**Risk Factors Comparison 2024-03-26 to 2023-04-03 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, as well as the other information in this Form 10- K, including our accompanying consolidated financial statements and the related notes and " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition and growth prospects. In such an event, the market price of our Class A common stock could decline and you could lose all or part of your investment. Risk Factors Summary **The** ~~An investment in our common stock involves a high degree of risk, and the~~ following is a summary of key risk factors when considering an investment. You should read the summary risks together with the more detailed discussion of risks set forth following this summary, as well as elsewhere in this Annual Report on Form 10- K. ~~Additional risks, beyond those summarized below or discussed elsewhere in this Annual Report on Form 10- K, may apply to our activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate.~~ Risks Related to Our Business and Industry • If we are unable to attract new customers and retain and expand sales to existing customers, our revenue growth could be slower than we expect and our business ~~would~~ **may** be adversely affected. • ~~Current and future economic uncertainty and other unfavorable conditions in our industry or the global economy could limit our growth and negatively affect our operating results. •~~ If we fail to manage our ~~growth~~ **revenue** and profitability plans effectively, our business, operating results, and financial condition could be adversely affected. • If the market for monetization platform software and related solutions, and consumer adoption of products and services that are provided through such solutions, develops slower than we expect, our growth may slow or stall, and our operating results could be adversely affected. • ~~Currency exchange rate fluctuations may~~ **If we are unable to successfully execute our strategic initiatives, such as increasing our sales to large enterprises and fast- growing enterprises and disruptors as well as expanding and strengthening our sales channels and relationships with system integrators, our business, operating results and financial condition could be** adversely ~~affect~~ **affected** ~~our results of operations, which are reported in U. S. dollars~~ . • If we are unable to recruit or retain senior management or other key personnel and maintain our corporate culture, we may not be able to execute on our business strategy **. • If we are unable to effectively compete in the market for our solutions or such markets develop slower than we expect, our business, operating results, and financial condition would be adversely affected. • Current and future economic uncertainty and other unfavorable conditions in our industry or the global economy have limited and may continue to limit our growth and adversely affect our operating results. • We have a history of net losses and may not achieve or sustain profitability. • Our revenue growth and ability to achieve and sustain profitability will depend, in part, on our ability to increase productivity of our sales force** . • Our success depends in large part on a limited number of products, and if these **current or future** products fail to gain market acceptance or our product development efforts are unsuccessful, our business, operating results, and financial condition could be adversely affected. • **Currency exchange rate fluctuations** ~~We have a history of net losses and~~ may ~~not achieve~~ **adversely affect** ~~or~~ **our** ~~sustain profitability. • Our revenue growth and ability to achieve and sustain profitability will depend, in part, on our ability to increase productivity of our sales force. • If we are unable to effectively compete in the market for our solutions or such markets develop slower than we expect our business,~~ operating results ~~, and financial condition would be adversely affected~~ . • We face risks related to our debt obligations ~~, including our convertible senior unsecured notes and warrants~~ . • Our operating results, which are influenced by a variety of factors, have fluctuated in the past and may continue to fluctuate, making our future results difficult to predict accurately. • If we are not able to successfully and timely develop, enhance and deploy our products and multi- product strategy, our business, operating results, financial condition and growth prospects could be adversely affected. • We may be unable to integrate businesses we have or will acquire or to achieve expected benefits of such acquisitions ~~. • If we are unable to successfully execute our strategic initiatives, such as increasing our sales to large enterprise customers and expanding and strengthening our sales channels and relationships with system integrators, our business, operating results and financial condition could be adversely affected~~ . • Our international operations expose us to risks that could have a material adverse effect on our business, operating results, and financial condition. • If we fail to integrate our ~~solution~~ **solutions** with a variety of systems, applications and platforms that are developed by others, our ~~solution~~ **solutions** may become less marketable, less competitive, or obsolete, and our operating results may be adversely affected. Risks Related to Information Technology, Intellectual Property, and Data Security and Privacy • If our security measures are breached or if unauthorized access to customer, employee or other confidential data is otherwise obtained, or if our ~~solution~~ **solutions** ~~is~~ **are** perceived as not being secure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities. • Privacy and security concerns, laws, and regulations, may ~~reduce the effectiveness of our solution and~~ adversely affect our business. • **Inability or** ~~Failure~~ **failure** to protect our intellectual property could adversely affect our business. • Any disruptions of service ~~from~~ **at** our ~~public~~ cloud providers **, including Amazon Web Services (AWS) and Microsoft' s Azure cloud service,** could interrupt or delay our ability to deliver our services to our customers, which could harm our business and our financial results **. • Our increased focus on the development and use of various types of artificial intelligence (AI) in our platform and our business, as well as our potential failure to effectively implement, use, and market AI could adversely affect our business** . Risks Related to Legal, Regulatory, Accounting, and Tax Matters • Adverse litigation judgments or settlements could expose us to significant monetary damages or limit our ability to operate our business. • If we are not able to satisfy government and industry- specific requirements, such as data protection, security, privacy, and export laws, our growth could be harmed. Risks Related to Ownership of Our Class A Common Stock • The ~~market~~ **stock** price of our Class A common stock has been, and **may** ~~will likely~~ continue to be, volatile, and you could lose all or part ~~of the value~~ of your investment. • The dual class structure of our common stock has the effect of concentrating ~~substantial influence~~ **voting control** with holders of our Class B common stock, including our **Chief Executive Officer (** CEO **)** ~~and his affiliates~~ , which limits or precludes your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction **. • Investor expectations and our disclosed performance and aspirations for environmental, social, and governance (ESG) factors may expose us to new risks and additional costs** . If we are unable to attract new customers and retain and expand sales to existing customers, our revenue growth could be slower than we expect, and our business may be adversely affected. Our ability to achieve significant growth in revenue in the future will depend, in large part, upon our ability to attract new customers **, both domestically and internationally** . This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate billings and other business and financial management tools, including custom-built solutions, into its business, as such an organization may be reluctant or unwilling to invest in new products and services. As a result, selling our ~~solution~~ **solutions** often requires sophisticated ~~and~~ **,** costly **, and lengthy** sales efforts that are targeted at **functional experts and** senior management **, and the success of these efforts can be difficult to predict** . During the fiscal year ended January 31, ~~2023~~ **2024** , sales and marketing expenses represented approximately ~~44~~ **39** % of our total revenue. If we fail to attract new customers and ~~fail to~~ maintain and expand new customer relationships, our revenue may grow more slowly than we expect ~~and~~ **. Additionally, we may successfully attract new customers but underestimate the length of time for such new relationships to become profitable. If we experience any of these issues attracting, maintaining, expanding, or profiting from new customers,** our business **and operating results** may be adversely affected. Our future revenue growth also depends upon **our ability to** ~~retaining~~ --- **retain** and ~~expanding~~ --- **expand** sales and renewals of subscriptions to our ~~solution~~ **solutions** with existing customers. If our existing customers do not expand their use of our ~~solution~~ **solutions** over time ~~or~~ **,** do not renew their subscriptions or if we receive requests from an increased number of customers for changes to payment or other terms as a result of the impact of macroeconomic conditions, including global economic uncertainty **geopolitical tensions, inflation** and increasing ~~inflation and~~ interest rates, on their businesses, our revenue may grow more slowly than expected, may not grow at all, or may decline. Our success is also dependent, in part, on our ability to **effectively differentiate and** cross- sell our products. If we experience issues with successfully implementing or cross- selling our products, revenue may grow more slowly or may not grow at all . Our sales and marketing efforts also...... and operating results could be adversely affected . Our customers generally enter into subscription agreements with terms of one to five years and have no obligation to renew their subscriptions after the expiration of their initial subscription period. Moreover, our customers that do renew their subscriptions may renew for lower subscription or usage amounts or for shorter subscription periods. In addition, in the first year of a subscription, customers often purchase an increased level of professional services (such as deployment services) than they do in renewal years. Costs associated with maintaining a professional services department are relatively fixed in the short term while professional services revenue is dependent on the amount of billable work actually performed for customers in a period, the combination of which may result in variability in, and have ~~a negative~~ **an adverse** impact on, our gross profit. Customer renewals may decline or fluctuate as a result of a number of factors, including the breadth of ~~early~~ deployment, reductions in our customers' spending levels, ~~higher~~ **the** ~~volumes~~ - **volume** of usage purchased upfront relative to actual usage during the subscription term, changes in customers' business models **, our customers' performance,** and use cases, our customers' satisfaction or dissatisfaction with our ~~solution~~ **solutions** , our pricing or pricing structure, the pricing or capabilities of products or services offered by our competitors, or the effects of general macroeconomic conditions. If our customers do not renew their agreements with us, or renew on terms less favorable to us, our revenue may decline. **Our sales and marketing efforts are impacted by macroeconomic conditions and other events beyond our control. In light of** ~~Current~~ **current** ~~and future economic~~ **macroeconomic conditions and** uncertainty **, certain customers** and **prospective customers have reduced or delayed technology or** other **discretionary spending** ~~unfavorable conditions in our~~ - **or otherwise** ~~industry or the global economy have and may continue to limit our ability to grow our business and negatively affect our operating results. Our operating results may vary based on the impact of changes in the U. S. and global economy, including recession, fluctuations in inflation and interest rates, and general economic downturns, which can arise~~ -- **are** ~~suddenly. As~~ **cautious about purchasing decisions and, as** a result ~~of current weakened macroeconomic conditions and uncertainty, and related corporate cost cutting and tighter budgets~~ , we are experiencing longer sales cycles ~~and collection periods~~ **in some cases** . **If** ~~Prolonged macroeconomic weakness and uncertainty could continue to adversely affect~~ the **impacts to customers** ~~ability or willingness of our current~~ and prospective customers ~~to purchase or expand their purchase~~ of **current macroeconomic conditions and uncertainty persist** ~~our~~ - **or** ~~products~~ **worsen** , ~~further delay customer purchasing decisions, reduce the value of customer contracts, affect attrition rates, or further lengthen collection periods, any of which could materially and adversely affect~~ our business, operating results, financial ~~conditions~~ - **condition** and prospects ~~impacting approximately 11 % of~~ **could be materially and adversely affected.While we currently expect to expand** our ~~workforce~~ **sales efforts both in the U** . **S.** ~~This reduction disproportionately impacted our go- to- market organization~~ and ~~consequently~~ **abroad in the long term,any continuing or future business disruptions** may adversely impact **these efforts and** our **business** ~~ability to achieve our future operational targets~~ . **We** ~~In the future,we~~ may be unable to hire **and successfully train** qualified sales personnel ~~,may be unable to successfully train those sales personnel that we are able to hire~~ ,and sales personnel may not become fully productive on the timelines that we have projected or at all.Further,although we dedicate significant resources to sales and marketing programs,these sales and marketing programs may ~~not~~ **take longer than we anticipate to** have the desired effect ~~and~~ **,or** may not expand sales **at all** ~~.We cannot~~ . We cannot **assure you that** ~~predict the timing, strength, or~~ **our efforts will result** ~~duration~~

~~of any economic downturn. Moreover, there has been recent turmoil~~ in **increased sales** ~~the global banking system, and continued disruptions in the banking system, both in the U. S. or abroad, may impact our~~ - **or additional revenue. If** ~~or~~ **our** ~~our~~ **efforts to expand sales and renewals to new and existing** customers ~~' liquidity and~~ **are not successful** , ~~as a result, negatively impact~~ our business and operating results **could be adversely affected. We may continue to experience organizational changes which may make our operations more complex and may continue to place significant demands on our management and our operational and financial resources** . If we are unable to manage our ~~growth~~ **revenue** and profitability plans effectively, which may continue to be impacted by macroeconomic conditions and other factors outside of our control, our business, operating results, and financial condition could be adversely affected. To manage ~~growth~~ **changes** in our operations and personnel, we will need to continue to improve and achieve efficiencies with respect to our operational, financial, and management controls and our reporting systems and procedures, including improving timely access to operational information to optimize business decisions. For example, in ~~November~~ **January** ~~2022~~ **2024** , ~~we~~ **our Board of Directors** approved a workforce reduction plan designed to ~~improve operational efficiencies and operating costs and~~ better align ~~our workforce~~ **the organization** with **the company' s** current business ~~needs,~~ priorities ~~,~~ and ~~near term~~ **enable further investment in key areas, along with strengthening our commitment to profitable** growth ~~expectations~~ . Failure to manage ~~growth~~ **revenue** and profitability plans effectively could result in difficulty or delays in deploying customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new products and services or enhancing existing products and services, loss of customers, or other operational difficulties in executing sales strategies, any of which could adversely affect our business performance and operating results. Our success depends on companies investing in monetization solutions, including ~~subscription~~ **recurring revenue** or consumption management, revenue recognition and subscriber experience software and products, and consumers choosing to consume products and services through such solutions. Companies may be unwilling or unable to invest in monetization solutions due to the significant cost of such solutions or if they do not believe that the consumers of their products and services would be receptive to offerings on such monetization solutions, or they may choose to invest in such solutions more slowly than we expect. Our **growth** ~~success will~~ also ~~depend~~ **depends** , to a large extent, on the willingness of large enterprises that have adopted ~~subscription~~ **recurring revenue** or consumption business models utilizing cloud- based products and services to manage billings and financial accounting relating to their offerings. In addition, those enterprises that do shift to a ~~subscription~~ **recurring revenue** model may decide that they do not need a solution that offers the range of functionalities that we offer. Many companies have invested substantial effort and financial resources to develop custom- built applications or integrate traditional enterprise software into their businesses as they adopt recurring revenue business models and may be reluctant or unwilling to switch to different applications. Factors that may affect market acceptance and sales of our products and services include: • the number of companies shifting to ~~subscription~~ **recurring revenue** business models; • the number of consumers and businesses adopting new, flexible ways to consume products and services; • the security capabilities, reliability, and availability of cloud- based services; • customer concerns with entrusting a third party to store and manage their data, especially transaction- critical, confidential, or sensitive data; • our ability to minimize the time and resources required to deploy our ~~solution~~ **solutions** ; • our ability to achieve and maintain high levels of customer satisfaction; • our ability to deploy upgrades and other changes to our ~~solution~~ **solutions** without disruption to our customers; • the level of customization or configuration we offer; • the overall level of corporate spending and spending on quote- to- ~~cash and~~ revenue ~~recognition~~ solutions by our customers and prospects, including the impact of spending due to macroeconomic conditions; • general macroeconomic conditions, both in domestic and foreign markets, including the impacts associated with rising interest rates and inflation, slower growth or recession, **geopolitical unrest and developments such as** the ongoing ~~conflict~~ **conflicts in** ~~following Russia' s invasion of~~ Ukraine ~~,~~ and ~~the COVID~~ **Israel, changes in China** - ~~19 pandemic~~ **Taiwan and U. S.- China relations, bank failures, debt ceiling negotiations, and potential government shutdowns** ; and • the price, performance, and availability of competing products and services. The markets for ~~subscription~~ **monetization** products and services and for **monetization** ~~subscription management~~ software may not develop further or may develop slower than we expect. If companies do not shift to ~~subscription~~ **recurring revenue** business models and **monetization** ~~subscription management~~ software does not achieve widespread adoption, or if there is a reduction in demand for ~~subscription~~ **monetization** products and services or **monetization** ~~subscription management~~ software caused by technological challenges, weakening economic conditions, security or privacy concerns, decreases in corporate spending, a lack of customer acceptance, or otherwise, our business could be materially and adversely affected. In addition, our subscription agreements with our customers generally provide for a minimum monetization platform fee and usage- based fees, which depend on the total dollar amount that is invoiced or managed on our ~~solution~~ **solutions** , or the total usage of our ~~solution~~ **solutions** . Because a portion of our revenue depends on the volume of transactions that our customers process through our ~~solution~~ **solutions** , if our customers do not adopt our ~~solution~~ **solutions** throughout their business, if their businesses decline or fail **such that they discontinue using our solutions** , or if they are unable to successfully shift to ~~subscription~~ **recurring revenue** business models, including if they fail to successfully deploy our ~~solution~~ **solutions** , our revenue could decline and our operation results could be adversely impacted. **If we are unable to grow our sales channels and our relationships with strategic partners, such as system integrators, management consulting firms, and strategic technology partners, sales of our products and services may suffer and our growth could be slower than we project. In addition to our direct sales force, we use strategic partners, such as system integrators, management consulting firms, and strategic technology partners, to market, sell, and implement our solutions. Historically, we have used these strategic partners largely with respect to enterprise and international sales and larger implementations of our products where these partners may have more expertise and established business relationships than we do. While we expect to continue to utilize our own professional services, especially for smaller fast- growing companies, we also expect to continue to transition a portion of our professional services implementations to these strategic partners, and as a result we expect our professional services revenue as an overall percentage of Zuora' s total revenue to continue to**

**decline over time.** Our **relationships with** ~~international operations expose us to the~~ **these strategic partners are still maturing** ~~effects of fluctuations in currency exchange rates~~ , and ~~may increase~~ **we cannot assure you that** ~~the~~ **these** ~~cost of~~ **partners will be successful in marketing, selling** ~~our~~ - **or implementing our** ~~solution~~ **solutions . Identifying these partners, negotiating and supporting relationships with them, including training them in how** to ~~customers outside~~ **sell or deploy our solutions, and maintaining these relationships requires significant commitment** of **time and resources that may not yield a significant return on our investment in these relationships. Our future growth in revenue and ability to achieve and sustain profitability depends in part on our ability to identify, establish, and retain successful strategic partner relationships in** the United States ~~when~~ **and internationally, which will take significant time and resources and involve significant risk. If we are unable to establish and maintain our relationships with** ~~the~~ **these** ~~U~~ **partners, or otherwise develop and expand our indirect distribution channel, our business, operating results, financial condition, or cash flows could be adversely affected** . ~~S. dollar is stronger relative~~ **We also cannot be certain that we will be able** to **maintain successful relationships with any strategic partners and, to** ~~other~~ -- **the** ~~currencies~~ **extent that our strategic partners are unsuccessful in marketing, selling, or implementing our solutions, our business, operating results, and financial condition could be adversely affected** . ~~Currency exchange rate fluctuations~~ **Our strategic partners may market to our customers the products and services of several different companies, including products and services that compete with our solutions. Because our strategic partners do not** have ~~and~~ - **an** ~~may continue~~ **exclusive relationship with us, we cannot be certain that they will prioritize or provide adequate resources** to **marketing our solutions. Moreover, divergence in strategy by any of these partners may materially and** adversely affect our **ability to develop, market, sell, or support our solutions. We cannot assure you that our strategic partners will continue to cooperate with us. In addition, actions taken or omitted to be taken by such parties may adversely affect us. We are unable to control the quantity or quality of resources that our systems integrator partners commit to deploying our products and services, or the quality or timeliness of such deployment. If our partners do not commit sufficient or qualified resources to these activities, our customers may be less satisfied, or less supportive with references, or may require the investment of our resources at discounted rates. These, and other failures by our partners to successfully deploy our products and services, may have an adverse effect on our** business ~~,~~ **and our** operating results , financial condition, and cash flows...... our exposure to foreign currency exchange risks . Our business depends largely on our ability to attract and retain talented employees, including senior management, and maintain our corporate culture. If we lose the services of Tien Tzuo, our founder, Chairman, and **CEO** ~~Chief Executive Officer~~ , or other critical talent across our executive team and in other key roles, or fail to maintain our corporate culture, we may not be able to execute on our business strategy. Our future success depends on our continuing ability to attract, train, engage, assimilate, and retain highly skilled personnel, including software engineers, product management, sales, and professional services personnel. We have historically faced intense competition for qualified individuals from numerous software and other technology companies. Although ~~our~~ **we have experienced decreased** voluntary turnover **since** ~~decreased in fiscal 2023 as compared to~~ fiscal 2022, we may experience heightened attrition, including of those with significant institutional knowledge and expertise **, adversely impacting productivity and our corporate culture** . We may not be able to retain our current key employees, or attract, train, assimilate, or retain other highly skilled personnel in the future, especially in light of uncertain macroeconomic **and geopolitical** conditions globally. For example, employees may seek new or different opportunities that offer greater compensation or benefits than we offer or are able to offer, making it difficult to retain them. In addition, we may incur significant costs to attract and retain highly skilled personnel, and we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. ~~As~~ **If** we move into new countries, we will need to attract and recruit skilled personnel in those areas. If we are unable to attract and retain suitably qualified individuals who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be adversely affected. Further, given that our employees continue to be distributed globally and most of our employees continue to work remotely **in some capacity** , we may find it increasingly difficult to maintain the beneficial aspects of our corporate culture that is focused on inclusivity and high performance, underlying the importance of employee connectivity and accountability. Additionally, we may periodically implement business strategies that impact our employees, **including changes to our organizational structure or workforce adjustments** such as ~~changes to our organizational structure or~~ **our** ~~workforce adjustments. For example, we approved a workforce reduction in~~ November 2022 **and January 2024** ~~that impacted approximately 11 % of our~~ workforce ~~. Any workforce reduction~~ **reductions . Workforce reductions or restructurings** could have an adverse effect on our business, including creating negative employee morale **, harming our reputation and making it difficult to attract new talent, contributing to attrition of employees targeted for retention,** and hindering our ability to meet operational targets due to loss of employees. To the extent our compensation programs and workplace culture are not viewed as competitive, or changes in our workforce or other initiatives are not viewed favorably, our ability to attract, retain, and motivate employees can be weakened, which could harm our **operating** results **. In order to attract and retain personnel in a competitive marketplace, we believe that we must provide a competitive compensation package, including cash and equity- based compensation. Many** of **our senior personnel and other key employees hold a substantial amount of equity awards and shares and volatility or lack of appreciation in our stock price may affect our ability to attract and retain our senior personnel and key employees. If our stock price is depressed for an extended period of time or if the exercise price of outstanding stock options are significantly above the market price of our Class A common stock (or, conversely, if outstanding equity or vested equity awards have significantly appreciated in value), employees may be more likely to leave us. We therefore may modify our compensation policies by, for example, increasing cash compensation to certain employees or modifying existing share options. These modifications of our compensation policies may increase our** ~~operations~~ - **operating expenses and result in the dilution of the holders of our ordinary shares. Alternatively, we may elect to reduce equity compensation to mitigate the effects of dilution, which**

**could adversely impact employee retention. We cannot be certain that these and any other changes in our compensation policies will or would improve our ability to attract, retain and motivate employees** . Our future success also depends in large part on the continued services of senior management ~~and other key personnel. In particular~~ , **including** ~~we are highly dependent on the services of~~ Tien Tzuo, our founder, Chairman and **CEO** ~~Chief Executive Officer~~ , who is critical to the development of our technology, platform, future vision, and strategic direction. We **also** rely on ~~our~~ **other** ~~leadership~~ --- **leaders** ~~team in~~ **and key personnel across our company, including** ~~the~~ **those** ~~areas of~~ **in our sales, support,** operations, ~~security, marketing, sales, support,~~ and ~~general and administrative functions, and on individual contributors such as those in sales and on our~~ research and development ~~team~~ **teams , which are distributed in the U. S. and abroad** . Our senior management and other key personnel are all employed on an at- will basis, which means that they could terminate their employment with us at any time and for any reason, such as retirement or career change. ~~As we previously announced, Sri Srinivasan, Zuora' s former Chief Engineering and Product Officer, resigned from his role effective March 31, 2023. We are conducting a search for his replacement, and internal leaders are managing the product and engineering organizations until his replacement is hired.~~ If we lose the services of senior management or other key personnel and fail to execute effective succession planning for such key personnel, or if we are unable to attract, train, assimilate, and retain the highly skilled personnel we need, our business, operating results, and financial condition could be adversely affected. ~~Volatility~~ **The market in which we participate is competitive, and** ~~or~~ **our** ~~lack~~ **operating results could be harmed if we do not compete effectively. The market for our solutions is highly competitive, rapidly evolving, and fragmented, and subject to changing technology, shifting customer needs, and frequent introductions** of ~~appreciation in~~ **new products and services. Certain of our current and potential competitors have longer operating histories, access to alternative fundraising sources, significantly greater financial, technical, marketing, distribution** ~~our~~ - **or** ~~stock~~ professional services experience,or other resources or greater name recognition than we do.In addition,many of our current and potential competitors supply a wide variety of products to,and have strong and well- established relationships with,current and potential customers.As a result,our current and potential competitors may be able to respond more quickly and effectively than we can to new or changing opportunities,technologies,standards,or customer requirements or devote greater resources than we can to the development,promotion,and sale of their products and services.In addition,some current and potential competitors may offer products or services that address one or a limited number of functions at lower ~~price~~ **prices** ~~may also affect our~~ - **or with greater depth than our solutions, or integrate or bundle such products and services with their other product offerings. Potential customers may prefer to purchase from their existing suppliers rather than from a new supplier. Our current and potential competitors may develop and market new technologies with comparable functionality to our solutions. In addition, because our products and services are integral to our customers'** ability to ~~attract~~ **accurately maintain books** and **records** ~~retain our key employees. Many of our senior personnel~~ and **prepare financial statements** ~~other key employees have become~~ , ~~or~~ **our** ~~will soon become, vested in a substantial amount~~ **potential customers may prefer to purchase applications that are critical to their business from one** of ~~stock or~~ **our larger,** ~~stock options. Employees may be~~ more ~~likely to leave us if~~ **established competitors, or leverage** the **software** ~~exercise price of the options~~ that they ~~hold are significantly above~~ **have already purchased from our competitors for** ~~the~~ **their billing and accounting needs, or control such infrastructure internally. We may experience fewer customer orders, reduced gross margins, longer sales cycles, and loss of** market **share. This could lead us to decrease prices, implement alternative pricing structures, or introduce products and services available for free or a nominal** price ~~of our Class A common stock or, conversely, if the shares they own or the shares underlying their vested options have significantly appreciated~~ in **order** ~~value relative~~ to ~~the original purchase price of such shares or the exercise price of such options. If we are unable to retain~~ **remain** ~~our employees, or if we need~~ **competitive. We may not be able** to ~~increase our compensation expenses~~ **compete successfully against current and future competitors** , **and** ~~including equity compensation expenses, to retain our employees,~~ our business, **operating** results ~~of operations~~ , **and** financial condition **will** ~~, and cash flows could~~ be adversely **impacted if** ~~affected. If~~ we **fail** ~~are unable~~ to ~~grow~~ **meet these competitive pressures. Our ability to compete successfully in** our ~~sales channels~~ **market depends on a number of factors, both within** and **outside of** our **control. Some of these factors include: ease of use; recurring revenue- based and consumption- based product features and functionality; ability to support the specific needs of companies with recurring revenue, consumption- based, and hybrid business models; ability to integrate with other technology infrastructures and third- party applications; enterprise- grade performance and features such as system scalability, security, reliability, performance, effectiveness, and resiliency; vision for the market and product innovation;** relationships with strategic partners, **including** ~~such as~~ system integrators, management consulting firms, and resellers ~~,~~ **; total cost of ownership; adherence to industry standards and certifications; strength of** sales ~~of our products~~ **and marketing efforts;** ~~and~~ **brand awareness and reputation; and customer experience, including support and professional** services ~~may suffer and our growth could be slower than we project~~ . In addition **, if we are unable** to **effectively articulate the value proposition of our solutions to customers and prospects, we may face difficulties competing in the market and may fail to attract new customers** ~~our~~ - **or** ~~direct sales force~~ **lose or fail to maintain or develop our relationships with existing customers** , ~~we~~ **particularly in the current uncertain macroeconomic environment. Any failure by** ~~use~~ - **us to compete successfully in any one of these or other areas may reduce the demand for our solutions, as well as adversely affect our business, operating results, and financial condition. Moreover, current and future competitors may also make** strategic ~~partners~~ **acquisitions or establish cooperative relationships among themselves or with others** , **including our current or future** ~~such as system integrators, management consulting firms, strategic~~ technology partners ~~and resellers, to market, sell, and implement our solution~~ . ~~Historically~~ **By doing so** , ~~we have used~~ these ~~strategic partners~~ **competitors may increase their ability** to ~~a~~ **meet the needs of our customers or potential customers. These developments could** ~~limited~~ -- **limit** ~~degree, but we are prioritizing efforts to make these partners an increasingly important aspect of~~ our **ability** ~~business particularly with regard~~ to **obtain** ~~enterprise and international sales and larger implementations of our products~~

~~where these partners may have more expertise and established business relationships than we do. We have transitioned and expect to continue to transition a portion of our professional services implementations to these strategic partners, and as a result we expect our professional services~~ revenue ~~as~~ **from existing** ~~an~~ **and new customers** ~~overall percentage of Zuora' s total revenue to continue to decline over time. Our relationships with these strategic partners are still maturing, and we cannot assure you that these partners will be successful in marketing, selling or implementing our solution. Identifying these partners, negotiating and supporting relationships with them, including training them in how to sell or deploy our solution, and maintaining these relationships requires significant commitment of time and resources that may not yield a significant return on our investment in these relationships. Our future growth in revenue and ability to achieve and sustain profitability depends in part on our ability to identify, establish, and retain successful strategic partner relationships in the United States and internationally, which will take significant time and resources and involve significant risk~~. If we are unable to **compete** ~~establish and maintain our relationships with these partners, or otherwise develop and expand our indirect distribution channel, our business, operating results, financial condition, or cash flows could be adversely affected. We also cannot be certain that we will be able to maintain successful~~ **successfully against current** ~~relationships with any strategic partners~~ and **future competitors** ~~, to the extent that our strategic partners are unsuccessful in marketing, selling, or implementing our solution~~, our business, operating results, and financial condition could be adversely **impacted. Current and future economic uncertainty and other unfavorable conditions in our industry or the global economy have limited and may continue to limit our ability to grow our business and adversely** ~~affected~~ -- **affect our operating results** . Our **operating results may vary based on the impact of changes in the U. S. and global economy, including fluctuations in inflation and interest rates, geopolitical tensions, debt and equity market fluctuations, diminished liquidity and credit availability, bank failures, debt ceiling negotiations, potential government shutdowns, recessionary conditions and general economic downturns, which can arise suddenly, and the full impact of such conditions can be difficult to predict. As a result of ongoing uncertain macroeconomic conditions, and related corporate cost cutting and tighter budgets, we have experienced and may continue to experience longer sales cycles and collection periods in some cases. Prolonged macroeconomic uncertainty could continue to adversely affect the ability or willingness of our current and prospective customers to purchase or expand their purchase of our products, further delay customer purchasing decisions, reduce the value of customer contracts, affect attrition rates, or further lengthen collection periods, any of which could materially and adversely affect our business, operating results, financial conditions and prospects. We cannot predict the timing, strength, or duration of any economic downturn. Moreover, any future disruptions in the banking system, both in the U. S. or abroad, may impact our or our customers' liquidity and, as a result, adversely impact our business and operating results. We have incurred net losses in each fiscal year since inception, including net losses of $ 68. 2 million, $ 198. 0 million, and $ 99. 4 million in fiscal 2024, 2023, and 2022, respectively, and may continue to incur net losses in the future. As we grow, we expect to make additional expenditures related to the development and expansion of our business, including increasing our overall customer base, expanding relationships with existing customers, entering new vertical markets, expanding our global footprint, expanding and leveraging our relationships with** strategic partners ~~may market~~ **including system integrators** to **accelerate our growth, optimizing pricing and packaging, expanding our operations and infrastructure, and potentially acquiring other businesses. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently,** ~~our~~ **or at all,to** offset these increased expenses.In addition,we may delay or reevaluate some or all of the foregoing initiatives in the event that macroeconomic conditions or other factors beyond our control adversely impact our business or operating results.Any delays or reductions in spending in our business development or expansion efforts may ~~negatively~~ **adversely** affect our ability to expand our operations and maintain or increase our sales.While our revenue has grown in recent years, **such results are not indicative of future growth and** if our revenue declines or fails to grow at a rate faster than these increases in our operating expenses,we ~~will~~ **may** not be able to achieve ~~and~~ **or** maintain profitability in future periods ~~.As a result,we may continue to generate losses.We cannot assure you that we will achieve profitability in the future or that,if we do become profitable,we will be able to sustain profitability~~ .Our revenue growth and ability to achieve and sustain profitability will depend,in part,on being able to increase the productivity of our sales force.To date,most of our revenue has been attributable to the efforts of our direct sales force. **To** ~~In order to~~ increase our revenue and achieve and sustain profitability **,we must increase the productivity of our direct sales force,both in the United States and internationally,to generate additional revenue from new and existing** customers **. Because our solutions are often sold to large enterprises and may involve long sales cycles and complex customer requirements,** ~~the~~ **there is significant competition for sales personnel** ~~products and services of several different companies, including products and services that compete~~ with **the specific skills and technical knowledge needed to sell** our ~~solution~~ **solutions** . ~~Because~~ **Our ability to achieve significant revenue growth will depend, in large part, on** our ~~strategic partners~~ **success recruiting, hiring, training, motivating, and retaining sufficient numbers of effective sales personnel to support our growth, and such efforts may be difficult and expensive. If we are not able to attract and maintain sufficient numbers of effective sales personnel, our sales personnel** do not **reach sufficient levels of productivity on the timelines we** have **projected or at all, or our sales personnel are not successful in bringing potential customers into the pipeline, converting them into new customers, or increasing sales to our existing customer base, our revenue will not increase at anticipated levels** ~~an~~ **and** ~~exclusive relationship with us, we cannot~~ **our ability to achieve long- term projections may** be **adversely impacted. We may also be unable to hire or** ~~certain~~ **retain sufficient numbers of qualified individuals in the markets where we operate or plan to operate. Furthermore, hiring sales personnel in new countries requires additional set up and upfront costs** that **we may not recover if** ~~they~~ **the sales personnel fail to achieve full productivity. In addition, as we continue to grow, a larger percentage of our sales force** will ~~prioritize~~ **be new to** ~~or~~ **our company and** ~~provide adequate resources to marketing~~ our ~~solution~~ **solutions** ~~. Moreover~~ , **which** ~~divergence in strategy by any of these partners~~ may

~~materially~~ adversely affect our ~~ability to develop~~ **sales if we cannot train our sales force quickly or effectively. Attrition rates may increase** , **and we may also face integration challenges inherent in efficiently managing an increased number of employees over large geographic distances, as we continue to seek to expand our sales force in the long- term. If we are unable to hire and train sufficient numbers of effective sales personnel, if attrition increases, or if the sales personnel are not successful in obtaining new customers or increasing sales to our existing customer base, our business will be adversely affected. We periodically change and make adjustments to our sales organization in response to** market **opportunities** , ~~sell~~ **competitive threats** , ~~or support~~ **management changes, product and service introductions** ~~our~~ **or** ~~solution. We cannot assure you that our strategic partners will continue to cooperate~~ **enhancements, acquisitions, sales performance, increases in sales headcount, cost levels, and other internal and external considerations, including potential changes and uncertainties associated** with ~~us~~ **macroeconomic conditions or other factors beyond our control. Any future changes in our sales organization may result in a temporary reduction of productivity, which could adversely affect our rate of growth** . In addition, ~~actions taken~~ **any significant change to the way we structure** ~~or~~ **our** ~~omitted to~~ **compensation of our sales organization may** be **disruptive and** ~~taken by such parties~~ may ~~adversely~~ affect ~~us. We are unable to control the quantity or~~ **our revenue growth** ~~quality of resources that our systems integrator partners commit to deploying our products and services, or the quality or timeliness of such deployment. If our partners do not commit sufficient or qualified resources to these activities, our customers may be less satisfied, or less supportive with references, or may require the investment of our resources at discounted rates. These, and other failures by our partners to successfully deploy our products and services, may have an adverse effect on our business and our operating results~~ . Our success depends in large part on a limited number of products. If these products **, enhancements to these products, or future products we develop,** fail to gain or lose market acceptance, our business will suffer. We derive substantially all of our revenue and cash flows from sales of subscriptions and associated deployment of our Zuora ~~Platform, Zuora~~ Billing, Zuora Revenue, ~~and~~ Zuora ~~Collect~~ **Payments, Zephr, and Zuora Platform** products ~~, and with the acquisition of Zephr, a digital subscriber experience platform, in fiscal 2023, we added the Zephr subscription experience product to our portfolio~~ . **The** ~~As such, the~~ continued growth in market demand for these products is critical to our success **and may be impacted** ~~. Demand for our solution is affected~~ by a number of factors **outside** ~~, many~~ of ~~which are beyond~~ our control, including macroeconomic factors, such as the impacts of inflation and rising interest rates on our customers and prospects, the growth or contraction of ~~the Subscription Economy~~ **recurring revenue business models by our customers and prospects** , continued market acceptance of our ~~solution~~ **solutions** by customers for existing and new use cases, the timing of development and release of new products and services, features, and functionality introduced by our competitors, changes in accounting standards, laws or regulations, policies, guidelines, interpretations, or principles that would impact the functionality and use of our ~~solution~~ **solutions** , and technological change. We expect that an increasing transition to disaggregated solutions that focus on addressing specific customer use cases would continue to disrupt the enterprise software space, enabling new competitors to emerge. We cannot assure you that our solutions ~~and~~ **,** future enhancements to our ~~solution~~ **solutions , or new products we develop or add to our portfolio as a result of future acquisitions,** will be able to address future advances in technology or the requirements of enterprise customers. If we are unable to meet customer demands in creating ~~a~~ flexible ~~solution~~ **solutions** designed to address all these needs or otherwise achieve more widespread market acceptance of our ~~solution~~ **solutions** , our business, operating results, financial condition, and growth prospects would be adversely affected. **,financial** condition,and cash flows.In addition,we incur expenses for employee compensation and other operating expenses at our non- U.S.locations in the local currency.Fluctuations in the exchange rates between the U.S. ~~Dollar~~ **dollar** and other currencies could result in the dollar equivalent of such expenses being higher.Furthermore,volatile market conditions arising from ~~current and potential future~~ macroeconomic conditions and ~~geopolitical events~~ **the ongoing conflict in Ukraine** may result in significant fluctuations in exchange rates,and,in particular,a weakening of foreign currencies relative to the U.S. ~~Dollar~~ **dollar** may ~~adversely~~ **negatively** affect our revenue.This could have ~~an adverse~~ **a negative** impact on our operating results.Although we may in the future decide to undertake foreign exchange hedging transactions to cover a portion of our foreign currency exchange exposure,we currently do not hedge our exposure to foreign currency exchange risks ~~.~~ We have a history of net losses, anticipate...... impacted. In March 2022, we issued $ ~~250~~ **400** . 0 million aggregate principal amount of convertible senior unsecured notes due in 2029 ( ~~Initial~~ **the 2029** Notes) and warrants for 7. 5 million shares of our Class A common stock ( **the** Warrants) to Silver Lake Alpine II, L. P. (Silver Lake ~~). We have also agreed to issue to Silver Lake an additional $ 150. 0 million in senior unsecured notes in September 2023 (Additional Notes) (together with the Initial Notes, the “ 2029 Notes ”~~ ). Our debt obligations under the 2029 Notes could adversely impact us. For example, these obligations could: • require us to use a substantial portion of our cash flow from operations to pay principal and interest on debt, or to repurchase ~~our~~ **the** 2029 Notes when required upon the occurrence of certain events or otherwise pursuant to the terms thereof, which will reduce **or exhaust** the amount of cash flow available to fund working capital, capital expenditures, acquisitions, and other business activities **and could require us to seek additional financing that may not be available on favorable terms, or at all** ; • require us to use cash and / or issue shares of our Class A common stock to settle any obligations; • result in certain of our debt instruments being accelerated or being deemed to be in default if certain terms of default are triggered, such as applicable cross payment default and / or cross- acceleration provisions ; • adversely impact our credit rating, which could increase future borrowing costs ; • limit our future ability to raise funds for capital expenditures, strategic acquisitions or business opportunities, and other general corporate requirements ; • restrict our ability to create or incur liens and engage in other transactions and activity; • increase our vulnerability to adverse economic and industry conditions ; • dilute our **outstanding Class A common stock, which, to the extent we generate net income, may negatively impact** earnings per share **,** as a result of the conversion provisions in the 2029 Notes ; and • place us at a competitive disadvantage compared to our less leveraged competitors. Additionally, due to certain settlement provisions ~~in~~ **associated with** the **2029 Notes and** Warrants, we have classified **all of the Warrants and** a portion of the ~~Warrants~~ **debt conversion option** as a current liability and revalue ~~the~~ **these** ~~liability~~ **liabilities** on a quarterly basis, which may adversely affect our future operating results and financial condition as reported on a GAAP basis. We also have a $ 30. 0 million revolving credit facility **, which is currently undrawn,** under an agreement ~~originally entered into~~ with Silicon Valley Bank ~~(SVB)~~ , **a division** ~~which is currently undrawn. Following the closure~~ of ~~SVB in March 2023, the credit facility was subsequently assumed by~~ First **-** Citizens Bank & Trust. The credit facility contains restrictive covenants, including limitations on 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 our 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. Failure to comply with the covenants or other restrictions could result in a default. In addition, the credit facility is secured by substantially all of our non- intellectual property assets and requires us to satisfy certain financial covenants. Our ability to meet our payment obligations under our debt instruments depends on our ability to generate significant cash flows in the future. This, to some extent, is subject to market, economic, financial, competitive, legislative, and regulatory factors as well as other factors that are beyond our control. There can be no assurance that our business will generate cash flow from operations, or that additional capital will be available to us, **either on favorable terms or** in amounts sufficient to enable us to meet our debt payment obligations and to fund other liquidity needs. For example, we may utilize proceeds from the 2029 Notes for acquisitions or other investments ~~that do~~ **or for other corporate purposes, such as purchases of our outstanding common stock. Any such actions may** not increase our enterprise value ~~or~~ **. If** we **are** ~~may otherwise be~~ unable to generate sufficient cash ~~flows~~ - **flow** to ~~repay~~ **service** our debt obligations **, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional capital on terms that may be onerous or highly dilutive. Our ability to refinance the 2029 Notes, our revolving credit facility or future indebtedness will depend on market conditions and our financial condition at such time. We may not be able to engage in any of these activities on desirable terms, or at all, which could result in a default on our debt obligations. Any such default could have a material adverse effect on our business and financial condition** . See Note 9. Debt and Note 17. Warrants to Purchase Shares of Common Stock of the Notes to Consolidated Financial Statements for more information about the 2029 Notes, Warrants and the revolving credit facility. Our operating results may fluctuate from quarter to quarter, which makes our future results difficult to predict. Our quarterly operating results have fluctuated in the past and may fluctuate in the future. As a result, you should not rely upon our past quarterly operating results as indicators of future performance. We have encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly evolving markets, such as the risks and uncertainties described herein. Our operating results in any given quarter can be influenced by numerous factors, many of which are unpredictable or are outside of our control, including: • our ability to maintain and grow our customer base **and convert our pipeline into paying customers** ; • our ability to retain and increase revenue from existing customers; • our ability to introduce new products and services and enhance existing products and services; • our ability to integrate or implement our existing products and services on a timely basis or at all; • our ability to deploy our products successfully within our customers' information technology ecosystems; • ~~our ability to enter into larger contracts; •~~ increases or decreases in subscriptions to our platform; • our ability to sell to large enterprise customers **and fast- growing companies** ; • the transaction volume that our customers process through our system; • our ability to respond to competitive developments, including competitors' pricing changes and their introduction of new products and services; • macroeconomic conditions, including the impact of foreign exchange fluctuations and rising interest rates and inflation, including wage inflation; • changes in the pricing of our products; • the productivity of our sales force; • our ability to grow our relationships with strategic partners such as system integrators and their effectiveness in increasing our sales and implementing our products; • changes in the mix of products and services that our customers use; • the length and complexity of our sales cycles; • cost to develop and upgrade our ~~solution~~ **solutions** to incorporate new technologies; • seasonal purchasing patterns of our customers; • the impact of outages of our ~~solution~~ **solutions** and reputational harm; • costs related to the acquisition of businesses, talent, technologies, or intellectual property, including potentially significant amortization costs and possible write- downs; • failures or breaches of security or privacy, and the costs associated with responding to and addressing any such failures or breaches; • changes to financial accounting standards and the interpretation of those standards that may affect the way we recognize and report our financial results, including changes in accounting rules governing recognition of revenue ~~; • the impact of changes to financial accounting standards~~ ; • general economic and political conditions and government regulations in the countries where we currently operate or plan to expand; • decisions by us to incur additional expenses, such as increases in sales and marketing or research and development; • the timing of stock- based compensation expense; • political unrest, changes and uncertainty associated with terrorism, hostilities, war **(including the ongoing conflicts in Ukraine and Israel)** , natural disasters ~~or~~ **,** pandemics, ~~such as the COVID- 19 pandemic, the ongoing conflict in Ukraine,~~ and ~~the instability in~~ **continuing disruptions to** the global banking system; and • potential costs to attract, onboard, retain, and motivate qualified personnel. The impact of one or more of the foregoing and other factors may cause our operating results to vary significantly. As such, we believe that quarter- to- quarter comparisons of our operating results may not be meaningful and should not be relied upon as an indication of future performance. If we fail to meet or exceed the expectations of investors or securities analysts, **or perform below any guidance we may provide,** then the trading price of our Class A common stock could fall substantially, and we could face costly lawsuits, including shareholder litigation. **The growth forecasts that we have provided publicly may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, if at all. Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The forecasts we have provided publicly relating to the expected growth of the markets in which we compete may prove to be inaccurate due to unforeseen or unanticipated events. Even if these markets experience the growth we forecast, we may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in executing**

**our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth we have provided publicly should not be taken as indicative of our future growth.** If we are not able to develop and release new products and services, or successful enhancements, new features, and modifications to our existing products and services, or otherwise successfully implement our multi- product strategy, our business could be adversely affected. ~~The~~ **Our industry and the** market for our solutions **are** ~~, including our billing, collections, revenue recognition and subscriber experience offerings, is~~ characterized by rapid technological change **and innovations (such as the use of AI and machine learning technologies)** , frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. ~~The introduction of~~ **If we are unable to develop new** products **that achieve market acceptance, provide enhancements** and ~~services embodying~~ new ~~technologies can~~ **features, or innovate** quickly ~~make existing products and services obsolete and unmarketable~~ **enough to keep pace with these rapid technological developments, our business could be harmed** . Additionally, because we provide billing and finance solutions to help our customers with compliance and financial reporting, changes in law, regulations, and accounting standards could impact the usefulness of our products and services and could necessitate changes or modifications to our products and services to accommodate such changes. **Monetization** ~~Subscription management~~ products and services, including our billing, ~~collections~~ **payments** and revenue recognition offerings, are inherently complex, and our ability to implement our multi- product strategy, including developing ~~and~~ **,** releasing **, marketing and selling** new products and services or enhancements, new features and modifications to our existing products and services depends on several factors, including **our internal departments aligning their respective responsibilities,** timely completion, competitive pricing, adequate quality testing, integration with new and existing technologies and our ~~solution~~ **solutions** , and overall market acceptance. We cannot be sure that we will succeed in developing, marketing, and delivering on a timely and cost- effective basis enhancements or improvements to our platform or any new products and services that respond to continued changes in **monetization** ~~subscription management~~ practices or new customer requirements, nor can we be sure that any enhancements or improvements to our platform or any new products and services will achieve market acceptance. Since developing our ~~solution~~ **solutions** is complex, the timetable for the release of new products and enhancements to existing products is difficult to predict, and we may not offer new products and updates as rapidly as our customers require or expect **. In addition, our product development efforts could be delayed or otherwise adversely impacted if there is an adverse geopolitical event in the countries where we operate, including in China where we have a sizable number of research and development employees** . Any new products or services that we develop may not be introduced in a timely or cost- effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue. The introduction of new products and enhancements could also increase costs associated with customer support and customer success as demand for these services increase. This increase in cost could ~~negatively~~ **adversely** impact profit margins, including our gross margin. Moreover, even if we introduce new products and services, we may experience a decline in revenue of our existing products and services that is not offset by revenue from the new products or services. For example, customers may delay making purchases of new products and services to permit them to make a more thorough evaluation of these products and services or until industry and marketplace reviews become widely available. Some customers may hesitate to migrate to a new product or service due to concerns regarding the complexity of migration or performance of the new product or service. In addition, we may lose existing customers who choose a competitor' s products and services or choose to utilize internally developed applications instead of our products and services. This could result in a temporary or permanent revenue shortfall and adversely affect our business. In addition, because our products and services are designed to interoperate with a variety of other internal or third- party software products and business systems applications, we will need to continuously modify and enhance our products and services to keep pace with changes in ~~application programming interfaces (~~ APIs ~~)~~ , and other software and database technologies. We may not be successful in either developing these new products and services, modifications, and enhancements or in bringing them to market in a timely fashion. There is no assurance that we will successfully resolve such issues in a timely and cost- effective manner. Furthermore, modifications to existing platforms or technologies, including any APIs with which we interoperate, will increase our research and development expenses. Any failure of our products and services to operate effectively with each other or with other platforms and technologies could reduce the demand for our products and services, result in customer dissatisfaction, and adversely affect our business. We may acquire or invest in additional companies, which may divert our management' s attention, result in additional dilution to our stockholders, and consume resources that are necessary to sustain our business. We may be unable to integrate acquired businesses and technologies successfully or to achieve the expected benefits of such acquisitions. Our business strategy includes acquiring other complementary products, technologies, or businesses ~~. For example~~ , **such as our acquisition of Zephr Inc Limited (Zephr)** in September 2022 ~~, we acquired Zephr~~ . An acquisition, investment, or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of the acquired companies, particularly if the key personnel of the acquired companies choose not to work for us, if an acquired company' s software is not easily adapted to work with ours, or if we have difficulty retaining the customers of any acquired business due to changes in management or otherwise. Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for other business development activities. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown liabilities. We may in the future acquire or invest in additional businesses, products, technologies, or other assets. We also may enter into relationships with other businesses to expand our products and services or our ability to provide our products and services in foreign jurisdictions, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing, or investments in other companies. Negotiating these transactions can be time consuming, difficult, and expensive, and our ability to close these transactions may be subject to approvals that are beyond our control. **In addition, we have limited experience in**

**acquiring other businesses. We may be unable to find and identify desirable acquisition targets, may incorrectly estimate the value of a target, may fail to conduct effective due diligence on a target to identify problems or incompatibilities or obstacles to integration, or may not be successful in entering into an agreement with any particular target.** Consequently, these transactions, even if undertaken and announced, may not close. For any transactions we undertake, we may: • issue additional equity securities that would dilute our stockholders; • use cash that we may need in the future to operate our business; • incur debt on terms unfavorable to us or that we are unable to repay; • incur large charges or substantial liabilities; • encounter difficulties retaining key employees of the acquired company or integrating diverse software codes or business cultures; and • become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges. Any of these risks could adversely impact our business and operating results. A customer' s failure to deploy our ~~solution~~ **solutions** after it enters into a subscription agreement with us, or the incorrect or improper deployment or use of our ~~solution~~ **solutions** could result in customer dissatisfaction **, harm our reputation and** ~~and~~ **brand** ~~negatively~~ **, and adversely** affect our business, operating results, financial condition, and growth prospects. Our ~~solution~~ **solutions** ~~is~~ **are** deployed in a wide variety of technology environments and into a broad range of complex workflows. We believe our future success will depend in part on our ability to increase both the speed and success of our deployments, by improving our deployment methodology, hiring and training qualified professionals, deepening relationships with deployment partners, and increasing our ability to integrate into large-scale, complex technology environments. We often assist our customers in deploying our ~~solution~~ **solutions** , either directly or through our deployment partners. In other cases, customers rely on third- party partners to complete the deployment. In some cases, customers initially engage us to deploy our ~~solution~~ **solutions** , but, for a variety of reasons, including strategic decisions not to utilize ~~subscription~~ **recurring revenue** business models, fail to ultimately deploy our ~~solution~~ **solutions** . If we or our third- party partners are unable to deploy our ~~solution~~ **solutions** successfully, or unable to do so in a timely manner and, as a result, customers do not utilize our ~~solution~~ **solutions** , we would not be able to generate future revenue from such customers based on transaction or revenue volume and the upsell of additional products and services, and our future operating results could be adversely impacted. In addition, customers may also seek refunds of their initial subscription fee. Moreover, customer perceptions of our ~~solution~~ **solutions** may be impaired, our reputation and brand may suffer, and customers may choose not to renew or expand their use of our ~~solution~~ **solutions** . As a ~~substantial~~ portion of our sales efforts are ~~increasingly~~ targeted at large enterprise customers, our sales cycle **for these customers** may become longer and more expensive, we may encounter still greater pricing pressure and deployment and customization challenges, and we may have to delay revenue recognition for more complicated transactions, all of which could adversely impact our business and operating results. As a ~~substantial~~ portion of our sales efforts are ~~increasingly~~ targeted at large enterprise customers, we may face greater costs, longer sales cycles, and less predictability in the completion of ~~some of~~ our sales **to these customers** . In this market segment, the customer' s decision to use our ~~solution~~ **solutions** may be an enterprise- wide decision, in which case these types of sales frequently require approvals by multiple departments and executive- level personnel and require us to provide greater levels of customer education regarding the uses and benefits of our ~~solution~~ **solutions** , as well as education regarding security, privacy, and scalability of our ~~solution~~ **solutions** , especially for large " business to consumer " customers or those with extensive international operations. These large enterprise transactions might also be part of a customer' s broader business model or business systems transformation project, which are frequently subject to budget constraints, multiple approvals, and unplanned administrative, processing, security review, and other delays that could further lengthen the sales cycle. Larger enterprises typically have longer decision- making and deployment cycles, may have greater resources to develop and maintain customized tools and applications, demand more customization, require greater functionality and scalability, expect a broader range of services, demand that vendors take on a larger share of risks, demand increased levels of customer service and support, require acceptance provisions that can lead to a delay in revenue recognition, and expect greater payment flexibility from vendors. We are often required to spend time and resources to better familiarize potential customers with the value proposition of our ~~solution~~ **solutions** . As a result of these factors, sales opportunities with large enterprises may require us to devote greater sales and administrative support and professional services resources to individual customers, which could increase our costs, lengthen our sales cycle, and divert our sales and professional services resources to a smaller number of larger customers. We may spend substantial time, effort, and money in our sales, design and implementation efforts without being successful in producing any sales or deploying our products in such a way that is satisfactory to our customers. All these factors can add further risk to business conducted with these customers. In addition, if sales expected from a large customer for a particular quarter are not realized in that quarter or at all, our business, operating results, and financial condition could be materially and adversely affected. Furthermore, our sales and implementation cycles could be interrupted or affected by other factors outside of our control. For example, due to global economic uncertainty, rising inflation and interest rates, and foreign exchange fluctuations, many large enterprises have generally reduced or delayed technology or other discretionary spending, which may materially and ~~negatively~~ **adversely** impact our operating results, financial condition and prospects. Our long- term success depends, in part, on our ability to expand the sales of our ~~solution~~ **solutions** to customers located outside of the United States. Our current international operations, and any further expansion of those operations, expose us to risks that could have a material adverse effect on our business, operating results, and financial condition. We conduct our business activities in various foreign countries and have operations in North America, Europe, Asia, and Australia. During the fiscal year ended January 31, ~~2023~~ **2024** , we derived approximately ~~35~~ **36** % of our total revenue from customers located outside the United States. Our ability to manage our business and conduct our operations internationally requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple cultures, customs, legal systems, regulatory systems, and commercial infrastructures. International expansion requires us to invest significant funds and other resources. Our operations in international markets may not develop at a rate that supports our level of investment. ~~Expanding~~ **Our** ~~internationally~~ -- **international operations, including any future expansion,** may subject us to ~~new~~ risks ~~that we have not faced before or~~

~~increase risks that we currently face~~ , including ~~risks associated~~ with: • recruiting and retaining talented and capable employees in foreign countries; • **efficiently managing employees over large geographic distances; • maintaining our company culture with a dispersed workforce; •** providing our ~~solution~~ **solutions** to customers from different cultures, which may require us to adapt sales practices, modify our ~~solution~~ **solutions** , and provide features necessary to effectively serve the local market; • compliance with multiple, conflicting, ambiguous or evolving governmental laws and regulations and court decisions, including those relating to employment matters, e- invoicing, consumer protection, **intellectual property,** privacy, data protection, information security, data residency, and encryption **; • investing in infrastructure, typically well in advance of revenue generation** ; • longer sales cycles in some countries ~~; • increased third- party costs relating to data centers outside of the United States~~ ; • generally longer payment cycles and greater difficulty in collecting accounts receivable; • credit risk and higher levels of payment fraud; • weaker privacy and intellectual property protection in some countries, including China and India; • compliance with anti- bribery laws, such as the U. S. Foreign Corrupt Practices Act of 1977, as amended (FCPA) and the UK Bribery Act 2010 (UK Bribery Act); • currency exchange rate fluctuations **and inflationary pressure** ; • tariffs, export and import restrictions, restrictions on foreign investments, sanctions, and other trade barriers or protection measures; • foreign exchange controls that might prevent us from repatriating cash earned outside the United States; • economic instability and inflationary conditions; • political instability and unrest, including the effects of the ongoing ~~conflict~~ **conflicts** in Ukraine **and Israel** , especially as it impacts countries in Europe **, and changes in the public perception of governments in the countries where we operate or plan to operate** ; • corporate espionage; • **treatment of revenue from international sources and** compliance with the laws of numerous taxing jurisdictions, both foreign and domestic, in which we conduct business, potential double taxation of our international earnings, and potentially adverse tax consequences due to changes in applicable U. S. and foreign tax laws; • continuing uncertainty regarding social, political, immigration, and tax and trade policies in the U. S. and abroad; • ~~instability in~~ **disruptions to** the U. S. and international banking systems; • increased costs to establish and maintain effective controls at foreign locations; and • overall higher costs of doing business internationally. **In addition** ~~Our growth forecasts we have provided publicly may prove to be inaccurate~~ , **geopolitical tensions** ~~and even if the markets~~ in ~~which~~ **countries where** we **operate may increase our costs of** ~~compete achieve the forecasted growth, we cannot assure that our~~ **or otherwise prevent us from operating** ~~business will grow at similar rates, if at all. Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The forecasts we have provided publicly relating to the expected growth of the markets~~ in ~~which we compete may prove to be inaccurate. Even if~~ these ~~markets experience~~ **countries. If authorities in** ~~the~~ **these locations impose costly** ~~growth we forecast, we may not grow our~~ **or overly burdensome requirements** ~~business at similar rates,~~ or **other sanctions, we** ~~at all. Our growth is subject to many~~ **may** ~~factors, including our success in executing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth we have provided publicly should~~ not be **able to continue** ~~taken as indicative of our~~ **or** ~~future growth~~ **may need to limit our operations in these countries. For example, we have approximately 150 employees in China, of which most are on our research and development and engineering operations teams. If trade relations between the U. S. and China continue to deteriorate or if sanctions or other regulatory requirements are imposed on our operations in China, it could negatively impact our business operations, product development plans, operating results, and financial condition** . If we fail to offer high- quality support and training to our customers and third- party partners, our business and reputation will suffer ~~. Once our solution is deployed to our customers, our customers rely on support services from us and from our third- party partners to resolve any related issues~~ . High- quality education, training and support for our customers and third- party partners is important for the successful marketing and sale of our products **to new customers** and ~~for the renewal of~~ **to maintain and expand our relationship with** existing customers. The importance of high- quality customer and third- party partner training and support will increase as we expand our business and pursue new ~~enterprises~~ **customers. As we add or integrate new services to our portfolio (such as with our acquisition of Zephr), and as we expand internationally, we and our third- party partners may experience challenges in accurately assessing the capabilities of, and providing technical support for, such services. In addition, we are unable to control our third- party partners and therefore cannot control the speed or effectiveness of their support services, which could harm our reputation** . If we or our third- party partners do not help our customers quickly resolve post- deployment **technical and operational** issues **related to our platform** , including configuring and using features, and provide them with effective ongoing customer support, our ability to upsell additional products to existing customers could suffer and our reputation with existing or potential customers could be harmed. Future changes in market conditions or customer demand could require changes to our prices or pricing model, which could adversely affect our business, operating results, and financial condition. We generally charge our customers a flat fee for their use of our platform and **modules and** a variable fee based on the amount of transaction volume they process through our system and the number of their subscribers. If our customers do not increase their transaction volume or the number of their subscribers, or an **event outside of our control, such as an** economic downturn **,** reduces their transaction volume or the number of their subscribers, our revenue may be adversely impacted by customers reducing their contracted transaction volume. We have limited experience with respect to determining the optimal prices for our platform, and, as a result, we have in the past needed to **,** and expect in the future to need to **,** change our pricing model from time to time. As the market for our ~~platform~~ **products** matures, or as new competitors introduce new products or services that compete with ours **or reduce their prices** , we may be unable to attract ~~new~~ **or retain** customers at the same price or based on the same pricing models as we have used historically. We may experience pressure to change our pricing model to defer fees until our customers have fully deployed our ~~solution~~ **solutions** . Moreover, larger organizations, which comprise a large and growing component of our sales efforts, may demand substantial price concessions. As a result, in the future, we may be required to reduce our prices or change our pricing model, which could adversely affect our revenue, gross margin, profitability, financial position, and cash flow. If we fail to integrate our ~~solution~~ **solutions** with a variety of operating systems, software applications, and hardware platforms that are developed by others, our ~~solution~~ **solutions** may become less marketable, less competitive, or obsolete, and our operating results may be adversely affected. Our ~~solution~~ **solutions** must integrate with a variety of network, hardware, and software platforms, and we need to continuously modify and enhance our ~~solution~~ **solutions** to adapt to changes in cloud- enabled hardware, software, networking, browser, and database technologies. We have developed our ~~solution~~ **solutions** to be able to integrate with third- party SaaS applications, including the applications of software providers that compete with us, **by utilization** ~~through the use~~ of ~~APIs. For example, Zuora CPQ integrates with certain capabilities of Salesforce using publicly available~~ APIs. In general, we rely on the fact that the providers of such software systems, including Salesforce, continue to allow us access to their APIs to enable these integrations, and the terms with such companies may be subject to change from time to time. We also integrate certain aspects of our ~~solution~~ **solutions** with other platform providers. **We may not be successful in either developing necessary modifications and enhancements or resolving interoperability issues in a timely and cost- effective manner.** Any **failure of our products and services to continue to operate effectively with third- party infrastructures and technologies, as well as any** change or deterioration in our relationship with any platform provider **,** may **reduce the demand for our products and services, resulting in dissatisfaction of our customers, and may materially and** adversely impact our business and operating results. Our business may be adversely impacted if any platform provider: • discontinues or limits our access to its APIs; • makes changes to its platform; • terminates or does not allow us to renew or replace our contractual relationship; • modifies its terms of service or other policies, including fees charged to, or other restrictions on, us or other application developers, or changes how customer information is accessed by us or our customers; • establishes more favorable relationships with one or more of our competitors, or acquires one or more of our competitors or is acquired by a competitor and offers competing services to us; or • otherwise develops its own competitive offerings. In addition, we have benefited from these platform providers' brand recognition, reputations, and customer bases. Any losses or shifts in the market position of these platform providers in general, in relation to one another or to new competitors or new technologies could lead to losses in our relationships or customers, or to our need to identify or transition to alternative channels for marketing our solutions. Such changes could consume substantial resources and may not be effective. If we are unable to respond to changes in a cost- effective manner, our ~~solution~~ **solutions** may become less marketable, less competitive, or obsolete and our operating results may be ~~negatively~~ **adversely** impacted. If we fail to develop, maintain, and enhance our brand and reputation cost- effectively, our business and financial condition may be adversely affected. We believe that developing, maintaining, and enhancing awareness and integrity of our brand and reputation in a cost- effective manner are important to achieving widespread acceptance of our ~~solution~~ **solutions** and are important elements in attracting new customers and maintaining existing customers. We believe that the importance of our brand and reputation will increase as competition in our market further intensifies. Successful promotion of our brand and the Subscription Economy concept will depend on the effectiveness of our marketing efforts, our ability to provide ~~a~~ reliable and useful ~~solution~~ **solutions** at competitive prices, the perceived value of our ~~solution~~ **solutions** , and our ability to provide quality customer support. In addition, the promotion of our brand requires us to make substantial expenditures, and we anticipate that ~~the~~ **our** expenditures will increase as our market becomes more competitive, as we expand into new markets, and as more sales are generated through our strategic partners. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building and maintaining our brand and reputation. We also rely on our customer base and community of end- users in a variety of ways, including to give us feedback on our ~~solution~~ **solutions** and to provide user- based support to our other customers. If we fail to promote and maintain our brand successfully or to maintain loyalty among our customers, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract new customers and partners or retain our existing customers and partners and our business and financial condition may be adversely affected. Any negative publicity relating to our customers, employees, partners, or others associated with these parties, may also tarnish our own reputation simply by association and may reduce the value of our brand. Damage to our brand and reputation may result in reduced demand for our ~~solution~~ **solutions** and increased risk of losing market share to our competitors. Any efforts to restore the value of our brand and rebuild our reputation may be costly and may not be successful. We employ third- party licensed software for use in or with our software, 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. Our software incorporates certain third- party software obtained under licenses from other companies. We anticipate that we will continue to rely on such third- party software and development tools from third parties in the foreseeable future. Although we believe that there are commercially reasonable alternatives to the third- party software we currently license, including open source software, this may not always be the case, or it may be difficult or costly to migrate to other third- party software. Our use of additional or alternative third- party software would require us to enter into license agreements with third parties. In addition, integration of our software with new third- party software may require significant work and require substantial investment of our time and resources. Also, any undetected or uncorrected errors or defects in third- party software could prevent the deployment or impair the functionality of our software, present security risks, delay new updates or enhancements to our ~~solution~~ **solutions** , result in a failure of our ~~solution~~ **solutions** , and ~~injure~~ **harm** our reputation. Certain of our operating results and financial metrics may be difficult to predict as a result of seasonality. Although we have not historically experienced significant seasonality with respect to our subscription revenue throughout the year, we have seen seasonality in our sales cycle as a large percentage of our customers make their purchases in the third month of any given quarter. In addition, our fourth quarter has historically been our strongest quarter. We believe that this results in part from the procurement, budgeting, and deployment cycles of many of our customers. We generally expect a relative increase in sales in the second half of each year as budgets of our customers for annual capital purchases are being fully utilized. We may be affected by seasonal trends in the future, particularly as our business matures **and diversifies** . Such seasonality may result from a number of factors, including a slowdown in our customers' procurement process during certain times of the year, both domestically and internationally, and customers choosing to spend remaining budgets shortly before the end of their fiscal years. These effects may become more pronounced as we target larger organizations and their larger budgets for sales of our ~~solution~~ **solutions** . Additionally, this seasonality may be reflected to a much lesser extent, and sometimes may not be immediately apparent, in our revenue, due to the fact that we recognize subscription revenue over the term of the applicable subscription agreement. In addition, our ability to record professional services revenue can potentially vary based on the number of billable days in the given quarter, which is impacted by holidays and vacations. To the extent we experience this seasonality, it may cause fluctuations in our operating results and financial metrics and make forecasting our future operating results and financial metrics more difficult. Our ~~solution~~ **solutions** ~~involves~~ **involve** the storage, transmission and processing of our customers' proprietary data, including highly confidential financial information regarding their business, and personal or confidential information of our customers' customers or other end users. Additionally, we maintain our own proprietary, confidential and otherwise sensitive information, including employee information. While we have security measures in place **designed** to protect customer information and prevent data loss and other security breaches, these measures may be breached as a result of third- party action, including cyberattacks or other intentional misconduct by computer hackers, employee error, malfeasance or otherwise. The risk of a cybersecurity incident occurring has increased as more companies and individuals work remotely, potentially exposing us to new, complex threats. Additionally, due to political uncertainty and military actions such as those associated with the ~~war~~ **conflicts** in Ukraine **and Israel** , we and our service providers are vulnerable to heightened risks of cybersecurity incidents and security and privacy breaches from or affiliated with nation- state actors. If any unauthorized or inadvertent access to, or a security breach or incident impacting our platform or other systems or networks used in our business occurs, such event could result in the loss, alteration, or unavailability of data, unauthorized access to, or use or disclosure of data, and any such event, or the belief or perception that it has occurred, could result in a loss of business, severe reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, and damages for contract breach or penalties for violation of applicable laws or regulations. Service providers who store or otherwise process data on our behalf, including third party and public- cloud infrastructure, also face security risks. As we rely more on third- party and public- cloud infrastructure and other third- party service providers, we will become more dependent on third- party security measures to protect against unauthorized access, cyberattacks and the mishandling of customer, employee and other confidential data and we may be required to expend significant time and resources to address any incidents related to the failure of those third- party security measures. Our ability to monitor our third- party service providers' data security is limited, and in any event, attackers may be able to circumvent our third- party service providers' data security measures. There have been and may continue to be significant attacks on certain third- party providers, and we cannot guarantee that our or our third- party providers' systems and networks have not been breached or otherwise compromised, or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our platform. We may also suffer breaches of, or incidents impacting, our internal systems. Security breaches or incidents impacting our platform or our internal systems could also result in significant costs incurred in order to remediate or otherwise respond to a breach or incident, which may include liability for stolen assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach, and other costs, expenses and liabilities. We may be required to or find it appropriate to expend substantial capital and other resources to alleviate problems caused by any actual or perceived security breaches or incidents. Additionally, **the SEC and** many jurisdictions have enacted or may enact laws and regulations requiring companies to ~~notify individuals of~~ **disclose or otherwise provide notifications regarding** data security breaches ~~involving certain types of personal data~~ . These or other disclosures regarding a security breach or incident could result in negative publicity to us, which may cause our customers to lose confidence in the effectiveness of our data security measures which could impact our operating results. Despite our investments into measures designed to minimize the risk of security breaches, we ~~may experience~~ **are subject to the risk of** security incidents or breaches ~~in the future due to elevated cyber threats~~ . If a high profile security breach or incident occurs with respect to us, another Software as a Service (SaaS) provider or other technology company, our current and potential customers may lose trust in the security of our ~~solution~~ **solutions** or in the SaaS business model generally, which could adversely impact our ability to retain existing customers or attract new ones. Such a breach or incident, or series of breaches or incidents, could also result in regulatory or contractual security requirements that could make compliance challenging. Even in the absence of any security breach or incident, customer concerns about privacy, security, or data protection may deter them from using our platform for activities that involve personal or other sensitive information. Because the techniques used to obtain unauthorized access or to sabotage systems change frequently, and often are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches and incidents that may remain undetected for an extended period of time. Periodically, we experience cyber security events including " phishing " attacks targeting our employees, web application and infrastructure attacks and other information technology incidents ~~that are typical for a SaaS company of our size~~ . These threats continue to evolve in sophistication and volume and are difficult to detect and predict due to advances in electronic warfare techniques, new discoveries in the field of cryptography and new and sophisticated methods used by criminals including phishing, social engineering or other illicit acts. There can be no assurance that our defensive measures will prevent cyberattacks or other security breaches or incidents, and any such attacks, breaches or incidents could damage our brand and reputation and ~~negatively~~ **adversely** impact our business. Because data security is a critical competitive factor in our industry, we make numerous statements in our privacy policy and customer agreements, through our certifications to standards and in our marketing materials **regarding** ~~, providing assurances about~~ the security of our platform including detailed descriptions of security measures we employ. **If we fail** ~~Should any of these statements be untrue, be perceived~~ to **adhere to** ~~be untrue, or~~ **our** ~~become untrue~~ **stated security standards** , even through circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U. S. Federal Trade Commission, state and foreign regulators and private litigants. Our insurance policies covering certain security and privacy damages and claim expenses may not be sufficient to compensate for all potential liability. Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, or that insurance will continue to be available to us on economically reasonable terms, or at all. In addition, like many similarly situated technology companies, we have a sizable number of research and development and other personnel located outside the United States, including in ~~India and~~ China, which has exposed and could continue to expose us to governmental and regulatory, as well as market and media **,** scrutiny, regarding the actual or perceived integrity of our platform or data security and privacy features. Any actual or perceived security compromise could reduce customer confidence in the effectiveness of our security measures, ~~negatively~~ **adversely** affect our ability to attract new customers, and cause existing customers to reduce the use or stop using our ~~solution~~ **solutions** , any of which could harm our business and reputation **. Privacy and security concerns, laws, and regulations, may adversely affect our business** . Governments and agencies worldwide have adopted or may adopt laws and regulations regarding the collection, use, storage, data residency, security, disclosure, transfer across borders and other processing of information obtained from individuals within jurisdictions. These laws and regulations increase the costs and burdens of compliance, including the ability to transfer information from, or a requirement to store in, particular jurisdictions and could: • impact our ability to offer our products and services in certain jurisdictions, • decrease demand for or require us to modify or restrict our product or services, or • impact our customers' ability and willingness to use, adopt and deploy our ~~solution~~ **solutions** globally. Compliance burdens or our inability to comply with such laws, regulations, and other obligations, could lead to reduced overall demand and impair our ability to maintain and grow our customer base and increase our revenue. We may be unable to make changes that are necessary or appropriate to address changes in laws, regulations, or other obligations in a commercially reasonable manner, in a timely fashion, or at all. Additionally, laws and regulations relating to the processing of information can vary significantly based on the jurisdiction. Some regions and countries have or are enacting strict laws and regulations, including the European Union (EU), China ~~(PIPL)~~ , Australia, and India, as well as states within the United States, such as California, that may create conflicts, obligations or inconsistent compliance requirements. Despite our efforts to comply with these varying requirements, a regulator or supervisory authority may determine that we have not done so and subject us to fines, potentially costly remediation requirements, and public censure, which could harm our business. For example, the European Union' s General Data Protection Regulation (GDPR) mandates requirements for processing personal ~~data~~ **information** and imposes penalties of up to the greater of € 20 million or 4 % of worldwide revenue for non- compliance ~~. In June 2021, the European Commission issued replacement standard contractual clauses (2021 SCCs) to govern the transfer of personal data to a country that has not been deemed adequate, such as the United States, that created additional requirements that potentially increase liability for data processors such as us~~ . In addition, in the United States, we may be subject to both federal and state laws. Certain U. S. state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to the protection of personal information than federal, international, or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts. For example, California continues to be a critical state with respect to evolving consumer privacy laws after enacting the California Consumer Privacy Act (CCPA), ~~later~~ amended by the California Privacy Rights Act (the CPRA) **, which** ~~. The CPRA~~ took effect in January 2023 and **expanded the CCPA' s requirements, including by adding a new right for individuals to correct their personal information and establishing a new regulatory agency to implement and** ~~enforcement~~ ---- **enforce the law** ~~will begin on July 1, 2023~~ . Failure to comply with the CCPA and the CPRA may result in significant civil penalties, injunctive relief, or statutory or actual damages as determined by the ~~CPPA~~ **California Privacy Protection Agency** and California Attorney General through its investigative authority. We also are bound by standards, contracts and other obligations relating to processing personal information that ~~are~~ **may be** more stringent than applicable laws and regulations. The costs of compliance with, and other burdens imposed by, these laws, regulations, and other obligations are significant. In addition, some companies, particularly larger or global enterprises, often will not contract with vendors that do not meet these rigorous obligations and often seek contract terms to ensure we are financially liable for any breach of these obligations. Accordingly, our or our vendors' failure, or perceived inability, to comply with these obligations may limit the demand, use and adoption of our ~~solution~~ **solutions** , lead to regulatory investigations, breach of contract claims, litigation, damage our reputation and brand and lead to significant fines, penalties, or liabilities or slow the pace at which we close sales transactions, any of which could harm our business. In addition, there is no assurance that our privacy and security- related safeguards, including measures we may take to mitigate the risks of using third parties, will protect us from the risks associated with the third- party processing, storage, and transmission of such information. Privacy advocacy groups, the technology industry, and other industries have established or may establish various new, additional, or different self- regulatory standards that may place additional burdens on us. Our customers may require us or we may find it advisable to meet voluntary certifications or adhere to other standards established by them or third parties. Our customers may also expect us to take proactive stances or contractually require us to take certain actions should a request for personal information belonging to customers be received from a government or regulatory agency. If we are unable to maintain such certifications, comply with such standards, or meet such customer requests, it could reduce demand for our ~~solution~~ **solutions** and adversely affect our business. Future laws, regulations, standards, and other obligations, actions by governments or other agencies, and changes in the interpretation or inconsistent interpretation of existing laws, regulations, standards, and other obligations could result in increased regulation, increased costs of compliance and penalties for non- compliance, costly changes to Zuora' s products or their functionality, and limitations on processing personal information. Any failure or perceived failure by us (or the third parties with whom we have contracted to process such information) to comply with applicable privacy and security laws, policies or related contractual obligations, or any compromise of security that results in unauthorized access, use, or transmission of, personal ~~user~~ information, could result in a variety of claims against us, including litigation, governmental enforcement actions, investigations, and proceedings by data protection authorities, as well as fines, sanctions, loss of export privileges, damage to our reputation, or loss of customer confidence, any of which may have a material adverse effect on our business, operating results, and financial condition. Our success depends in large part on our proprietary technology. We rely on various intellectual property ~~(IP)~~ rights, including patents, copyrights, trademarks, and trade secrets, as well as confidentiality provisions and contractual arrangements, to protect our proprietary rights. If we do not protect and enforce our intellectual property rights successfully, our competitive position ~~may suffer~~ **could be affected** , which **in turn** could adversely impact our **business and** operating results. Our pending patent or trademark applications may not be allowed, or competitors may challenge the validity, enforceability or scope of our patents, copyrights, trademarks or the trade secret status of our proprietary information. There can be no assurance that additional patents will be issued or that any patents that are issued will provide significant protection for our ~~intellectual property~~ **business, including our technology, innovations and similar assets** . There is also no assurance that we will be able to register trademarks that are critical to our business. In addition, our patents, copyrights, trademarks, trade secrets, and other intellectual property rights may not provide us a significant competitive advantage. There is no assurance that the particular forms of intellectual property protection that we seek, including business decisions about when to file patents and when to maintain trade secrets, will be adequate to protect our business. Moreover **,** U. S. patent law, developing jurisprudence regarding U. S. patent law, and possible future changes to U. S. or foreign patent laws and regulations may affect our ability to protect and enforce our intellectual property rights. In addition, the laws of some countries do not provide the same level of protection of our intellectual property as do the laws of the United States. As we expand our international activities, our exposure to unauthorized copying and use of our ~~solution~~ **solutions** and proprietary information will likely increase. Despite our precautions, our intellectual property is vulnerable to unauthorized access through employee error or actions, theft, and cybersecurity incidents, and other security breaches. It may be possible for third parties to infringe upon or misappropriate our intellectual property, to copy our ~~solution~~ **solutions** , and to use information that we regard as proprietary to create products and services that compete with ours **, all of which could result in costly litigation** . Effective intellectual property protection may not be available to us in every country in which our ~~solution~~ **solutions are available, and where such protection** is available **, may be costly** . For example, some 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 certain third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. We may need to expend additional resources to defend our intellectual property rights domestically or internationally, which could impair our business or adversely affect our domestic or international expansion. Moreover, we may not pursue or file patent applications or apply for registration of copyrights or trademarks in the United States and foreign jurisdictions in which we operate with respect to our potentially patentable inventions, works of authorship, marks and logos for a variety of reasons, including the cost of procuring such rights and the uncertainty involved in obtaining adequate protection from such applications and registrations. If we cannot adequately protect and defend our intellectual property, we may not remain competitive, and our business, operating results, and financial condition may be adversely affected. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. We cannot assure you that these agreements will be effective in controlling access to, use of, and distribution of our proprietary information or in effectively securing exclusive ownership of intellectual property developed by our current or former employees and consultants. Further, these agreements may not prevent other parties from **reverse engineering or** independently developing technologies that are substantially equivalent or superior to our ~~solution~~ **solutions** . We may need to spend significant resources securing and monitoring our intellectual property rights, and we may or may not be able to detect infringement by third parties. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all. In some circumstances, we may choose to not pursue enforcement because an infringer has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non- infringing competing technologies. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims attacking the scope, validity, and enforceability of our intellectual property rights, or with counterclaims and countersuits asserting infringement by our products and services of third- party intellectual property rights. Our failure to secure, protect, and enforce our intellectual property rights could ~~seriously~~ **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our brand and our business. Additionally, the United States Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions in order to complete the patent or trademark application process and to maintain issued patents or trademarks **, which can be costly** . There are situations in which noncompliance or non- payment can result in abandonment or lapse of the patent or trademark or associated application, resulting in partial or complete loss of patent or trademark rights in the relevant jurisdiction. If this occurs, it could have a material adverse effect on our business operations and financial condition. Errors, defects, or disruptions in our ~~solution~~ **solutions** could diminish demand, harm our financial results, and subject us to liability. Our customers use our products for important aspects of their businesses, and any errors, defects, or disruptions to our ~~solution~~ **solutions** , or other performance problems with our ~~solution~~ **solutions ,** could harm our ~~brand and~~ reputation and may damage our customers' businesses. We are also reliant on third- party software and infrastructure, including the infrastructure of the Internet, to provide our products and services. Any failure of or disruption to this software and infrastructure **, which could be caused by a variety of factors, including infrastructure changes, power or network outages, fire, flood or other natural disasters, human or software errors, viruses, security breaches, fraud or other malicious activity,** could also make our ~~solution~~ **solutions** unavailable to our customers. Our ~~solution~~ **solutions** ~~is~~ **are** constantly changing with new software releases, which may contain undetected errors when first introduced or released. Any errors, defects, disruptions in service, or other performance problems with our ~~solution~~ **solutions** could result in negative publicity, loss of or delay in market acceptance of our products, loss of competitive position, delay of payment to us, lower renewal rates, or claims by customers for losses sustained by them. In such an event, we may be required, or may choose **even when not required** , for customer relations or other reasons, to expend additional resources in order to help correct the problem. Accordingly, any errors, defects, **downtime,** or disruptions ~~to~~ **and other performative quality problems,** ~~our~~ - **or any perception of the aforementioned problems, to our** ~~solution~~ **solutions** could adversely impact our brand and reputation, revenue, and operating results. In addition, ~~because~~ **we may not carry insurance sufficient to offset any losses that may result from claims arising from errors, defects or other disruptions in** our products ~~and services are designed to interoperate with a variety of internal and third- party systems and infrastructures, we need to continuously modify and enhance our products and services to keep pace with changes in software technologies. We may not be successful in either developing these modifications and enhancements or resolving interoperability issues in a timely and cost-effective manner. Any failure of our products and services to continue to operate effectively with internal or third- party infrastructures and technologies could reduce the demand for our products and services, resulting in dissatisfaction of our customers, and may materially and adversely affect our business~~ . Any disruption of service at our cloud providers, including **AWS** ~~Amazon Web Services~~ and Microsoft' s Azure cloud service, could interrupt or delay our ability to deliver our services to our customers, which could harm our business and our financial results. We currently host our ~~solution~~ **solutions** , serve our customers, and support our operations using ~~Amazon Web Services (~~ AWS ~~)~~ , a provider of cloud infrastructure services, and have begun enabling new features and capabilities for our ~~solution~~ **solutions** using Microsoft' s Azure cloud service. We also leverage AWS in various geographic regions for our disaster recovery plans. We do not have control over the operations of the facilities of AWS or Azure. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures, and similar events, including events due to the effects of climate change. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions in our ~~solution~~ **solutions** . In addition, breaks in the supply chain due to transportation issues or other factors could potentially disrupt the delivery of hardware needed to maintain these third- party systems or to run our business. The facilities also could be subject to break- ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. **The** ~~Our solution' s~~ continuing and uninterrupted performance ~~is~~ **of our solutions are** critical to our success. Because our products and services are used by our customers for billing and financial accounting purposes, it is critical that our ~~solution~~ **solutions** be accessible without interruption or degradation of performance, and we typically provide our customers with service level commitments with respect to service uptime. Customers may become dissatisfied by any system failure that interrupts our ability to provide our ~~solution~~ **solutions** to them. Outages could lead to the triggering of our service level agreements and the issuance of credits to our customers, in which case, we may not be fully indemnified for such losses by AWS or Azure. We may not be able to easily switch our public cloud providers, including AWS and Azure, to another cloud provider if there are disruptions or interference with our use of either facility. Sustained or repeated system failures would reduce the attractiveness of our ~~solution~~ **solutions** to customers and result in contract terminations, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our ~~solution~~ **solutions** . We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. **Our** ~~While our~~ agreement with AWS expires in September 2024 ~~,~~ **.** AWS and our other cloud providers do not have an obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with these providers on commercially reasonable terms, if our agreements with our providers are prematurely terminated, or if in the future we add additional public cloud providers, we may experience additional costs or service downtime in connection with the transfer to, or the addition of, new public cloud providers. If these providers were to increase the cost of their services, we may have to increase the price of our ~~solution~~ **solutions** , and our operating results may be adversely impacted. **Our solution contains open source software components,and failure to comply with the terms of the underlying licenses could restrict our ability to sell our solution.Our solution incorporates certain open source software** .An open source license typically permits the use,modification,and distribution of software in source code form subject to certain conditions.Some open source licenses contain conditions that any person who distributes or uses a modification or derivative work of software that was subject to an open source license make the modified version subject to the same open source license.Distributing or using software that is subject to this kind of open source license can lead to a requirement that certain aspects of our ~~solutions~~ - **solution** be distributed or made available in source code form.Although we do not believe that we have used open source software in a manner that might condition its use on our distribution of any portion of our ~~proprietary and confidential solutions~~ - **solution** in source code form,the interpretation of open source licenses is legally complex and,despite our efforts,it is possible that we ~~could face assertions of~~ **may be liable for** copyright infringement,breach of contract,or other claims if our use of open source software ~~fails~~ **is adjudged** to **not** comply with the applicable open source licenses.Moreover,we cannot ~~guarantee~~ **assure you** that our processes for controlling our use of open source software in our ~~solutions~~ - **solution** will be effective. ~~To continue offering our solutions~~ **If we have not complied with the terms of an applicable open source software license** ,we may need to seek licenses from third parties **to continue offering our solution** on terms that are not economically feasible, **to** re- engineer our ~~solutions~~ - **solution** to remove or replace ~~certain~~ **the** open source software, **to** discontinue the sale of our ~~solutions~~ - **solution** if re- engineering ~~cannot~~ **could not** be accomplished on a timely basis, **to** pay monetary damages,or **to** make available ~~corresponding~~ **the** source code for aspects of our proprietary ~~and confidential~~ technology,any of which could adversely affect our business,operating results,and financial condition.In addition to risks related to license requirements,use of open source software **can involve greater risks than those associated with use of third- party commercial software,as open source licensors** generally ~~comes without~~ **do not provide** warranties,assurances of title,performance,non- infringement,or controls on the origin of the software.There is typically no support available for open source software,and we cannot assure you that the authors of such open source software will not abandon further development and maintenance.Open source software may contain security vulnerabilities,and we may be subject to additional security risk by using open source software.Many of the risks associated with the use of open source software,such as the lack of warranties or assurances of title or performance,cannot be eliminated,and could,if not properly addressed, ~~adversely~~ **negatively** affect our business.We have established processes to help alleviate these risks,including a review process for screening requests from our development organizations for the use of open source software,but we cannot be sure that all open source software is identified or submitted for approval prior to use in our ~~solutions~~ - **solution** ~~.Our increased focus on the development and use of various types of AI in our platform and our business,as well as our potential failure to effectively implement,use,and market AI,may result in reputational harm or liability,or could otherwise adversely affect our business.We have incorporated and may continue to incorporate AI solutions and features into our platform,and otherwise within our business,and these solutions and features may become more important to our operations or to our future growth over time.There can be no assurance that we will realize any of the desired or anticipated benefits from AI,and we may fail to properly implement or market our AI solutions and features.Additionally,our competitors may incorporate AI into their products,offerings,and solutions more quickly or more successfully than we do,or they may have access to more complete or adequate data than our use of AI relies on,which could impair our ability to compete effectively,and adversely affect our results or operations.Our AI solutions and features may also expose us to additional claims,demands,and proceedings by private parties and regulatory authorities and subject us to legal liability or brand and reputational harm,and could also require us to spend time,expenses,and other resources on making necessary changes to our AI practices,as the legal,regulatory,and policy environments around AI are evolving rapidly and the availability of legal protections for intellectual property generated by AI is uncertain~~ .From time to time,we face litigation or claims arising in or outside the ordinary course of business,which may include class actions,derivative actions,private actions,collective actions,investigations,and various other legal proceedings by stockholders,customers,employees,suppliers,competitors,government agencies,or others.The results of any such litigation,investigations,and other legal proceedings are inherently **unpredictable and expensive.Any claims against us,whether meritorious or not,could be time consuming,result in costly litigation,damage our reputation,require significant amounts of management time,and divert significant resources.If legal proceedings were to be determined adversely to us,or we were to enter into a settlement arrangement,we could be exposed to significant monetary damages or limits on our ability to operate our business,which could have a material adverse effect on our business,financial condition,and operating results.For example,in March 2023,Zuora entered into an agreement to settle the consolidated securities class action litigation pending in the U.S.District Court for the Northern District of California and consolidated under the caption Roberts v.Zuora,Inc.The settlement,which is subject to court approval,provides for a payment of $ 75.0 million by Zuora,which we accrued in our consolidated balance sheet as of January 31,2023.For more information,see Note 13.Commitments and Contingencies of the Notes to Consolidated Financial Statements.** We are vulnerable to **lawsuits** ~~intellectual property infringement claims~~ brought against us by others **alleging infringement or proprietary rights or for other intellectual property related claims** . There has been considerable activity in our industry to develop and enforce **patents, copyrights, trademarks, trade secrets and other** intellectual property **and proprietary** rights **, resulting in frequent litigation based on allegations of infringement or other violations of such rights. Moreover, in recent years, individuals and groups have acquired patents or other intellectual property assets without practicing the inventions solely to attempt to enforce them against others and ultimately extract monetary settlements** . Successful intellectual property infringement claims against us or certain third parties, such as our customers, resellers, or strategic partners **, whether by operating entities, non- practicing entities or patent assertion entities** , could result in monetary liability or a material disruption in the conduct of our business. We cannot be certain that our products and services, content, and brand names do not or will not infringe valid patents, trademarks, copyrights, or other intellectual property rights held by third parties. We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to cease selling or using solutions that incorporate the intellectual property that we allegedly infringe **and obtaining a license may not be available on reasonable terms or at all** , **thereby hindering our ability to sell or use the relevant technology, or requiring redesign of the allegedly infringing solutions to avoid infringement, which could be costly, time- consuming, or impossible. It may also cause us to** make substantial payments for legal fees, settlement payments, licensing costs, or other costs or damages ~~, and obtaining a license, may not be available on reasonable terms or at all, thereby hindering our ability to sell or use the relevant technology, or require redesign of the allegedly infringing solutions to avoid infringement, which could be costly, time- consuming, or impossible~~ . Any claims or litigation, regardless of merit, could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our products and services, or require that we comply with other unfavorable terms. We do not have a significant patent portfolio, which could prevent us from deterring patent infringement claims through our own patent portfolio, and our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. We may also be obligated to indemnify our customers or strategic partners in connection with such infringement claims, or to obtain licenses from third parties or modify our ~~solution~~ **solutions** , and each such obligation could further exhaust our resources. Some of our intellectual property infringement indemnification obligations are contractually capped at a very high amount or not capped at all. Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the time and attention of our management and other employees, and adversely affect our business and operating results **, including by preventing us from offering our services** . We expect that the occurrence of infringement claims is likely to grow as the market for **monetization** ~~subscription management~~ products and services grows. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. Our solution contains open source software components...... the Notes to Consolidated Financial Statements. If we are not able to satisfy data protection, security, privacy, and other government- and industry- specific requirements, our growth could be harmed. We are subject to data protection, security, privacy, and other government- and industry- specific requirements, including those that require us to notify individuals of data security and privacy incidents involving certain types of personal ~~data~~ **information** . Security and privacy compromises experienced by us or our service providers may lead to public disclosures, which could harm our reputation, erode customer confidence in the effectiveness of our security and privacy measures, ~~negatively~~ **adversely** impact our ability to attract new customers, cause existing customers to elect not to renew their subscriptions with us, or ~~negatively~~ **adversely** impact our employee relationships or impair our ability to attract new employees. In addition, some of the industries we serve have industry- specific requirements relating to compliance with certain security, privacy and regulatory standards, such as those required by the Health Insurance Portability and Accountability Act. We also maintain compliance with the Payment Card Industry Data Security Standard, which is critical to the financial services and insurance industries. As we expand and sell into new verticals and regions, we will likely need to comply with these and other requirements to compete effectively. If we cannot comply or if we incur a violation in one or more of these requirements, our growth could be adversely impacted, and we could incur significant liability. Because we typically recognize subscription revenue over the term of the applicable agreement, a lack of subscription renewals or new subscription agreements may not be reflected immediately in our operating results and may be difficult to discern. We generally recognize subscription revenue from customers ratably over the terms of their contracts, which typically vary between one and ~~three~~ **five** years. As a result, most of the subscription revenue we report in each quarter is derived from the recognition of unearned revenue relating to subscriptions entered ~~into~~ during previous quarters. Consequently, a decline in new or renewed subscriptions in any particular quarter would likely have a minor impact on our revenue results for that quarter, but could ~~negatively~~ **adversely** affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our ~~solution~~ **solutions** , and potential changes in our pricing policies or rate of renewals, may not be fully reflected in our operating results until future periods. Moreover, our ~~subscription~~ **recurring revenue** model 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. We typically provide service level commitments under our customer contracts. If we fail to meet these contractual commitments, we could be obligated to provide credits or refunds for prepaid amounts related to unused subscription services or face contract terminations, which could adversely affect our operating results. Our customer contracts typically provide for service level commitments, which relate to service uptime, response times, and escalation procedures. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our ~~solution~~ **solutions** , we may be contractually obligated to provide these customers with service credits, refunds for prepaid amounts related to unused subscription services, or other remedies, or we could face contract terminations. In addition, we could face legal claims for breach of contract, product liability, tort, or breach of warranty. Although we have contractual protections, such as warranty disclaimers and limitation of liability provisions, in our customer agreements, they may not fully or effectively protect us from claims by customers, commercial relationships, or other third parties. We may not be fully indemnified by our vendors for service interruptions beyond our control, and any insurance coverage we may have may not adequately cover all claims asserted against us, or may cover only a portion of such claims. In addition, even claims that ultimately are unsuccessful could result in our expenditure of funds in litigation and divert management' s time and other resources. Thus, our revenue could be harmed if we fail to meet our service level commitments under our agreements with our customers, including, but not limited to, maintenance response times and service outages. Typically, we have not been required to provide customers with service credits that have been material to our operating results, but we cannot assure you that we will not incur material costs associated with providing service credits to our customers in the future. Additionally, any failure to meet our service level commitments could adversely impact our reputation, business, operating results, and financial condition. Our customers may fail to pay us in accordance with the terms of their agreements, necessitating action by us to compel payment. We typically enter into non- cancelable agreements with our customers with a term of one to ~~three~~ **five** years. If customers fail to pay us under the terms of our agreements, we may be adversely affected both from the inability to collect amounts due and the cost of enforcing the terms of our contracts, including litigation. The risk of such ~~negative~~ **adverse** effects increases with the term length of our customer arrangements. Furthermore, some of our customers may seek bankruptcy protection or other similar relief and fail to pay amounts due to us, or pay those amounts more slowly, either of which could adversely affect our operating results, financial position, and cash flow. Although we have processes in place that are designed to monitor and mitigate these risks, we cannot guarantee these programs will be effective. If we are unable to adequately control these risks, our business, operating results and financial condition could be harmed. Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations which could subject our business to increased tax liability. Our ability to use our net operating losses (NOLs) to offset future taxable income may be subject to certain limitations which could subject our business to higher tax liability. Utilization of the net operating loss may be subject to an annual limitation due to the" ownership change" limitations provided by Section 382 and 383 of the Internal Revenue Code of 1986, as amended, and other similar state provisions. Additionally, NOLs arising in tax years beginning ~~after~~ **before** December 31, 2017 are subject to a 20- year carryover limitation and may expire if unused within that period. There is also a risk that due to legislative changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. In addition, under the Tax Cuts and Jobs Act of 2017, as modified by the Coronavirus Aid, Relief, and Economic Security Act, the amount of NOLs that we are permitted to deduct in any taxable year is limited to 80 % of our taxable income in such year, where taxable income is determined without regard to the NOL deduction itself. As such, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability. We may need to raise additional capital required to grow our business, and we may not be able to raise capital on terms acceptable to us or at all. In order to support our growth and respond to business challenges, such as developing new features or enhancements to our ~~solution~~ **solutions** to stay competitive, acquiring new technologies, and improving our infrastructure, we have made significant financial investments in our business, and we intend to continue to make such investments. As a result, to provide the funds required for these investments and other business endeavors, we may need to engage in equity or debt financings. For example, ~~in March 2022,~~ we **have** issued ~~to Silver Lake the Initial Notes and have agreed to issue to Silver Lake an additional~~ $ ~~150~~ **400** . 0 million in **2029** ~~senior unsecured notes~~ **Notes** ~~in September 2023~~ . See Note 9. Debt of the Notes to Consolidated Financial Statements for more information about the 2029 Notes. If we raise additional funds through equity or convertible debt issuances, our existing stockholders may suffer significant dilution, and these securities could have rights, preferences, and privileges that are superior to that of holders of our common stock. If we obtain additional funds through debt financing, we may not be able to obtain such financing on terms favorable to us. Such terms may involve additional restrictive covenants making it difficult to engage in capital raising activities and pursue business opportunities, including potential acquisitions. **Our 2029 Notes, for example, restrict our ability to incur additional indebtedness, including secured indebtedness. Our credit facility also contains restrictive and financial covenants and is secured by substantially all of our non- intellectual property assets. In addition, servicing the interest and principal repayment obligations under our current or future indebtedness could divert funds that would otherwise be available to fund working capital, capital expenditures, acquisitions, and other business activities.** Future volatility in the trading price of our common stock may reduce our ability to access **equity** capital on favorable terms or at all. ~~In~~ **Our ability to make payments on our indebtedness, refinance indebtedness or incur** ~~addition~~ **additional** ~~, a~~ **indebtedness to fund or expand our business will depend on our financial condition and market conditions. A** recession, depression or other sustained adverse market event resulting from deteriorating macroeconomic factors could materially and adversely affect our business and the value of our common stock **and our access to capital** . If we are unable to **generate sufficient cash flows or** obtain adequate financing or financing on terms satisfactory to us **, or at all,** when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired and our business may be adversely affected, requiring us to delay, reduce, or eliminate **development of new services or future marketing efforts, or reduce or discontinue** some or all of our operations **. Any of these events could significantly harm our business, financial condition, and prospects** . Failure to comply with anti- corruption and anti- money laundering laws, including the FCPA and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences. We are subject to the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA PATRIOT Act, the UK Bribery Act, and possibly other anti- bribery and anti- money laundering laws in countries in which we conduct activities. We face significant risks if we fail to comply with the FCPA and other anti- corruption laws that prohibit companies and their employees and third- party intermediaries from promising, authorizing, offering, or providing, directly or indirectly, improper payments or benefits to foreign government officials, political parties, and private- sector recipients for the purpose of obtaining or retaining business, directing business to any person, or securing any advantage. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable laws and regulations. In addition, we use various third parties to sell our ~~solution~~ **solutions** and conduct our business abroad. We or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities and we can be held liable for the corrupt or other illegal activities of these third- party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We have implemented an anti- corruption compliance program but cannot assure you that all of our employees and agents, as well as those companies to which we outsource certain of our business operations, will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any violation of the FCPA, other applicable anti- corruption laws, and anti- money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, or severe criminal or civil sanctions, which could have a ~~materially~~ -- **material** adverse effect on our reputation, business, operating results, and prospects. In addition, responding to any enforcement action may result in a significant diversion of management' s attention and resources, significant defense costs, and other professional fees. We are required to comply with governmental export control laws and regulations. Our failure to comply with these laws and regulations could have an adverse effect on our business and operating results. Our ~~solution~~ **solutions** ~~is~~ **are** subject to governmental, including United States and European Union, export control laws and import regulations, and as a U. S. company we are covered by the U. S. sanctions regulations. ~~U. S. export~~ **Export** control and economic sanctions laws and regulations **restrict or** prohibit the shipment of certain products and services to ~~U. S.~~ embargoed or sanctioned countries, governments, entities and persons, and complying with export control and sanctions regulations for a particular sale may be time- consuming and may result in the delay or loss of sales opportunities. While we take precautions to prevent our ~~solution~~ **solutions** from being exported in violation of these laws or engaging in any other activities that are subject to these regulations, if we were to fail to comply with U. S. export laws, U. S. Customs regulations and import regulations, U. S. economic sanctions, and other countries' import and export laws, we could be subject to substantial civil and criminal penalties, including fines for our company, **enforcement actions,** incarceration for responsible **officers and** employees, reputational harm, and / or the possible loss of export or import privileges which could impact our ability to provide our ~~solution~~ **solutions** to customers **. We could also be held liable for our third- party affiliates' non- compliance with sanctions and export controls** . We incorporate encryption technology **in** ~~into certain of~~ our products **,** and certain encryption products may be exported outside of the United States only by a license or a license exception. In addition, various countries regulate the import of certain encryption technology, including import ~~permitting~~ ---- **permit** and **/ or** ~~licensing~~ **license** requirements, and **some** have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to deploy our products in those countries. Although we take precautions to prevent our products from being provided in violation of such laws, we cannot assure you that inadvertent violations of such laws have not occurred or will not occur in connection with the distribution **or use** of our products despite the precautions we take. Governmental regulation of encryption technology and regulation of imports or exports, or our failure to obtain required import or export approval for our products, could harm our international sales and adversely affect our operating results. Further, if our partners, including suppliers, fail to obtain required import, export, or re-export licenses or permits, we may also be impacted by becoming the subject of government investigations or penalties and therefore incur reputational harm. Changes in our ~~solution~~ **solutions** or changes in **sanctions or** export and import regulations may create delays in the introduction of our ~~solution~~ **solutions** in international markets, prevent our customers with international operations from deploying our ~~solution~~ **solutions** globally or, in some cases, prevent the export or import of our ~~solution~~ **solutions** to certain countries, governments, or persons altogether. Any change in export or import laws or regulations, economic sanctions, or related legislation, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons, or technologies targeted by such laws and regulations, could result in decreased use of our ~~solution~~ **solutions** by, or in our decreased ability to export or sell our ~~solution~~ **solutions** to, existing or potential customers such as customers with international operations or customers who are added to the restricted entities list published by the U. S. Office of Foreign Assets Control (OFAC). Any decreased use of our ~~solution~~ **solutions** or limitation on our ability to export or sell our ~~solution~~ **solutions** would likely harm our business, financial condition, and operating results. The applicability of sales, use and other tax laws or regulations in the U. S. and internationally on our business is uncertain. Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could subject us to additional tax liability and related interest and penalties, increase the costs of our services and adversely impact our business. The application of federal, state, local, and non- U. S. tax laws to services provided electronically is evolving. New income, sales, use, value- added, or other direct or indirect 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 or could otherwise materially affect our financial position and **operating** results ~~of operations~~. Many countries in the European Union, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development, have proposed or recommended changes to existing tax laws or have enacted new laws that could impact our tax obligations. As we expand the scale of our international business activities, any changes in the U. S. or foreign taxation of such activities may increase our worldwide effective tax rate and harm our business, **operating** results ~~of operations~~, and financial condition. In addition, state, local, and foreign tax jurisdictions have differing rules and regulations governing sales, use, value- added, and other taxes, and these rules and regulations can be complex and are subject to varying interpretations that may change over time. 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 on prior sales and going forward, as well as require us or our customers to pay fines or penalties and interest for past amounts. Although our customer contracts typically provide that our customers must pay all applicable sales and similar taxes, our customers may be reluctant to pay back taxes and associated interest or penalties, or we may determine that it would not be commercially feasible to seek reimbursement. If we are required to collect and pay back taxes and associated interest and penalties, or we are unsuccessful in collecting such amounts from our customers, we could incur potentially substantial unplanned expenses, thereby adversely impacting our operating results and cash flows. Imposition of such taxes on our services going forward could also adversely affect our sales activity and have ~~a negative~~ **an adverse** impact on our operating results and cash flows. Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States. Generally Accepted Accounting Principles (GAAP) is subject to interpretation by the Financial Accounting Standards Board (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. Any difficulties in implementing these pronouncements, including those described in Note 2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements of the Notes to Consolidated Financial Statements, could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors' confidence in us. The stock price of our Class A common stock has been and may continue to be volatile, and you could lose all or part of your investment. The market price of our Class A common stock since our initial public offering in 2018 has been and may continue to be volatile. In addition to factors discussed in this Form 10- K, the market price of our Class A common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: • overall performance of the equity markets; • actual or anticipated fluctuations in our **key metrics,** revenue and other operating results; • changes in the financial projections **or outlook for key metrics** we may provide to the public or our failure to ~~meet~~ **achieve** these projections **or metrics** ; • failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors; • recruitment or departure of key personnel; • the economy as a whole and market conditions in our industry; • negative publicity related to the real or perceived quality of our ~~solution~~ **solutions** , as well as the failure to timely launch new products and services that gain market acceptance; • growth of the ~~Subscription Economy~~ **market for our products** ; • rumors and market speculation involving us or other companies in our industry; • announcements by us or our competitors of new products, commercial relationships, or significant technical innovations; • acquisitions, strategic partnerships, joint ventures, or capital commitments; • **issuance of shares of our common stock, including shares issued by us in an acquisition or upon conversion or exercise of some or all of our outstanding 2029 Notes and Warrants; •** new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • lawsuits threatened or filed against us, litigation involving our industry, or both; • developments or disputes concerning our or other parties’ products, services, or intellectual property rights; • ~~the inclusion of~~ **changes in accounting standards, policies, guidelines,**

**interpretations,** ~~our~~ - **or principles** ~~Class A common stock on stock market indexes, including the impact of rules adopted by certain index providers, such as S & P Dow Jones Indices and FTSE Russell, that limit or preclude inclusion of companies with multi- class capital structures~~ ; • **actions instituted by activist shareholders** ~~changes in accounting standards, policies, guidelines, interpretations,~~ or ~~principles~~ **others; • actual or perceived privacy, security, data protection, or cybersecurity incidents** ; • other events or factors, including those resulting from **geopolitical developments such as** war, incidents of terrorism, or responses to these events, including the ongoing ~~conflict~~ **conflicts** in Ukraine **and Israel and changes in China-Taiwan and U. S.- China relations** ; • the impact of ~~pandemics,~~ **catastrophic events** such as **natural disasters or** ~~those experienced during the COVID- 19 pandemic~~ **pandemics** ~~,~~ on the global macroeconomy, our operating results and enterprise technology spending; • sales of shares of our Class A common stock by us or our stockholders; • inflation; • fluctuations in interest rates; and • ~~instability of~~ **disruptions to** the U. S. or international banking system. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies ~~, particularly during the current period of macroeconomic uncertainty, including rising inflation, increasing interest rates and fluctuations in international currency rates, as well as the impacts of the current conflict in Ukraine~~ . Stock prices of many companies, and technology companies in particular, have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. ~~These economic, political, regulatory and market conditions have and may continue to negatively impact the market price of our common stock. Volatility in our stock price also affects the value of our equity compensation, which affects our ability to recruit and retain employees. If we fail to meet expectations related to future growth, profitability, or other market expectations, our stock price may decline further, which could have a material adverse effect on investor confidence and employee retention. In addition, some~~ **Some** companies that have experienced volatility in the market price of their securities have been subject to shareholder litigation. We have been ~~and are currently~~ subject to shareholder litigation, which is described in Note 13. Commitments and Contingencies of the Notes to Consolidated Financial Statements. ~~This or any future~~ **Future** shareholder litigation could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business. The market price of our Class A common stock could decline as a result of a substantial number of shares of our Class A common stock being issued or sold, which may make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate. As of February ~~28~~ **29** , ~~2023~~ **2024** , a total of ~~127~~ **137** . ~~4~~ **8** million shares of Class A common stock and 8. ~~1~~ **2** million shares of Class B common stock were outstanding. **The** ~~Issuances~~ - **issuance and sale** of a substantial number of shares of our Class A common stock, including as a result of the exercise or conversion into Class A common stock of outstanding convertible notes, warrants, equity awards, shares of Class B common stock or other securities, could result in significant dilution to our existing stockholders and cause the market price of our Class A common stock to decline. **The perception that such issuances could occur could also adversely affect the market price of our Class A common stock.** From time to time, we may **also** issue shares of common stock or securities convertible into shares of common stock in connection with a financing, an acquisition, investments, or otherwise. For example, as described in Note 9. Debt of the Notes to Consolidated Financial Statements, ~~on March 24, 2022 (Initial Closing Date),~~ we issued to Silver Lake ~~convertible~~ **2029** ~~notes~~ **Notes** in the aggregate principal amount of $ ~~250~~ **400** . 0 million **, including $ 150. 0 million that were issued during the fiscal year ended January 31, 2024,** as well as ~~warrants~~ **Warrants** ~~to purchase~~ **initially exercisable for** up to 7. 5 million shares of Class A common stock ~~, and we have agreed to issue additional convertible notes in the aggregate principal amount of $ 150. 0 million to Silver Lake 18 months after the Initial Closing Date (or sooner under certain conditions)~~ . In addition, under certain circumstances, the number of shares issuable upon conversion of the ~~convertible~~ **2029** ~~notes~~ **Notes** or exercise of the Warrants may be subject to increase, as described in Note 9. Debt and Note 17. Warrants to Purchase Shares of Common Stock of the Notes to Consolidated Financial Statements. The conversion of these convertible notes or exercise of these Warrants could result in a substantial number of shares of our Class A common stock being issued ~~. Silver Lake is generally restricted from converting the convertible notes or exercising the Warrants, or transferring them, during the 18 month period following the Initial Closing Date, except in certain circumstances~~ . In addition, we grant equity awards to employees, directors, and consultants under our 2018 Equity Incentive Plan on an ongoing basis and our employees have the right to purchase shares of our Class A common stock semi- annually under our 2018 Employee Stock Purchase Plan. As of January 31, ~~2023~~ **2024** , there were a total of ~~23~~ **20** . ~~2~~ **1** million shares of Class A common stock subject to outstanding options and restricted stock units (RSUs), including performance stock units (PSUs). Subject to vesting and other applicable requirements, the shares issued upon the exercise of such options or settlement of such RSUs will be available for resale in the open market. Moreover, the market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market **over a short period of time** , ~~particularly~~ **such as** sales by our directors, executive officers ~~and~~ **, or** significant stockholders **,** ~~. The perception that these~~ sales ~~might occur may also cause the market price~~ **by Zuora for employee tax withholding purposes upon vesting** of **RSUs** ~~our~~ - **or** ~~Class A common stock to decline~~ **PSUs, and sales by employees during limited open trading windows** . We also have granted and may grant from time to time certain registration rights that, subject to certain conditions, require us to file registration statements for the public resale of certain securities or to include such securities in registration statements that we may file on behalf of our company or other stockholders. If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our Class A common stock and trading volume could decline. The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our Class A common stock could be ~~negatively~~ **adversely** affected. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, the price of our Class A common stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our Class A common stock price and trading volume to decline.

Even if our stock is actively covered by analysts, we do not have any control over the analysts or the measures that analysts or investors may rely upon to forecast our future results. For example, in order to assess our business activity in a given period, analysts and investors may look at the combination of revenue and changes in deferred revenue in a given period (sometimes referred to as " billings "). Over- reliance on billings or similar measures may result in analyst or investor forecasts that differ significantly from our own for a variety of reasons, including: • a relatively large number of transactions occur at the end of the quarter. Invoicing of those transactions may or may not occur before the end of the quarter based on a number of factors including receipt of information from the customer, volume of transactions, and holidays. A shift of a few days has little economic impact on our business, but will shift deferred revenue from one period into the next; • a shift in billing frequency (i. e., from monthly to quarterly or from quarterly to annually), which may distort trends; • subscriptions that have deferred start dates; and • services that are invoiced upon delivery. In addition, the revenue recognition disclosure obligations under Accounting Standards Update (ASU) No. 2014- 09, Revenue from Contracts with Customers (Topic 606) are prepared on the basis of estimates that can change over time and on the basis of events over which we have no control. It is possible that analysts and investors may misinterpret our disclosure or that our methods for estimating this disclosure may differ significantly from others, which could lead to inaccurate or unfavorable forecasts by analysts and investors. The dual class structure of our common stock has the effect of concentrating voting control with holders of our Class B common stock, including our CEO, which limits or precludes your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction. Our common stock consists of two classes, including our Class B common stock, which has ten votes per share, and our Class A common stock, which has one vote per share. As of January 31, ~~2023~~ **2024** , our Class B common stock ~~holds~~ **held** approximately ~~38~~ **37** % of the total voting power of our common stock, with our CEO and his affiliates holding substantially all of our Class B common stock. As a result, the holders of our Class B common stock, including our CEO, could substantially influence all matters submitted to our stockholders for approval until the earlier of (i) the date specified by a vote of the holders of 66 2 / 3 % of the outstanding shares of Class B common stock, (ii) April 16, 2028, and (iii) the date the shares of Class B common stock cease to represent at least 5 % of all outstanding shares of our common stock (such date referred to as the" Class B expiration"). Until the Class B expiration, the concentrated influence held by our Class B common stock limits or precludes your ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders. Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain permitted transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. The dual class structure of our common stock may adversely affect the trading market for our Class A common stock. Stock index providers, such as ~~S & P Dow Jones and~~ FTSE Russell, exclude or limit the eligibility of public companies with multiple classes of shares of common stock for certain indices ~~, including the S & P 500~~ . In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our common stock may prevent the inclusion of our Class A common stock in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A common stock. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock. We do not intend to pay dividends for the foreseeable future. We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by restrictions under the terms of our credit facility with ~~SVB~~ **Silicon Valley Bank, a division of First- Citizens Bank & Trust** . We anticipate that for the foreseeable future we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Provisions in our charter documents and under Delaware law **and the 2029 Notes and the Warrants** could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees, and limit the market price of our Class A common stock. Provisions in our restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our restated certificate of incorporation and amended and restated bylaws include provisions that: • provide that our Board of Directors will be classified into three classes of directors with staggered three- year terms; • permit the Board of Directors to establish the number of directors and fill any vacancies and newly- created directorships; • require supermajority voting to amend some provisions in our restated certificate of incorporation and amended and restated bylaws; • authorize the issuance of " blank check " preferred stock that our Board of Directors could use to implement a stockholder rights plan; • provide that only the chairman of our Board of Directors, our chief executive officer, lead independent director, or a majority of our Board of Directors will be authorized to call a special meeting of stockholders; • provide for a dual class common stock structure in which holders of our Class B common stock may have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets; • prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • provide that the Board of Directors is expressly authorized to make, alter, or repeal our bylaws; and • establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. In addition, our restated certificate of incorporation provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware is the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, or DGCL, our restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act. It would apply, however, to a suit that falls within one or more of the categories enumerated in the exclusive forum provision. Section 22 of the Securities Act of 1933, as amended (Securities Act), creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. **Our** ~~In April 2020, we amended and restated our~~ bylaws ~~to~~ provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (Federal Forum Provision). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholders' ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Moreover, **we are subject to** Section 203 of the DGCL **, which** may discourage, delay, or prevent a change of control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15 % or more of our common stock. **Finally, provisions of the 2029 Notes and Warrants may also have the effect of delaying or preventing a change of control or changes in our management. Holders of the 2029 Notes have the right to require us to repurchase their notes upon the occurrence of a " fundamental change " (as defined in the indenture governing the 2029 Notes (the Indenture)) that occurs prior to the maturity date at repurchase price equal to 100 % of the principal amount of the 2029 Notes to be repurchased, plus the sum of the amounts of all remaining scheduled interest payments (at the 5. 50 % payment- in- kind interest rate) through and including the maturity date. Additionally, on and after March 24, 2027, holders of the 2029 Notes have the right, at each holder' s option and on one or more occasions, to require us, subject to certain exceptions and deferral provisions, to repurchase all of such holder' s notes equal to 100 % of the principal amount of the notes (or portion thereof) to be so repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date. In addition, provisions of (i) the 2029 Notes require an increase to the conversion rate for 2029 Notes converted in connection with a " make- whole fundamental change " and (ii) the Warrants require an increase in the number of shares of Class A Common Stock the Warrants are exercisable for upon the occurrence of a " make- whole fundamental change " (as defined in the indenture governing the 2029 Notes and the form of Warrant, respectively). Furthermore, the Indenture will prohibit us from engaging in specified types of mergers or acquisitions unless, among other things, the acquiring or surviving entity assumes Zuora' s obligations under the 2029 Notes. Any of these provisions of our charter documents, Delaware law, the 2029 Notes and the Warrants that have the effect of making an acquisition of our company more difficult or limiting attempts by our stockholders to replace or remove our current management could limit the price investors are willing to pay for our Class A common stock.** General Risk Factors Political developments, economic uncertainty or downturns could adversely affect our business and operating results. Political developments impacting government spending and international trade, including future government shutdowns in the United States **or elsewhere** , **debt ceiling negotiations, potential government shutdowns** ~~health pandemics such as the COVID- 19 pandemic~~ , armed conflict such as the ~~conflict~~ **conflicts** in Ukraine **and Israel, retaliatory actions, treaties, increased barriers, policies favoring domestic industries, increased import or export licensing requirements or restrictions** , trade disputes and tariffs **, including the U. S.' s ongoing trade disputes with China and other countries** , inflation, and rising interest rates, may ~~negatively~~ **adversely** impact markets and cause weaker macroeconomic conditions. The continuing effect of any or all of these political or other uncertainties could adversely impact demand for our products, harm our operations and weaken our financial results. In addition, in recent years, the United States and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain. Economic uncertainty and associated macroeconomic conditions, such as a recession or rising inflation rates or economic slowdown in the United States or internationally, including due to ~~pandemics such as the COVID- 19 pandemic or~~ the ongoing ~~conflict~~ **conflicts** in Ukraine **and Israel** , make it extremely difficult for our customers and us to accurately forecast and plan future business activities, and could cause our customers to **cancel planned purchases or** slow spending on our ~~solution~~ **solutions** , which could delay and lengthen sales cycles **. Rising inflation may also increase our employee and facilities costs and decrease demands for our products** . Furthermore, during uncertain economic times our customers may face issues gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for credit losses and our results could be ~~negatively~~ **adversely** impacted. We have customers in a variety of different industries. A significant downturn in the economic activity attributable to any particular industry may cause organizations to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on information technology. In addition, our customers may delay or cancel information technology projects or seek to lower their costs by renegotiating vendor contracts. To the extent purchases of our ~~solution~~ **solutions** are perceived by customers and potential customers to be discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Also, customers may choose to develop in- house software or modify their legacy business software as an alternative to using our ~~solution~~ **solutions** . Moreover, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our customers. We cannot predict the timing ~~, strength,~~ or duration of any economic slowdown **, instability,** or **recovery, generally or within** any **particular** ~~subsequent recovery generally, or any~~ industry ~~in particular~~ . If the **economic** conditions ~~in~~ **of** the general economy **or** ~~and the~~ markets in which we operate worsen from present levels, our business, financial condition, and operating results could be ~~materially~~ adversely affected. **We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally, or any industry in particular. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and operating results could be materially and adversely affected.** Moreover, ~~there has been recent instability of the global banking system. Continued~~ **continued** disruptions in the banking system, both in the U. S. or abroad, may impact our or our customers' liquidity and, as a result, ~~negatively~~ **adversely** impact our business and operating results. **If we fail to maintain** ~~The requirements of being a public company may strain our resources, divert management' s attention, and~~ **an** ~~affect~~ **effective system of disclosure controls and internal control over financial reporting,** our ability to ~~attract~~ **produce timely** and ~~retain additional executive management and qualified board members~~ **accurate financial statements or comply with applicable regulations could be impaired** . As a public company, we are **required** ~~subject to the reporting requirements of the Exchange Act~~ , **pursuant to Section 404 of** the Sarbanes- Oxley Act of 2002 (Sarbanes- Oxley Act) ~~, the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the New York Stock Exchange, and other applicable securities rules and regulations. Compliance with these rules and regulations are costly, time- consuming, and can require significant resources. Although we have already hired additional employees and outside consultants to comply with these requirements, we may need to add additional resources, which would increase our costs and expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. For example, expected SEC rules on climate- related disclosures may require us to update our policies, processes or systems to reflect new or amended financial reporting standards. These laws, regulations, and standards, if and when adopted, are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as market practice develops or new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business, financial position, and operating results or our revenue and operating profit targets may be adversely affected. The rules and regulations applicable to public companies make it more expensive for us to obtain and maintain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in our public company filings, our business and financial condition is more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results. In addition, as a result of our disclosure obligations as a public company, we have reduced flexibility and are under pressure to focus on short- term results, which may adversely affect our ability to achieve long- term profitability. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are required, pursuant to Section 404 of the Sarbanes- Oxley Act~~ , to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have ~~a negative~~ **an adverse** effect on the trading price of our Class A common stock. This management report will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting. Section 404 (b) of the Sarbanes- Oxley Act requires our independent registered public accounting firm to annually attest to the effectiveness of our internal control over financial reporting, which has required, and will continue to require, increased costs, expenses, and management resources. An independent assessment of the effectiveness of our internal controls could detect problems that our management' s assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation. We are required to disclose changes made in our internal controls and procedures on a quarterly basis. To comply with the requirements of being a public company, we have undertaken, and may need to further undertake in the future, various actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control, including as a result of any identified material weakness, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our Class A common stock to decline, and we may be subject to investigation or sanctions by the SEC. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the New York Stock Exchange. We may be adversely affected by natural disasters, pandemics, **epidemics** ~~including any significant resurgence of the COVID- 19 pandemic~~ , and other catastrophic events, and by man- made problems such as terrorism, that could disrupt our business operations. Our business continuity and disaster recovery plans may not adequately protect us from a serious disaster. Natural disasters, pandemics and epidemics, or other catastrophic events such as fire, power shortages, and other events beyond our control may cause damage or disruption to our operations, international commerce, and the global economy, and could have an adverse and material effect on our business, operating results, and financial condition. For example, as a result of the COVID- 19 pandemic and its impacts on the global economy and financial markets, we experienced certain disruptions to our business operations, including delays and lengthening of our customary sales cycles, certain customers not purchasing or renewing our products or services, and requests for pricing and payment concessions by certain customers. As a result of the pandemic, we have also reduced our office footprint given that many of our employees continue to work remotely, and we incurred certain impairment charges related to office leases in the fourth quarter of fiscal **2024,** 2023 **, and 2022** as described in Note 12. Leases of the Notes to Consolidated Financial Statements, and may incur additional impairment charges in future periods if we are unable to sublease available office space at our corporate headquarters in California on acceptable terms. In the event of ~~a significant resurgence~~ **development of new strains or variants** of COVID- 19 ~~pandemic~~ or other ~~future~~ public health ~~crisis~~ **emergencies, climate change, pandemics, or epidemics** , we could experience similar or more significant impacts to our operations, which may adversely impact our business, financial condition and operating results. More generally, **the extent to which** a public health crisis or other catastrophic event could adversely affect economies and financial markets and lead to an economic downturn ~~, which~~ **is highly uncertain and** could harm our business, financial condition, ~~and~~ operating results **and liquidity** . In the event of a natural disaster, including a major earthquake, blizzard, wildfire, or hurricane, or other catastrophic event such as a fire, power loss, or telecommunications failure, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in development of our ~~solution~~ **solutions** , lengthy interruptions in service, breaches of data security, and loss of critical data, all of which could have an adverse effect on our future operating results. For example, our corporate headquarters is located in California, a state that frequently experiences earthquakes and wildfires. Additionally, all the aforementioned risks may be further increased if we do not implement an effective disaster recovery plan or our partners' disaster recovery plans prove to be inadequate. Investors' expectations of our performance relating to **ESG** ~~environmental, social, and governance~~ factors **, and our disclosed performance and aspirations for these practices,** may expose us to new risks and require us to incur additional costs. Corporate responsibility, including ~~environmental, social and governance (~~ ESG ~~)~~ factors, is increasingly becoming a focus from certain investors, **legislators, regulators,** employees, and other stakeholders. Some investors may use these factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our corporate responsibility policies are inadequate. **Standards** ~~Third- party providers of corporate responsibility ratings~~ and **laws** ~~reports on companies have increased to meet growing investor demand for measurement of corporate responsibility performance. The criteria~~ by which **ESG efforts** ~~companies' corporate responsibility practices~~ are ~~assessed~~ **tracked and measured continue to evolve. For example, in March 2024, the SEC adopted final rules aimed at enhancing and standardizing climate- related disclosures, which includes quantitative and qualitative climate- related disclosures. Our efforts to abide by these developing standards and laws** may require significant expenditures. In May 2022, we announced our commitment to remain carbon neutral going forward, including by purchasing carbon offsets in future years, which may become increasingly more expensive. In addition, the corporate responsibility criteria could change, which could result in greater expectations of us and cause us to undertake more costly initiatives to satisfy such new criteria. If we elect not to or are unable to satisfy such new criteria, investors may conclude that our policies with respect to corporate responsibility are inadequate. We may face reputational damage in the event that our corporate responsibility procedures or standards do not meet the standards set by various constituencies. Furthermore, if our competitors' corporate responsibility performance is perceived to be greater than ours, potential or current investors may elect to invest with our competitors instead. **Any failure or perceived failure of previously stated** ~~In addition, in the event that we communicate certain initiatives and~~ goals **, targets and objectives or to satisfy various reporting standards within the timelines we announce, or not at all,** regarding ESG matters, ~~we~~ could **have negative impacts on** ~~fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of investors, employees, and other stakeholders, or, if our initiatives are not executed as planned,~~ our reputation and business, operating results, and **our** financial condition could be adversely impacted. **In addition, compliance with ESG- related rules and efforts to meet stakeholder expectations on ESG matters may place strain on our employees, systems, and resources. Moreover, increasingly, different stakeholder groups have divergent views on sustainability and ESG matters, which increases the risk that any action or lack thereof with respect to sustainability or ESG matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business. " Anti- ESG " sentiment has also gained some momentum across the United States, with several states having enacted or proposed" anti- ESG" policies or legislation. If we do not successfully manage ESG- related expectations across stakeholders, it could erode stakeholder trust, impact our reputation, and adversely affect our business, financial condition, results of operations and cash flows. 45**