provide high quality, reliable and cost- effective features. We may also, from time to time, adopt different strategies on how to position and / or market our platform and its features. If customers do not perceive our platform as meeting their needs, or if we fail to market our platform effectively, we will likely be unsuccessful in creating the brand awareness that is critical for broad customer adoption of our platform. Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States. Generally accepted accounting principles in the United States, or U. S. GAAP, are subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change. Our estimates of market opportunity, market size and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves our forecasted growth, our business could fail to grow at similar rates, if at all. Market opportunity and size estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. We had historically analyzed the size of our estimated total addressable market, solely with respect to locations, using data published by third parties as well as internally generated data and assumptions regarding our ability to generate revenue from those locations. We have not independently verified the estimate of locations published by third parties and cannot assure you of its accuracy or completeness. In addition, our estimated market size for location- related data was based on an assumed annual revenue per location. As we continue to develop new features, the methodology and assumptions used to estimate new market opportunities may differ materially from methodologies and assumptions previously used to estimate total addressable market with respect to locations. With the addition of new products and features including our search product, we are targeting and positioning our platform towards new markets. To estimate the size of these new markets and their growth rates, we have relied on historical estimates and forecasts provided by industry publications and other third- party sources, including Gartner. We have not independently verified these estimates published by third parties and cannot assure you of their accuracy or completeness. The target markets in which we operate are also subject to a high degree of uncertainty and risk. Our customers as well as analysts, market participants, and others may disagree with our assessment of our target markets and we may never successfully compete in these markets. In addition, third parties may have different assessments of the size of the markets in which ~~in~~ our products compete. These estimates of total addressable market and growth forecasts are subject to significant uncertainty, are based on assumptions and estimates that may not prove to be accurate. Even if the market in which we compete meets the size estimates and growth we forecast, our business could fail to grow at similar rates, if at all. Our management team has limited experience managing a public company. Our chief executive officer and chief financial officer have limited experience managing a public company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. While certain other executives have such experience, our management team, as a whole, may not successfully or efficiently manage the ~~ongoing transition~~ **significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors** to ~~being~~ **which** a public company **is** subject **. These** ~~to significant regulatory oversight and reporting~~ obligations ~~under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations~~ and constituents ~~will~~ require significant attention from our senior management, particularly from our chief executive officer and chief financial officer, and could divert their attention away from the day- to- day management of our business, which could adversely affect our business, operating results and financial condition. We are exposed to fluctuations in currency exchange rates. We face exposure to movements in currency exchange rates, which may cause our revenue and operating results to differ materially from expectations. Our operating results could be negatively affected depending on the amount of expense and intercompany transactions including loans denominated in foreign currencies. As exchange rates vary, revenue, cost of revenue, operating expenses and other operating results, when re- measured, may differ materially from expectations. For example, a significant portion of our international revenue is derived from Europe including the United Kingdom. Our revenues and cash flows from these regions may be adversely affected as a result of weakness in the Euro or British Pound. In addition, our operating results are subject to fluctuation if our mix of U. S. and foreign currency denominated transactions and expenses changes in the future. Although in the future we may apply certain strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications. Additionally, as we anticipate growing our business further outside of the United States, the effects of movements in currency exchange rates will increase as our transaction volume outside of the United States increases. Our credit facility may not be available to us at all or on the same terms as it has in the past. Our credit facility contains restrictive covenants that limit our ability to transfer or dispose of assets, merge with other companies or consummate certain changes of control, acquire other companies, pay dividends or repurchase Yext stock, incur additional indebtedness and liens and enter into new businesses. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the lender or terminate the credit facility, which may limit our operating flexibility. In addition, our credit facility is secured by all of our assets and requires us to satisfy certain financial covenants. There is no guarantee that we will be able to generate sufficient cash flow or sales to meet these financial covenants or pay the principal and interest on any such debt. Furthermore, there is no guarantee that future working capital, borrowings or equity financing will be available to repay or refinance any such debt. In addition, if we do not comply with certain covenants, then other covenants may become applicable that we may not meet. Any inability to make scheduled payments or meet the financial covenants on our credit facility would adversely affect our business. In addition, our credit facility was provided by **Silicon Valley Bank ("** SVB **")** . ~~On~~ **Following the closure of SVB by the California Department of Financial Protection and Innovation on** March 10, 2023, **and its subsequent receivership by** the Federal Deposit Insurance Corporation **(“ FDIC ”), the FDIC announced that all of SVB’ s deposits and substantially all of its assets had been transferred to a newly created, full- service FDIC- operated bridge bank, Silicon Valley Bridge Bank N. A (" SVBB"). On March 27, 2023, First Citizens Bank & Trust Company (“ First Citizens ”) acquired substantially all of the loans and certain other assets of SVBB, and assumed all customer deposits and certain other liabilities of SVBB. As such, First Citizens assumed SVB’ s obligations under the Credit Facility. There can be no assurance that similar guarantees or actions will be made or taken in the event of further bank closures and continued instability in the global banking system. Inability to access our credit facility or our need to use alternative cash to support the letters of credit could adversely affect our business. Our cash and cash equivalents may be exposed to failure of our banking institutions. While we seek to minimize our exposure to third- party losses of our cash and cash equivalents, we hold our balances in a number of large financial institutions. Notwithstanding, those institutions are subject to risk of failure. For example, on March 10, 2023, SVB was unable to continue their operations and the FDIC** was appointed as receiver for SVB ~~and created the National Bank of Santa Clara to hold the deposits of SVB after SVB was unable to continue their operations~~ . **Similarly** ~~No amounts were drawn on our credit facility as of March 15, 2023, although the facility backs approximately $ 14 million of letters of credit supporting our leases as of that date. While the National Bank of Santa Clara has publicly assured holders of credit facilities that they intend to honor those facilities, this credit facility may not be available in all or in part in the near future depending on the resolution of SVB, and we may also need to replace it, including the letters of credit if required by various landlords. SVB’ s successor may seek to repudiate the agreement, and we may not be able to negotiate a replacement credit facility with terms materially equivalent or better than that existing credit facility. Inability to access our credit facility or our need to use alternative cash to support the letters of credit could adversely affect our business. Our cash and cash equivalents may be exposed to failure of our banking institutions. While we seek to minimize our exposure to third- party losses of our cash and cash equivalents, we hold our balances in a number of large financial institutions. Notwithstanding, those institutions are subject to risk of failure. For example~~ , on March ~~10~~ **12** , 2023, **Signature** ~~SVB was unable to continue their operations and the Federal Deposit Insurance Corporation was appointed as receiver for SVB and created the National~~ Bank **and Silvergate Capital Corp** ~~of Santa Clara to hold the deposits of SVB after SVB was unable to continue their operations~~ . ~~As of March 15~~ **were each swept into receivership. In addition, on May 1** , 2023, ~~substantially all of our cash and cash equivalents are held with other~~ -- **the** ~~large financial institutions,~~ **FDIC seized First Republic Bank** and ~~we~~ **sold its assets to JPMorgan Chase & Co. We** do not expect further developments with ~~SVB~~ **such banks** to have a material impact on our cash and cash equivalents balance, expected results of operations, or financial performance for the foreseeable future. However, if further failures in financial institutions occur where we hold deposits, we could experience additional risk. Any such loss or limitation on our cash and cash equivalents would adversely affect our business. We intend to continue to make investments to support our business and may require additional funds. In particular, we may seek additional funds to develop new features and enhance our existing features, expand our operations, including our sales and marketing organizations and our presence outside of the United States, expand office space including into new facilities, improve our infrastructure or acquire complementary businesses, technologies, services, features and other assets. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all, particularly if interest rates continue to rise **. In addition, actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems** . If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop feature enhancements and respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected. We are vulnerable to computer viruses, break- ins, phishing attacks, ransomware, supply chain attacks, attempts to overload our servers with denial- of- service or other attacks and similar disruptions from unauthorized use of our computer systems. Any such attack, or any security incident from any other source affecting us or our service providers, including, for example, through employee error or misconduct or additional vulnerabilities introduced by remote work arrangements, third- party integrations or other sources, could lead to interruptions, delays, website or application shutdowns, loss of data or unauthorized access to, or use or acquisition of, personal information, confidential information or other data that we or our service providers process or maintain. If we experience compromises to our security that result in performance or availability problems, the complete shutdown of our platform or the actual or perceived loss of, or unauthorized access to, unavailability of, or unauthorized use, disclosure, destruction, or other unauthorized processing of, personal information or other types of confidential information, our customers or application providers may assert claims against us for credits, refunds or other damages, and may lose trust and confidence in our platform. Additionally, security breaches and incidents or other unauthorized access to, unavailability of, or unauthorized use, disclosure, destruction, acquisition, or other processing of, personal information or other types of confidential information that we or our service providers maintain, or the perception that any of these have occurred, could result in claims against us for identity theft or other similar fraud claims, breach of contract or indemnity, governmental enforcement actions, litigation, fines and penalties or adverse publicity, or other claims and litigation, and could cause our customers and partners to lose trust in us, any of which could have an adverse effect on our business, reputation, operating results and financial condition. Our existing insurance coverage may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims related to a security breach. An insurer may also deny coverage as to a 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 could have a material adverse effect on our business. We could also be required to incur significant costs for remediation or expend significant capital and other resources to address a security breach. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, often are not recognized until launched against a target and may originate from less regulated countries, we may be unable to proactively address these techniques or to implement adequate preventative measures. In addition, customers' and application providers' accounts and listing pages hosted on our platform could be accessed by unauthorized persons for the purpose of placing illegal, abusive or otherwise unauthorized content on their respective websites and applications. If an unauthorized person obtained access to a customer' s account or our platform, such person could update the customer' s business information with abusive content or create and disseminate false responses to reviews. This type of unauthorized activity could negatively affect our ability to attract new customers and application providers, deter current customers and application providers from using our platform, subject us to third- party lawsuits, regulatory fines, indemnification requests or additional liability under customer contracts, or other action or liability, any of which could materially harm our business, operating results and financial condition. Patent and other intellectual property disputes are common in our industry. Some companies, including some of our competitors, own large numbers of patents, copyrights and trademarks, which they may use to assert claims against us. In addition, because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more of our features. Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. If asserted, we cannot assure you that an infringement claim will be successfully defended. Certain third parties have substantially greater resources than we have and may be able to sustain the costs of intellectual property litigation for longer periods of time than we can. A successful claim against us could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our platform, 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. Our success depends, in part, on our ability to protect our proprietary methods and technologies. There can be no assurance that the particular forms of intellectual property protection that we seek, including business decisions about when to file trademark applications and patent applications, will be adequate to protect our business. We intend to continue to file and prosecute patent applications when appropriate to attempt to protect our rights in our proprietary technologies. However, there can be no assurance that our patent applications will be approved, that any patents issued will adequately protect our intellectual property, that the scope of the claims in our issued patents will be sufficient or have the coverage originally sought, that our issued patents will provide us with any competitive advantages, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. We could be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights, determine the validity and scope of our proprietary rights or those of others, or defend against claims of infringement or invalidity. Such litigation may fail, and even if successful, could be costly, time- consuming and distracting to management and could result in a diversion of significant resources. 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 or alleging that we infringe the counterclaimant' s own intellectual property. An adverse determination of any litigation or defense proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related pending patent applications at risk of not being issued. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. During the course of litigation there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Any of our patents, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative processes or litigation. Furthermore, there can be no guarantee that others will not independently develop similar products, duplicate any of our products or design around our patents. We also rely, in part, on confidentiality agreements with our employees, consultants, advisors, customers and others in our efforts to protect our proprietary technology, processes and methods. These agreements may not effectively prevent disclosure of our confidential information, and it may be possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without our having an adequate remedy for unauthorized use or disclosure of our confidential information. In addition, others may independently discover our trade secrets and proprietary information, and in these cases, we would not be able to assert any trade secret rights against those parties. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. In addition, the laws of some countries do not protect intellectual property and other proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying, transfer and use of our proprietary technology or information may increase. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property. We cannot be certain that our means of protecting our intellectual property and proprietary rights will be adequate or that our competitors will not independently develop similar technology. If we fail to meaningfully protect our intellectual property and proprietary rights, our business, operating results and financial condition could be adversely affected. Our platform utilizes software governed by open source licenses. The terms of various open source licenses have not been interpreted by United States 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 platform. 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 specified 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, or to re-engineer all or a portion of software, each of which could reduce or eliminate the value of our platform. 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 or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business. Our platform incorporates certain third- party software obtained under licenses from other companies, including companies that sell products that compete with our platform. We anticipate that we will continue to rely on such third- party software and development tools in the future. There is no assurance that we will be able to renew licenses for third- party software that we use. Although we believe that there are commercially reasonable alternatives to the third- party software we currently license, this may not always be the case, or the software we currently license may be difficult or costly to replace. In addition, integration of the software used in our platform with new third- party software may require significant work and require substantial investment of our time and resources. Also, to the extent that our platform depends upon the successful operation of third- party software in conjunction with our software, any undetected errors or defects in this third- party software could prevent the deployment or impair the functionality of our platform, delay new feature introductions, result in a failure of our platform and injure our reputation. Our use of additional or alternative third- party software would require us to enter into license agreements with third parties. Our reputation and ability to attract, retain, and serve our customers and application providers are dependent upon the reliable performance of our platform and our underlying technical and network infrastructure. Our customers access our platform through our website and related technologies. We rely on internal systems and third- party service providers, including data center, cloud computing, bandwidth and telecommunications equipment providers, to maintain the availability of our platform. If any service provider fails to provide sufficient capacity to support our platform, experiences service outages, reduces or suspends service due to a natural disaster or pandemic, or otherwise ceases to do business, such failure could interrupt our customers' access to our services. For example, we currently serve our customers from third- party data center hosting facilities and cloud computing providers located in the United States, Germany and Japan. ~~Our primary~~ **We operate infrastructure in two colocation** data center ~~is~~ **facilities** in New Jersey ~~,~~ and ~~our backup data center is in~~ Texas. If these data centers or cloud computing services become unavailable to us without sufficient advance notice, if we are unable to renew our agreements with these providers or if a provider is acquired or ceases business, we would likely experience delays in delivering our platform until we could migrate to an alternate provider. Our disaster recovery program contemplates transitioning our platform to our backup center in the event of a catastrophe and our platform may be unavailable, in whole or in part, during any transition procedure. We have experienced, and will in the future experience, interruptions, outages and other performance problems. Such disruptions may be due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of customers and partners accessing our platform simultaneously and inadequate design **. For example, in July 2023, one of the data centers hosting our platform experienced a fire that forced shutdown of the facility. While we were able to failover to a backup data center with minimal disruption to our consumer serving services, some customers experienced an outage of our administrative services. We do not expect the effects of this disruption to be material, but we may experience reputational harm from impacted customers** . 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 performance degradation or service outages, which may subject us to financial penalties, financial liabilities and customer losses. For example, to support the international growth of our business, we have expanded and may need to continue to expand capacity outside the United States, but we may not be able to address future capacity constraints, either through existing or alternative providers, in a cost- effective and timely manner, if at all. When we add capacity, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our services, which may damage our business. Our features are highly technical and complex. Our software has previously contained, and may now or in the future contain, undetected errors, bugs, or vulnerabilities. Some errors in our software may only be discovered after the software has been deployed. Any errors, bugs, or vulnerabilities discovered in our software after it has been deployed could result in damage to our reputation, loss of customers, partners or application providers, loss of revenue or liability for damages. In addition, the proper functioning of our platform is dependent on the ability of our Publisher Network application providers and partners to maintain the availability and proper functioning of their software integrations with our systems and also is dependent on the ability of our third- party application providers to maintain the availability and proper functioning of their websites and applications on which business listing information is published for customers. For example, a number of our Publisher Network application providers provide us with an ~~Application Program Interface, or~~ API ~~,~~ on which our ability to interface with that provider is based. Furthermore, in a rapidly changing business environment, for example in connection with the COVID- 19 pandemic, our Publisher Network application providers may experience limitations and delays, which could limit the functionality of our platform. If the functionality of the software, APIs or websites of our third- party application providers is impaired, our customers may attribute such limitations to us and our platform thus damaging our reputation and customer relationships. If our Publisher Network application providers do not maintain the availability and proper functioning of their software, APIs, websites and applications, our business, operating results and financial condition could be materially affected. We ~~are incorporating generative artificial intelligence, or AI, into some of our products. This technology is new and developing and may present both compliance risks and reputational risks. We~~ have incorporated a number of generative AI features into our products. This technology, which is a new and emerging technology that is in its early stages of commercial use, presents a number of risks inherent in its use. AI algorithms are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes. We have implemented measures to address algorithmic bias, such as testing our algorithms and regularly reviewing our data sources. However, there is a risk that our algorithms could produce discriminatory or unexpected results or behaviors (e. g., hallucinatory behavior) that could harm our reputation, business, customers, or stakeholders. **Accordingly, while AI- powered applications may help provide more tailored or personalized learner experiences, if the content, analyses, answers or recommendations that AI- powered applications assist in producing on our platform are, or are perceived to be, deficient, inaccurate, biased, unethical or otherwise flawed, our reputation, competitive position and business may be materially and adversely affected. There are a limited number of AI service providers that license large language models (" LLMs") that are sufficient for use in our AI- powered applications. If our agreements with these AI service providers terminate or cannot be renewed on favorable terms, it may affect our ability to develop our AI- powered platform innovations and features. Any of the foregoing and any similar issues, whether actual or perceived, could negatively impact our users' experience and diminish the perceived quality and value of our offerings. This in turn could damage our brand, reputation, competitive position and business. Additionally, if any of our employees, contractors, vendors or service providers use any third- party AI- powered software in connection with our business or the services they provide to us, it may lead to the inadvertent disclosure of our confidential information, including inadvertent disclosure of our confidential information into publicly available third- party training sets, which may impact our ability to realize the benefit of, or adequately maintain, protect and enforce our intellectual property or confidential information, harming our competitive position and business. Our ability to mitigate risks associated with disclosure of our confidential information, including in connection with AI- powered software, will depend on our implementation, maintenance, monitoring and enforcement of appropriate technical and administrative safeguards, policies and procedures governing the use of AI in our business. Furthermore, any content created by us using generative AI tools may not be subject to copyright protection which may adversely affect our intellectual property rights in, or ability to commercialize or use, any such content. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other concerns, the outcome of any one of which may, amongst other things, require us to limit the ways in which we use AI in our business and may affect our ability to develop our AI- powered platform innovations and features. While AI- related lawsuits to date have generally focused on the AI service providers themselves, our use of any output produced by any generative AI tools may expose us to claims, increasing our risks of liability. For example, the output produced by generative AI tools may include information subject to certain rights of publicity or privacy laws or constitute an unauthorized derivative work of the copyrighted material used in training the underlying AI model, any of which could also create a risk of liability for us, or adversely affect our business or operations.** In addition, the use of AI **has resulted** ~~involves significant technical complexity and requires specialized expertise. Any disruption or failure~~ in ~~our~~ **, and may in the future result in, cybersecurity incidents that implicate the personal data of users of** AI ~~systems~~ **- powered applications. To the extent that we do not have sufficient rights to use the data or other material or content used in or produced by the generative AI tools used in** ~~or~~ **our** ~~infrastructure~~ **business, or if we experience cybersecurity incidents in connection with our use of AI, it** could **adversely affect** ~~result in delays or~~ **our** ~~errors in~~ **reputation and expose us to legal liability** ~~our~~ - **or** ~~operations~~ **regulatory risk, including with respect to third- party intellectual property, privacy, publicity, contractual or other rights. Further, our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us** , which could ~~harm~~ **impair our ability to compete effectively. As the utilization of AI becomes more prevalent, we anticipate that it will continue to present new or unanticipated ethical, reputational, technical, operational, legal, competitive and regulatory issues, among others. We expect that our incorporation of AI in** our business **will require**

additional resources, including the incurrence of additional costs, to develop and **maintain our platform offerings, services, and features to minimize potentially harmful or unintended consequences, to comply with applicable and emerging laws and regulations, to maintain or extend our competitive position and to address any ethical, reputational, technical, operational, legal, competitive or regulatory issues which may arise as a result of any of the foregoing. As a result, the challenges presented with our use of AI could adversely affect our business,** financial **condition and** results **of operations** . We are subject to general litigation that may materially adversely affect us. From time to time, we **are and** may be involved in disputes or regulatory inquiries that arise in the ordinary course of business. We expect that the number and significance of potential disputes may increase as our business expands and our company grows larger. While our agreements with customers 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 or a dispute arises. 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 or dispute resolution, 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, operating results or financial condition. We ~~are subject to governmental regulation and other legal obligations, including those related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. Compliance with such obligations could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue. We~~ receive, store, and process various types of data, including personal data, from and about customers, including third- party reseller customers, partners, end users of our services, and in limited cases, end consumers, as well as data from and about our personnel and service providers. In connection with future feature offerings, we may receive, store and process additional types of data, including personal data. Our processing of data is subject to a variety of laws and regulations, including regulation by various government agencies, such as the U. S. Federal Trade Commission, or FTC, and various state, local and foreign agencies. Our data processing **is** also ~~is~~ subject to contractual obligations and industry standards. The U. S. federal and various state governments have adopted requirements related to the collection, distribution, use, storage ~~,~~ and security of personal data **, including unique online identifiers** . For example, the California Consumer Privacy Act of 2018, or CCPA, originally became effective January 1, 2020 and an amended version became effective on January 1, 2023. The amended CCPA requires covered businesses to, among other things, make new disclosures to consumers about their data collection, use, and sharing practices, and allows consumers to opt out of certain data sharing with third parties. Under the amended CCPA, consumers include individuals that interact with us in a professional or employment capacity. The CCPA provides a limited private cause of action for certain data breaches. **Numerous** ~~The amended law also created a new state agency that will be vested with authority to implement and enforce~~ other ~~aspects of the CCPA. State~~ **states have proposed, and in many cases, enacted,** privacy **legislation** ~~laws that impose similar obligations and are likewise enforced by regulators have been enacted in Colorado, Connecticut, Utah, and Virginia, as of February 2023~~ . The effects of such state privacy laws are potentially significant and may require us to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and / or litigation. We expect additional states may ~~also~~ **continue to** enact **data protection** legislation **that may be** similar to **or different from** the state privacy laws already adopted. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the collection, use, dissemination, and security of personal data. We may be required to incur costs and expenses to stay in compliance with these interpretations, and if we were found to have violated consumer protection laws, we may face enforcement actions which could adversely affect our business. We also may be subject to laws and rules implemented and enforced by the FTC, the Federal Communications Commission, or FCC, and potentially other federal agencies, ~~state laws,~~ as well as **state, local or** international laws and regulations related to marketing, advertising, commercial electronic mail and other messages. Compliance with these requirements may limit our ability to ~~send~~ **engage in** certain ~~types of messages~~ **marketing and advertising activities** . If we were found to have violated such requirements, we may face enforcement actions and / or face civil penalties, either of which could adversely affect our business. Several foreign countries and governmental bodies, including the European Union, Switzerland and the United Kingdom, have laws and regulations dealing with the processing of personal data obtained about their residents, which in certain cases are more restrictive than those in the United States. We expect that additional jurisdictions may enact similar requirements. Laws and regulations in these jurisdictions can apply broadly to the collection, use, storage, disclosure, and security of various types of data, including personal data, such as names, email addresses and in some jurisdictions, **unique online identifiers like** Internet Protocol, or IP, addresses. In particular, **in** the European Union ~~General Data Protection Regulation~~ , ~~or~~ **the** GDPR ~~,~~ became effective in May 2018. The GDPR includes stringent operational requirements for processors and controllers of personal data and imposes significant penalties for non- compliance. The United Kingdom has implemented data protection laws that substantially align with requirements under the GDPR and provide for similar penalties. **The** ~~However, the~~ United Kingdom' s decision to **adopt a separate data protection regime after its** exit **from** the European Union, known as Brexit, has created uncertainty ~~regarding~~ **and** the **potential for differing** ~~regulation~~ **regulations as compared** ~~of data protection in the United Kingdom in the medium~~ to ~~long term~~ **the European Union** , which **in turn** may delay or deter transactions with customers that transfer personal data to and from the United Kingdom. In addition, there **remains** ~~has been~~ uncertainty regarding transfers of certain personal data from the European Economic Area, Switzerland, and the United Kingdom following Brexit as well as the invalidation of both the EU- U. S. Privacy Shield and Swiss- U. S. Privacy Shield. While alternative transfer mechanisms, such as Standard Contractual Clauses, are available to Yext and its customers for such transfers, the use of these transfer mechanisms, in addition to related developments and uncertainty, could require us to implement additional contractual and technical safeguards for personal data transferred out of the European

Economic Area, Switzerland, and the United Kingdom, which may increase compliance and related costs and risks, lead to increased regulatory scrutiny or liability, necessitate additional contractual negotiations, and adversely impact our business, operating results and financial condition. Customers and potential customers may hesitate or refuse to purchase and use our products and services due to the potential risk associated with cross- border data transfers or may view alternative data transfer mechanisms as being too costly, burdensome or uncertain. Our ability to attract and retain customers may therefore be impaired. In addition, other mechanisms that we use or may use in the future in an effort to legitimize cross- border data transfers may be challenged or invalidated or may evolve such that they do not function as appropriate means for us to transfer certain personal data from the European Economic Area, Switzerland, and the United Kingdom to the United States. These domestic and foreign laws and regulations relating to privacy and information security are evolving, can be subject to significant change, and may result in ever- increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Interpretation of certain requirements remains unclear and may evolve, in particular for laws and regulations that have recently been enacted. Application of laws and regulations may be inconsistent or may conflict among jurisdictions resulting in additional complexity and increased legal risk. In addition, these requirements have increased our compliance costs and may impair our ability to grow our business or offer our service in some locations, may subject us to liability for non- compliance, may require us to modify our data processing and transferring practices and policies, and may strain our technical capabilities. In addition as we, our customers, and potential customers evaluate the impact of new laws and regulations, sales cycles have lengthened and transaction costs have increased as customers conduct additional diligence and as contractual obligations under the new regulations are negotiated. To protect the personal data that we process, including payment card information, we have implemented technical and organizational measures in an effort to preserve and protect our data and our customers' data against loss, misuse, corruption, destruction, or misappropriation caused by systems failures, unauthorized access, or other misuse. Notwithstanding these measures, we could experience security incidents **, fail to handle personal data correctly** or be subject to liability claims relating to information security by individuals and customers whose data resides in our databases. We are also required to comply with applicable industry standards with respect to our handling of payment card information. If we fail to meet appropriate compliance levels for payment card data specifically, this could negatively impact our ability to utilize payment cards as a method of payment, and / or collect and store payment card information, which could disrupt our business. As our products are applied to new uses and in new verticals, we may become subject to additional regulations or legal risks. For example, we have begun selling our platform to government entities. Risks associated with sales to government entities include adherence to complex procurement regulations and other government- specific contractual requirements. We may be subject to audits and investigations relating to our government contracts and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, payment of fines, and suspension or debarment from future government business, as well as harm to our reputation and financial results. Sales to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully complete a sale. As another example, in order to offer our products to certain customers in the health care industry we have implemented certain security and privacy measures and related procedures to comply with the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and the Health Information Technology for Economic and Clinical Health Act, or HITECH. ~~This~~ **We** may ~~require us to~~ execute HIPAA business associate agreements, or BAAs, with certain customers that are " covered entities " under HIPAA, which would subject us to additional liabilities, penalties and fines in the event we fail to comply with the terms of such agreements. The storage of such information may require us to modify and enhance our platform at a significant cost. Any failure or perceived failure by us to comply with laws, regulations, policies, legal or contractual obligations, industry standards, or regulatory guidance relating to privacy or information security may result in governmental investigations and enforcement actions, litigation, fines and penalties, consumer actions, and / or adverse publicity, and could cause our customers and partners to lose trust in us, which could have an adverse effect on our reputation and business. This could materially affect our business, operating results, and financial condition. Furthermore, our third- party reseller customers, over which we have more limited control, may not comply with the laws, regulations, and policies described above, which may damage our reputation or subject us to costly legal or regulatory inquiries and liability ~~. We will continue to innovate, and work with new and emerging technologies that may subject the Company to new or different laws or regulations. For~~ - **or** ~~example, the Answers platform utilizes Artificial Intelligence (" AI") technology in some of its products and / or features. AI is an emerging technology, and is subject~~ to **contractual liability** ~~a complex and evolving regulatory landscape, including data protection, privacy, and potentially other laws. Additionally, different jurisdictions have taken varying approaches to regulating AI. Compliance with these laws and regulations can be complex, costly and time- consuming, and there is a risk of regulatory enforcement actions or litigation if we fail to comply with these requirements. As regulations evolve, we may have to alter our business practices or products in order to comply with regulatory requirements~~ . We expect that there will continue to be new proposed laws, regulations and industry standards relating to privacy, data protection, marketing, ~~consumer~~ **advertising,** communications, information security and cross- border data transfer in the United States, the European Union and other jurisdictions, and we cannot determine the impact such future laws, regulations and standards may have on our business. Future laws, regulations, standards and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new features and maintain and grow our customer base and increase revenue. Future restrictions on the collection, use, sharing or disclosure of data or additional requirements placed upon us, our customers, partners or end consumers in connection with the use and disclosure of such information could require us to incur additional costs or modify our platform or other aspects of our products and services, possibly in a material manner, and could increase the complexity and cost of developing and deploying new products or limit our ability to develop new products and features altogether **. We use AI, including machine learning and generative AI, throughout our business. As the regulatory framework for machine learning technology, generative AI and automated decision making evolves, our business,**

financial condition and results of operations may be adversely affected. The regulatory framework for AI and similar technologies, and automated decision making, is changing rapidly. It is possible that new laws and regulations will be adopted in the United States and in non- U. S. jurisdictions, or that existing laws and regulations may be interpreted in ways that would affect the operation of our learning platforms and data analytics and the way in which we use AI and similar technologies. We may not be able to adequately anticipate or respond to these evolving laws and regulations, and we may need to expend additional resources to adjust our offerings in certain jurisdictions if applicable legal frameworks are inconsistent across jurisdictions. In addition, because these technologies are themselves highly complex and rapidly developing, it is not possible to predict all of the legal or regulatory risks that may arise relating to our use of such technologies. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations. For example, in Europe, the Council of the EU European Parliament and European Commission has reached provisional agreement on a revised draft of the AI Act which is currently expected to be enacted in early 2024. The current draft of the AI Act, if enacted, would establish a risk- based governance framework for regulating high- risk AI systems operating in the EU market. This framework would categorize AI systems based on the risks associated with such AI systems' intended purposes as creating " unacceptable ", " high " or " limited " risks. While the AI Act has not been enacted or enforced, there is a risk that our current or future AI- powered software or applications may be categorized as " high " risk or " limited " risk, obligating us to comply with the applicable requirements of the AI Act, which may impose additional costs on us, increase our risk of liability, or adversely affect our business. For example, " high " risk AI systems are required, amongst other things, to implement and maintain certain risk and quality management systems, conduct certain conformity and risk assessments, use appropriate data governance and management practices, including in development and training, and meet certain standards related to testing, technical robustness, transparency, human oversight, and cybersecurity. Even if our AI systems are not categorized as " high " risk we may be subject to additional transparency and other obligations for " low " risk AI system providers. The AI Act sets forth certain penalties, including fines of the greater of EUR 35 million or 7 % of worldwide annual turnover (as defined in the AI Act) for the prior year for violations related to offering prohibited AI- systems or data governance, fines of the greater of EUR 15 million or 3 % of worldwide annual turnover for the prior year for violations related to the requirements for " high " risk AI systems, and fines of the greater of EUR 7. 5 million or 1. 5 % of worldwide annual turnover for the prior year for violations related to supplying incorrect, incomplete or misleading information to the European Union and member state authorities. If enacted in this form or a similar form, this regulatory framework is expected to have a material impact on the way AI is regulated in the European Union, and together with developing guidance and / or decisions in this area, may affect our use of AI and our ability to provide and to improve our services, require additional compliance measures and changes to our operations and processes, result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, financial condition and results of operations. We are subject to anti- corruption and anti- bribery laws, and anti- money laundering laws and similar laws, and non- compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation. We are subject to anti- corruption and anti- bribery and similar laws, such as ~~the U. S. Foreign Corrupt Practices Act of 1977, as amended, or~~ the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the U. K. Bribery Act 2010, and possibly other anti- corruption and anti- bribery laws and anti- money laundering laws in countries in which we conduct activities. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years, are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making, offering, soliciting or accepting improper payments or other benefits to or from government officials and others in the private sector. As we increase our international sales and business, particularly in countries with a low score on the Corruptions Perceptions Index by Transparency International, and increase our use of third- party business partners such as sales agents, distributors, resellers, or consultants, our risks under these laws may increase. We can be held liable for the corrupt or other illegal activities of our employees, representatives, contractors, business partners, resellers, agents and third- party intermediaries, even if we do not explicitly authorize, control or have actual knowledge of such activities. While we have policies and procedures in this area, we cannot guarantee that none of our employees, agents, representatives, business partners or third- party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any allegations concerning or violations of these laws could subject us to investigations, sanctions, settlements, prosecution, enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension or debarment from government contracting, the loss of export privileges, whistleblower complaints, reputational harm, adverse media coverage, and other collateral consequences, all of which could have an adverse effect on our business, results of operations, prospects and financial condition. In addition, responding to any action will likely result in a materially significant diversion of management' s attention and resources and significant defense and compliance costs and other professional fees. We are subject to governmental export and import controls and economic sanctions laws that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws. Our business activities are subject to various restrictions under U. S. export and import controls and trade and economic sanctions laws, including U. S. customs regulations, the U. S. Commerce Department' s Export Administration Regulations and economic and trade sanctions regulations maintained by the U. S. Treasury Department' s Office of Foreign Assets Control. The U. S. export control laws and U. S. economic sanctions laws include prohibitions on the sale or supply of certain products and services to U. S. embargoed or sanctioned countries, governments, persons and entities and also require authorization for the export of certain items including encryption items. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our services or could limit our customers' ability to implement our services in those countries. Although we take precautions to prevent our platform from being provided in violation of such laws, our platform may have been in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export or import privileges, monetary penalties, and, in extreme cases, imprisonment of responsible employees for knowing and willful violations of these laws. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time- consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. In addition, changes in our platform or changes in applicable export or import regulations may create delays in the introduction and sale of our products in international markets, prevent our customers with international operations from deploying our products or, in some cases, prevent the export or import of our products to certain countries, governments or persons altogether. Any change in export or import regulations, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could also result in decreased use of our products or in our decreased ability to export or sell our products to existing or potential customers with international operations. For example, in February 2022, following Russia' s invasion of Ukraine, the United States and other countries announced economic sanctions against Russia, and the United States and other countries could impose wider sanctions and take other actions as the conflict further escalate. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business. Additionally, although we take precautions to prevent transactions with U. S. sanction targets, we could inadvertently provide our platform to persons prohibited by U. S. sanctions. Violations of export and import regulations and economic sanctions could result in negative consequences to us, including government investigations, penalties and reputational harm. Changes in laws and regulations related to the internet or changes in internet infrastructure itself may diminish the demand for our platform and could adversely affect our business and results of operations. The future success of our business depends upon the continued use of the internet. 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 or charges could limit the use of the internet or decrease the demand for internet-based solutions. 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. If the use of the internet is reduced as a result of these or other issues, then demand for our platform could decline, which could adversely affect our business, operating results and financial condition. Unanticipated changes in our effective tax rate may impact our financial results. We are subject to income taxes in the United States and various jurisdictions outside of the United States. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates, changes in non- deductible expenses, expiration or non- utilization of net operating losses, changes in excess tax benefits related to exercises and vesting of stock options and awards compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes and changes in accounting principles and tax laws in jurisdictions where we operate. While we regularly evaluate new information that may change our judgment resulting in recognition, derecognition or change in measurement of a tax position taken, there can be no assurance that the final determination of any examinations will not have an adverse effect on our business, operating results or financial condition. Beginning in fiscal year 2023, the Tax Cuts and Jobs Act of 2017 ~~eliminates~~ **eliminated** the option to deduct research and development expenditures currently and requires taxpayers to amortize such costs over a period of five or fifteen years. **Such provision may accelerate our cash taxes and increase our effective tax rate, resulting in an adverse effect on our overall results of operations and financial condition.** While it is possible that Congress may modify, defer, or repeal such provision, we have no assurance that the provision will be modified, deferred or repealed. ~~If~~ **In addition, global tax developments applicable to multinational businesses continue to evolve and create uncertainty to us. For example, the United States recently enacted an alternative minimum tax for companies with modified GAAP net income in excess of $ 1 billion. The Organization for Economic Cooperation and Development (the " OECD ") also has proposals regarding the implementation of global minimum tax. Although these rules are** ~~no~~ **not currently applicable to us, we operate in participating countries that have implemented or are expected to implement these rules. We continue to evaluate the impact of these tax developments as** new **guidance** ~~legislation is passed, this provision may have an~~ **and regulations are published** ~~adverse effect on our effective tax rate resulting in additional cash taxes, as well as on our overall results of operations~~ and ~~financial condition~~ **such becomes applicable** . We may have additional tax liabilities, which could harm our business, results of operations or financial condition. Significant judgments and estimates are required in determining the ~~(~~ provision for ~~) benefit from~~ income taxes and other tax liabilities. We generally conduct our international operations through wholly- owned subsidiaries and report our taxable income based upon our business operations in those jurisdictions. The amount of taxes we pay may depend on the application of the tax laws of various jurisdictions, including the United States, to our business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. In determining the adequacy of income taxes, we assess the likelihood of adverse outcomes that could result if our tax positions were challenged by the Internal Revenue Service, or IRS, and other tax authorities. The tax authorities in the United States and other countries where we do business may examine our income and other tax returns. The ultimate outcome of these examinations cannot be predicted with certainty. Should the IRS or other tax authorities assess additional taxes as a result of examinations, we may be required to record charges that would adversely affect our results of operations and financial condition. We may also be subject to additional tax liabilities and penalties due to changes in nonincome based taxes resulting from tax examinations in federal, state, city or international jurisdictions, settlements or judicial decisions, changes in taxing jurisdictions' tax laws and administrative interpretations, or changes in accounting principles. Any resulting increase in our tax obligation or cash taxes paid could adversely affect our results of operations and financial condition. The United States ~~recently~~ enacted the Inflation Reduction Act **in August 2022** which introduced several tax provisions including a 1 % excise tax on certain stock repurchases made after December 31, 2022. We may be subject to this new excise tax which could increase the cost of such repurchases. Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could increase our costs and adversely affect our business. The application of federal, state, local and international tax laws to services provided electronically is evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, possibly with retroactive effect, and could be applied solely or disproportionately to services provided over the internet. These enactments could adversely affect our sales activity due to the inherent cost increase the taxes would represent and ultimately result in a negative impact on our operating results and cash flows. Existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us, possibly with retroactive effect, which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines or penalties and interest for past amounts. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs. Certain jurisdictions in which we do not collect sales and use, value added or similar taxes may assert that such taxes are applicable, which has resulted or could result in tax assessments, penalties and interest, to us or our customers for past amounts, and we may be required to collect such taxes in the future. **If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs.** Such tax assessments, penalties and interest, or future requirements may adversely affect our operating results and financial condition. Our ability to use our **tax attributes** ~~net operating losses~~ to offset future ~~taxable~~ income **tax liabilities** may be subject to certain limitations. As of January 31, ~~2023~~ **2024** , we had significant **tax attributes due to** U. S. federal and state net operating loss carryforwards ~~, or NOLs, due to prior period losses~~ **and U. S. federal research and development tax credit carryforwards** . In general, under ~~Section~~ **Sections** 382 **and 383** of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an ownership change, which is generally defined as a greater than 50- percentage- point cumulative change by value in the equity ownership of certain stockholders over a rolling three- year period, is subject to limitations on its ability to utilize its pre- change ~~NOLs~~ **tax attributes** to offset **income tax liabilities arising from** post- change taxable income. Our existing ~~NOLs~~ **tax attributes** may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change our ability to utilize ~~NOLs~~ **these tax attributes** could be further limited by ~~Section~~ **Sections** 382 **and 383** of the Code and similar state provisions. Future changes in our stock ownership, some of which may be outside of our control, could result in an ownership change under ~~Section~~ **Sections** 382 **and 383** of the Code. Furthermore, our ability to utilize ~~NOLs~~ **tax attributes** of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of ~~NOLs~~ **tax attributes** , or other unforeseen reasons, our existing ~~NOLs~~ **tax attributes** could expire, decrease in value or otherwise be unavailable to offset future income tax liabilities. Our quarterly results of operations, including the levels of our revenue, gross margin and profitability, as well as our cash flows and unearned revenue balances, may vary significantly in the future, and period- to- period comparisons of our operating results and key metrics may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results and metrics may fluctuate as a result of a variety of factors, many of which are outside of our control and, as a result, may not fully reflect the underlying performance of our business. These fluctuations may negatively affect the value of our common stock. Factors that may cause fluctuations in our quarterly results include: • our ability to attract **and retain** new **and existing** customers; • our ability to execute on our business strategy; • the launch of significant new products and features; • the addition or loss of large customers, including third- party reseller customers, including through acquisitions or consolidations; • the timing of recognition of revenue; • a change in accounting principles; • the timing of billing and cash collections; • the timing of significant marketing events and related expenses; • the amount and timing of operating expenses; • network outages and security breaches and incidents; • natural disasters, pandemics including the COVID- 19 pandemic, acts of terrorism and other events beyond our control; • general economic, industry and market conditions; • customer renewal rates; • pricing changes upon any renewals of customer agreements; • changes in our pricing policies or those of our competitors; • the timing and success of new feature introductions by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or application providers; • our ability to adequately scale our sales force and retain key employees; • the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies; and • unforeseen litigation. If securities or industry analysts do not continue to publish research or reports about us, our business or our market, or if they cease publishing research or change their recommendations regarding our stock adversely, or if our actual results differ significantly from our guidance or analysts' expectations, our stock price and trading volume could decline. The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. Some analysts have ceased covering us **, and current coverage by analysts may be more limited than prior periods** . If additional analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. In addition, if one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our common stock would likely decline. In addition, from time to time, we may release earnings guidance or other forward- looking statements in our earnings releases, earnings conference calls or otherwise regarding our future performance that represent our management' s estimates as of the date of release. Some or all of the assumptions of any future guidance that we furnish may not materialize or may vary significantly from actual future results. Furthermore, the adoption of new accounting standards may require us to modify our earnings guidance, and such modifications though solely attributed to changes in accounting standards, may be perceived unfavorably. Any failure to meet guidance or analysts' expectations could have a material adverse effect on the trading price or trading volume of our common stock. Technology stocks have historically experienced high levels of volatility, and have heavily declined recently. The market price of our common stock has been and may continue to 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; • changes in projected operational and financial results; • addition or loss of significant customers; • addition or loss of significant strategic relationships with application providers in the Publisher Network; • changes in laws or regulations applicable to our platform; • actual or anticipated changes in our growth rate relative to our competitors; • announcements of technological innovations or new offerings by us or our competitors; • announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital- raising activities or commitments; • additions or departures of key personnel; • changes in our financial guidance or securities analysts' estimates of our financial performance; • discussion of us or our stock price by the financial press and in online investor communities; • reaction to our press releases and filings with the SEC; • changes in accounting principles; • announcements related to litigation, regulation or disputes; • fluctuations in the valuation of companies perceived by investors to be comparable to us; • sales of our common stock by us or our stockholders; • effects of inflation and increased interest rates; • share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; **• natural disasters, pandemics, acts of terrorism and other events beyond our control; and** • general economic and market conditions and overall market slowdowns. Furthermore, in recent years, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many 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 common stock. If the market price of our common stock declines, you may not realize any return on your investment in us and may lose some or all of your investment. 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 also harm our business. Future sales and issuances of our capital stock or rights to purchase capital stock could result in dilution of the percentage ownership of our stockholders and could cause our stock price to decline. We may issue additional securities. Our certificate of incorporation authorizes us to issue up to 500, 000, 000 shares of common stock and up to 50, 000, 000 shares of preferred stock. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, the ownership of existing stockholders will be diluted, possibly materially. New investors in subsequent transactions could also gain rights, preferences and privileges senior to those of existing holders of our common stock. In addition, substantial blocks of our total outstanding shares are eligible to be sold into the market, although shares held by directors, executive officers and other affiliates are subject to volume limitations under Rule 144 under the Securities Act The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, or if there is a large number of shares of our common stock available for sale and the market perceives that sales will occur. In addition, equity compensation comprises a significant component of our compensation strategy. We have granted and expect to grant equity awards from our equity incentive plan and under the terms of such plan, shares of our common stock reserved for future issuance will be subject to annual increases, which would cause dilution. We have and may in the future file registration statements registering the issuance of shares of common stock subject to outstanding options under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans. Shares registered on the Form S- 8 registration statement would be eligible for sale to the public, subject to certain legal limitations. The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares. Additionally, certain ~~existing~~ holders of our common stock **may negotiate to obtain** ~~, or their transferees, will have~~ rights, subject to specified conditions, to require us to file one or more registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. If we were to register the resale of ~~these~~ **such** shares, they could be freely sold in the public market. If ~~these~~ **such** additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could be adversely affected. We do not intend to pay dividends for the foreseeable future. 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. In addition, our ability to pay dividends may be limited by our credit ~~agreement~~ **facility** . Consequently, stockholders must rely on sales of their common stock after price appreciation as the only way to realize any future gains on their investment. Share repurchases could affect our stock price and increase its volatility and will diminish our cash reserves. In March 2022, we announced a program to repurchase up to $ 100. 0 million of our common stock **, which was increased by an additional $ 50. 0 million in September 2023** . Such repurchases may be made from time to time subject to pre- determined price and volume guidelines. As of January 31, ~~2023~~ **2024** , we ~~had~~ repurchased ~~13~~ **16** , ~~844~~ **824** , ~~279~~ **920** shares ~~using~~ **for** $ ~~77~~ **100** . ~~4~~ **3** million ~~of the program~~ . Repurchases pursuant to our share repurchase program could affect our stock price and increase its volatility and will reduce the market liquidity for our stock. These activities may have the effect of maintaining the market price of our common stock or slow down a decline in the market price of the common stock, and, as a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. Additionally, these repurchases will diminish our cash reserves, which could impact our ability to pursue possible future strategic opportunities and acquisitions and result in lower overall returns on our cash balances. Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock. Our status as a Delaware corporation may discourage, delay or prevent a change in control, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following: • a classified board of directors with three- year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board of Directors; • a prohibition on cumulative voting in the election of our directors; • the requirement that our directors may only be removed for cause; • the ability of our Board of Directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • the right of our Board of Directors to elect a director to fill a vacancy created by the expansion of our Board of Directors or the resignation, death or removal of a director; • a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; • the requirement that a special meeting of stockholders may be called only by the Board pursuant to a resolution adopted by a majority of the Board, the chairman of the Board of Directors, our chief executive officer, or our president (in the absence of a chief executive officer), which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; • the requirement for the affirmative vote of holders of at least 66 2 / 3 % of the voting power of all of the then- outstanding shares of our voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the management of our business or our amended and restated bylaws, which may inhibit the ability of an acquirer to affect such amendments to facilitate an unsolicited takeover attempt; and • advance notice procedures with which stockholders must comply to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of us. In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. The provisions of Section 203 may prohibit large stockholders, in particular those owning 15 % or more of our outstanding voting stock, from merging or combining with us for three years after achieving that ownership threshold. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision. These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board of Directors or initiate actions that are opposed by our then- current Board of Directors, including delaying or impeding a merger, tender offer, or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.