

REFINITIV

## DELTA REPORT

### 10-K

DOMO - DOMO, INC.

10-K - JANUARY 31, 2024 COMPARED TO 10-K - JANUARY 31, 2023

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**TOTAL DELTAS** 2274

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended **January 31, 2023** **January 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For transition period from to .

Commission File Number 001-38553.

**DOMO, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation or Organization)

27-3687433  
(I.R.S. Employer  
Identification Number) No.)

**772 802 East Utah Valley Drive 1050 South**  
American Fork, UT 84003  
(Address of principal executive office, including zip code)

(801) 899-1000  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class B Common Stock, par value \$0.001 per share	DOMO	The Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to be file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes  No

As of **July 31, 2022** **July 31, 2023**, the aggregate market value of the registrant's common equity held by non-affiliates was approximately **\$2.5 billion**, **\$549.0 million**. Shares of common stock held by each executive officer and director and by each other person who may be deemed to be an affiliate of the registrant have been excluded from this computation. This determination of affiliate status for this purpose is not necessarily a conclusive determination for other purposes.

As of **March 13, 2023** **March 22, 2024**, there were approximately 3,263,659 shares of the registrant's Class A common stock and **31,575,530****34,767,551** shares of the registrant's Class B common stock outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its **2023** **2024** annual meeting of stockholders, or the **2023** **2024** Proxy Statement, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The **2023** **2024** Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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**Domo, Inc.**

**Form 10-K**

**For the Fiscal Year Ended **January 31, 2023** **January 31, 2024****

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### SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, as described further in the section of this report captioned "[Risk Factors](#)," which may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Some of the most significant challenges and risks include the following:

- **economic uncertainties or downturns could materially adversely affect our business;**
- we have a history of losses, and **we may never not be able to generate sufficient revenue to achieve profitability, or maintain profitability in the future;**
- we have been growing and expect to continue to invest in our growth for the foreseeable future, and if we fail to manage this growth effectively, our business and operating results will be adversely affected;
- our ability to raise capital in the future may be limited, and if we fail to raise capital when needed in the future, we could be prevented from growing or could be forced to delay or eliminate product development efforts or other operations;
- **adverse events or perceptions affecting the financial services industry could adversely affect our operating results, financial condition and prospects;**
- if we are unable to attract new customers in a manner that is cost-effective, our revenue growth could be slower than we expect and our business may be harmed;
- if customers do not renew their contracts with us or reduce their use of our platform, our revenue will decline and our operating results and financial condition may be adversely affected;
- if customers do not expand their use of our platform or adopt additional use cases, our growth prospects, operating results and financial condition may be adversely affected;

- we face intense competition, and we may not be able to compete effectively, which could reduce demand for our platform and adversely affect our business, growth, revenue and market share;
- third parties could make it difficult if our or prevent us from accessing their systems; our customers' access to data becomes limited, our business, results of operations and financial condition may be adversely affected;
- if we fail to manage effectively align, develop and expand our growth effectively, sales and marketing capabilities with our business new pricing structure and operating results will increase sales efficiency, our ability to increase our customer base and increase acceptance of our platform could be adversely affected; harmed;
- we have recently experienced management and board turnover, which creates uncertainties and could harm our business;
- we are subject to governmental laws, regulation and other legal obligations, particularly those related to privacy, data protection and information security, and any actual or perceived failure to comply with such obligations could impair our efforts to maintain and expand our customer base, causing our growth to be limited and harming our business;
- if our network, application, or computer systems are breached or unauthorized access to customer data or other sensitive data is otherwise obtained, our platform may be perceived as insecure and we may lose existing customers or fail to attract new customers, operations may be disrupted if systems or data become unavailable, our reputation may be damaged and we may incur significant liabilities; remediation costs or liabilities, including regulatory fines for violation of compliance requirements;
- third-party claims that we are infringing or otherwise violating the intellectual property rights of others, whether successful or not, could subject us to costly and time-consuming litigation or require us to obtain expensive licenses, and our business could be harmed;
- the success of our business depends in part on our ability to protect and enforce our intellectual property rights;
- the dual class structure of our common stock has the effect of concentrating voting control with Joshua G. James, our founder and chief executive officer, which will limit your ability to influence the outcome of important transactions, including a change in control;
- the ongoing pandemic of coronavirus around the world could impact our business and operating results in volatile and unpredictable ways; and
- adverse events economic uncertainties or perceptions affecting the financial services industry downturns could materially adversely affect our operating results, financial condition and prospects. business.

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#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

As used in this Annual Report on Form 10-K, unless expressly indicated or the context otherwise requires, references to "Domo," "we," "us," "our," "the Company," and similar references refer to Domo, Inc. and its consolidated subsidiaries.

This Annual Report on Form 10-K, including the sections titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements. You should read these statements carefully because they discuss future expectations, contain projections of future results of operations or financial condition or state other "forward-looking" information. These statements relate to our future plans, objectives, expectations, intentions and financial performance and the assumptions that underlie these statements. They include, but are not limited to, statements about:

- our ability to attract new customers and retain and expand our relationships with existing customers;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit, operating expenses, key metrics, ability to generate cash flow and ability to achieve and maintain future profitability;
- the anticipated trends, market opportunity, growth rates and challenges in our business and in the business intelligence software market;
- the efficacy of and our expectations regarding our sales and marketing efforts; efforts, including our ability to successfully introduce and expand our consumption-based services;
- our ability to compete successfully in competitive markets;
- our ability to respond to and capitalize on rapid technological changes;
- our expectations and management of future growth;
- our ability to enter new markets and manage our expansion efforts, particularly internationally;
- our ability to develop new product features;
- our ability to attract and retain key employees and qualified technical and sales personnel;
- our ability to effectively and efficiently protect our brand;
- our ability to timely scale and adapt our infrastructure;
- our ability to protect our customers' data and proprietary information;

- the effect of general economic and market conditions on our business;
- our ability to maintain, protect, and enhance our intellectual property and not infringe upon others' intellectual property; and
- our ability to comply with all governmental laws, regulations and other legal obligations.

Our actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, including those factors discussed in Part I, Item 1A (Risk Factors).

In light of the significant uncertainties and risks inherent in these forward-looking statements, you should not regard these statements as a representation or warranty by us or anyone else that we will achieve our objectives and plans in any specified time frame, or at all, or as predictions of future events. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## PART I

### Item 1. Business

#### Overview

At Domo, we believe people and data are an organization's most valuable assets in the cloud era. Our **Business Cloud** cloud-based platform is a modern business intelligence software platform that enables processes that are critically dependent on business intelligence data – which historically could take weeks, months or longer – to be done on-the-fly, in as fast as minutes or seconds, at scale. From marketing to operations, HR to finance, IT to product development, supply chain to sales, Domo's **Business Cloud** platform is designed to change the way organizations are managed and empower our customers to **go fast, go big and go bold**: multiply their impact on the business.

Through **Domo's Business Cloud**, the **Domo** platform, data from across the business is collected, stored, prepared, organized, analyzed, visualized, and shared. **Algorithms** Artificial intelligence algorithms and machine learning can be applied to the data that allow alerts to be triggered and actions invited. Users can receive these notifications on any device and immediately act on the invitation, after which the system can write back to the original system of record. Because Domo can digitally connect any organization and empower each of its employees, we believe our market potential is every working person with a mobile device. Because we leverage the power of the cloud, our platform can process extremely large volumes of quantitative and qualitative data while maintaining high performance levels. On a typical business day, our customers in the aggregate typically query several hundred trillion rows from uncached queries. Even with this volume of data, we maintain a subsecond average query response time.

We have made significant investments to build an enterprise-grade platform with the scale, speed and security to support the world's largest organizations, regardless of where they are in their digital transformation journey. In many ways, building Domo was like building seven start-ups in one to solve gaps in data strategy, which include the typical functions of connecting and transforming data, visualizing and analyzing it, and building apps and extending that data to teams, entire organizations, partners and customers. That's why Domo is more than just a business intelligence, data warehouse, data discovery, analytics, collaboration, dashboarding, visualization or reporting tool. These tools and technologies are typically provided by separate vendors today. Domo combines all of them in a single platform that can augment a customer's existing infrastructure with the following:

- Connectors:** Domo offers more than 1,000 powerful, first-class connectors which we define as read/write, API and standards based connectors that are available in the Domo Appstore, as well as a library of very flexible universal connectors, enabling all users, regardless of technical ability, to connect to data across a broad range of sources and facilitate initiation of business processes. These connectors enable data to be continuously synchronized in real time, fostering visibility and interoperability across a broad range of data sources.
- Data Warehouse:** Our data warehouse, Adrenaline, stores massive amounts of data from across the business, organizes that data across many factors or variables and employs a massive number of processors to query that data in parallel, enabling employees across the organization to simultaneously access the same data for their various needs with **subsecond** sub second response times on average. Domo's federated query functionality supports several top cloud data warehouse engines and allows customers to query and visualize data that lives in their data warehouses without duplicating it. **Domo Cloud Amplifier** extends the native integrations to all functionality in **Domo** allowing users to leverage alerting, **Magic ETL** transformation, **Domo AI** and more while data remains at rest within a source cloud. **Cloud Amplifier** is currently available for Snowflake (including Snowflake on Azure), Databricks (including Databricks on Azure), Google Big Query, AWS Redshift and Dremio.
- Domo Magic ETL:** Fusion Magic ETL is our Domo's low code data transformation engine that sorts customer tool enabling customers to combine and enrich data making so it possible for any dataset connected can drive business impact. Magic includes basic transformation tiles but also allows more advanced users to **Domo** leverage SQL and Python/R scripts. Data can be blended from multiple clouds as well as Excel files or other data sources loaded to be cleansed, combined and prepared for use leveraging **Magic ETL**, **Data Flows** and **hygiene algorithms**. **Domo**.
- Data Analysis and Visualization:** Our **Explorer** The **Domo** analytics suite allows users to analyze, display, share and interact with data through pixel-perfect visualizations. **Explorer** is a data discovery tool that **Domo** visualizations seamlessly **works** work on mobile as well as on wall monitors in executive offices or manufacturing facility floors. **Domo Bricks** allows users to extend to unlimited visualization options including **viz** libraries such as D3, Plotly, MapBox, Chart.js and more. **Domo** alerts allow for proactive monitoring of data based on specific thresholds and security settings. **Domo's App Studio** provides low

code tooling for developing next level visualizations and apps including custom themes, bespoke navigation, forms for data collection and more. More experienced developers can use the **Domo App Dev Framework** to create custom apps built on top of the data and governance of Domo.

- Embedded Analytics:** Domo Everywhere is a set of embedded analytics tools that enable organizations to easily and securely deliver data experiences to customers, partners and vendors. Content can be shared in portals, web properties, or inside applications. **Customers** can also provision full **Domo** instances for their partners/customers seeded with content and data from them.

- **Collaboration:** Buzz is our standalone collaboration and productivity suite that integrates seamlessly with Domo's other features. Chat, sharing, organizational charts, profiles, and project management all help foster an engaged and curious workforce, so that anyone in an organization can participate in improving the business. Domo also provides integration points with both Microsoft Teams and Slack.
- **Artificial Intelligence Algorithms Domo AI:** Domo's suite of data science leverages Domo AI provides a comprehensive AI and machine learning algorithms, predictive analytics, infrastructure including a Jupyter workspace integration and AutoML capabilities for building models in Domo. Domo AI Model Management allows for the hosting, deployment, and training of models both built in Domo or hosted by third parties including Open AI, Amazon Bedrock, Databricks and Hugging Face. These models can be accessed via inference end points or used in Magic ETL, workflows and apps. Domo's AI service layer provides an abstraction layer for specific AI driven tasks throughout Domo including text generation, text to SQL, text summarization and more. The Domo AI foundation supports an ever expanding group of features in Domo making data more discoverable (via Chat and other artificial intelligence technologies tools) and enabling any user to create alerts, detect anomalies, optimize queries, build like a seasoned analyst.
- **Automation:** Domo Workflow engine allows for the automation of key business processes both within Domo and suggest areas in external systems. Workflows can leverage data in Domo to drive actions and custom code (via Code Engine) to take action in external systems such as CRM, support ticket systems and e-mail systems. Workflows includes a Forms feature for collecting key data needed to run a workflow and a Queue feature for managing approvals before going to the next step in an automation. The Domo Task Center app is available in iOS and Android stores to allow for review of interest to help people focus on what matters most. These machine learning and AI tools constantly scan incoming data to identify trends, anomalies and correlations, providing alerts and initiating business processes workflow queues from anywhere.
- **Partner Ecosystem:** With the Domo's partner program is focused on four key initiatives to drive meaningful business outcomes: Platform partners — relationships with technology platforms for seamless integrations and enhanced services for joint customers; Data partners — leveraging Domo Appstore, APIs Everywhere to help customers develop solutions that benefit their own customer base; App partners — growing Domo's extensive App ecosystem with a diverse range of app developers; and, developer tool kits, Domo enables an ecosystem of Channel partners to quickly build intelligent applications on the platform. We believe this will be a meaningful source of future lead generation as application creation investment thresholds are high. — broad market reach and customer engagement with channel partners.

As of **January 31, 2023** **January 31, 2024**, we had more than **2,500** **2,600** organizations as customers. We employ a land, expand, and retain business model and typically enter into enterprises within a specific division or for a specific use case. As our users see the value of our platform and user engagement increases, we expand our footprint within their organization. Our annual recurring revenue (ARR) net retention rate, which compares the ARR as of the measurement date to ARR from the same cohort as of the same period in consecutive fiscal years (excluding customers from the cohort who canceled during the initial period), was an average of **104%** **109%**, **109%** **106%**, and **106%** **96%** for the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024**, respectively.

For the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024**, we had total revenue of **\$210.2 million** **\$258.0 million**, **\$258.0 million** **\$308.6 million** and **\$308.6 million** **\$319.0 million**, respectively, representing year-over-year growth of **23%** **20%** and **20%** **3%**, respectively. For the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024**, our net loss was **\$84.6 million** **\$102.1 million**, **\$102.1 million** **\$105.6 million** and **\$105.6 million** **\$75.6 million**, respectively.

## The Domo Solution

We believe business technology must be as easy-to-use and intuitive as mobile consumer applications, while providing enterprise-grade scalability and security features. Everyone, from a CEO to a front-line employee, benefits from the functionality that Domo provides. Our Business Cloud platform fosters collaboration, efficient decision making, increased organizational productivity, and generates improved business results. The platform also is designed to help IT leaders deliver value rapidly to the business by seamlessly complementing their existing systems and infrastructure and unlocking value from their fragmented data and systems. While developing our platform, we have been focused on four key pillars as described below.

### All of Your People

Our platform enables every type of employee to connect to, analyze, and leverage data from their smartphone. When everyone can use data, the value of the data increases significantly and everyone is equipped with a common set of facts across all levels of an organization. As a result, data-driven knowledge proliferates throughout an organization as more employees become capable of contributing to shared, collaborative analysis. When freed from the constraints of traditional business intelligence tools, these employees tend to not only become increasingly productive, but also feel more connected to the broader organization.

### All of Your Data in Real Time

Our platform provides real-time access to quantitative and qualitative data, including through more than 1,000 powerful first-class connectors as well as a library of very flexible universal connectors. In addition, through Domo Workbench, organizations can connect to proprietary data sources regardless of where those data sources reside within an organization. This comprehensive approach enables every type of employee to design customized, real-time views of data and data trends. For example, a marketer can design a visualization that includes real-time data of the click-through rates of the online advertisements, the impact of regional marketing campaigns, and the benchmarks of his organization's campaigns across the years.

### Intelligence that Invites Actions

Our platform leverages artificial intelligence, including machine learning algorithms and predictive analytics, to continuously power more advanced insights, recommendations and alerts. We thereby enable employees to be aware of what is happening on a real-time basis, and take appropriate action where necessary. As more organizations and users adopt our platform, we have access to more data, and our indices become more powerful, resulting in more effective benchmarking. Our platform, based on ongoing variance analysis, is capable of providing personalized, proactive alerts and recommended actions to every employee and writing back to source applications based on predetermined actions triggered after certain thresholds or behavior has occurred. In the case of a bakery, for example, our platform can alert the owner that she does not have enough flour to meet tomorrow's demand and recommend a supply schedule to prevent future stock-outs.

## **Domo Apps and Appstore**

We, our development partners, and our users have built intelligent applications to create custom solutions for unique business needs. The goal of these applications is to put data to work for everyone in an organization. Our data applications present data for a specific purpose and are meant to drive prescriptive behavior to achieve a business outcome. These applications range from a real-time social index to evaluate an organization's engagement across various social media platforms to a predictive analytics toolkit that allows users to analyze "what if" scenarios and forecast the direction of key business metrics to an aggregator for an organization's relevant mobile application statistics. Our platform enables applications to keep data in sync by updating source systems when users take action. To date, these applications have been adopted across a broad range of industries. Many users are able to build applications with limited training and no or limited IT involvement. Additionally, through the Domo Appstore, users have the option to make their applications available to all Domo users. This application ecosystem generates a powerful network for our platform — as users build, adopt and use additional applications, usage increases within an organization, which enables our platform to deliver even more powerful insights to those users.

Through the power of Domo's comprehensive cloud-based platform, organizations can finally provide all of their data, to all of their employees, all of the time.

## **Key Benefits of Our Solution**

Domo is more than just a business intelligence, data connection, data warehouse, data transformation or ETL, data discovery, analytics, collaboration, dashboarding, visualization or reporting tool. These tools and technologies are typically provided by separate vendors today. Domo's Business Cloud brings all of them together to help companies leverage their business intelligence across various processes, at scale, in as fast as minutes or seconds.

The Domo platform delivers six core benefits, and from the combination of these six, customers benefit from a seventh; a virtuous cycle of optimization.

### **Executive and Outcome Focused Mobile Solution**

From the beginning, we targeted CEOs as key users of our platform. That concept has fundamentally influenced every aspect of the Domo platform from architecture to user experience. CEOs have huge demands on their time, are constantly on the move, do not have time or desire to learn complex software, need answers that quickly drive decisions, need to create alignment within their organization, need to focus on the exceptional items that should bubble up in their business instead of turning over every stone to see if something is off, and hunger for as much collaborative and correlative signal as they can get. Our platform was designed to meet each of these needs.

Our native mobile application enables all employees, not just CEOs, to effectively manage their businesses and responsibilities using any device. Employees can see current status of business operations and receive automatic alerts for when they need to take action, delivered directly to their smartphone. Anyone can edit and interact with data and share it with colleagues in real time directly from their smartphone. While Domo was designed with mobile users first in mind, it is automatically accessible across laptops, TV screens, monitors, tablets and smartphones, via different browsers and visualization engines, which is a competitive differentiator.

### **Universal Data Model — Data Platform and Transformation**

Domo is changing the way people think about data. Data is no longer a currency only to be banked, but is the fuel that drives the business. Domo puts data to work, all of the data, together in an integrated, robust system, for all of the business's employees. To accomplish this, Domo created a distributed data platform that was engineered to ingest, process, clean, prepare and make queryable all of a business's available data, and serve it back with a subsecond average query response time, not just from a couple of databases or a single warehouse, or a few external cloud apps, but from all of the data, including systems that come online outside of IT's influence like the myriad of cloud software providers each department might be leveraging. We believe that all of a business's quantitative and qualitative data must be brought together, in one system, in order to deliver the types of encompassing views and timely insights today's leaders must have. Our portfolio of connectors and cloud-based data warehouse provides a massively scalable solution to enable businesses to connect to their data systems. Our cloud-based ETL suite allows all of that data to be transformed and prepared together in a universal data format, enabling users to easily incorporate, change or discontinue different data sources without disruption. Our fast query engine searches the data, enabling insights to be generated. Now business leaders can have fully comprehensive views of what is happening, across all departments and across all systems.

### **Digital Connected Organization — Interconnecting and Orchestrating across Disparate Systems**

Businesses use many separate software systems to facilitate core elements of managing their business. This means there is no natural opportunity to leverage a broader, more holistic view of the state of the business or to take broadly informed actions and decision paths. It is very difficult to create alignment across the disparate organizations that use the siloed systems. This often creates walled gardens of data inside the business and blocks departments and teams from being able to effectively work full life cycle problems with each other. It also cripples the C-suite from being able to truly understand the nature of a problem or opportunity. Our comprehensive, cloud-based platform weaves seven critical platform components together to exploit this opportunity to increase alignment, accuracy and effectiveness of business leaders: data connections, data warehouse, data management, data analysis and visualization, artificial intelligence algorithms, and our partner ecosystem. An action in one system can have its influence measured in another, combined together in the same view, such as when marketing automation affects sales revenue generation, which in turn affects financial performance, to truly understand how best to guide the business.

### **Productivity — Fosters Getting Work Done Together**

Our platform enables all employees to engage with each other with real-time data and business results at the center of the conversation. Employees can easily find others in their organization who access similar data and invite them and others with the appropriate permissions to engage in richer conversations to achieve business results. With Domo, users collaborate where the data lives, increasing everyone's productivity and ability to act on the data. Our platform also enables organizations to share their data and collaborate with customers, suppliers and other partners outside of the organization. Additionally, any user can schedule critical insights to be delivered to the right inboxes, ensuring the right stakeholders are being kept up-to-date on relevant developments.

### **Enterprise Security, Scalability and Compliance**

We have invested significantly to build security features in our platform that have enabled us to expand our presence within the enterprise. Because we connect directly to data sources that hold companies' CRM, HCM, ERP and other sensitive data in our system, we must maintain enterprise-grade security standards for data access, privacy and administration. Our security protocols have enabled us to attract enterprise customers across a wide array of industries, including many in highly regulated industries such as

financial services and healthcare. Our security features, such as customer-controlled encryption key management, provide much needed confidence that the data on our platform is secure.

Our native multi-tenant, web-scale, massive parallel processing capabilities and multi-dimensional architecture manage extremely large volumes of data and deliver real-time analysis at scale. On a typical business day, our customers in the aggregate typically query several hundred trillion rows from uncached queries. Even with this volume of data, we maintain a subsecond average query response time. We leverage an organization's existing data systems, meaning IT does not have to re-architect what has already been built and does not have to invest in new infrastructure to implement our platform.

We also provide IT departments with centralized governance and administration capabilities. Our platform enables IT departments to not only monitor the health of all data within an organization, but also actively control who has access to that data on a real-time, continuous basis. Our platform provides robust controls down to row level security that enable leaders to tailor data access based on a variety of categories, including role, geography or department. We provide the assurance of leading security and compliance certifications, including those relating to SOC 1, SOC 2, HITRUST, HIPAA and more.

We have people, process and technology in place for assessing, identifying, and managing material risks from potential unauthorized activities in our environment/systems that could adversely affect the confidentiality, integrity, or availability of our systems, our data, or our customer's data residing on those systems. These include a wide variety of controls, technologies, tools, and other processes that are designed to prevent, detect, or mitigate data loss, theft, misuse, unauthorized access, or other security incidents or vulnerabilities affecting the data. We have also designed and implemented a combination of people, process and technology to reduce the impact of a security incident at a third-party vendor, business partner, or customer.

As part of our security program, we conduct application security assessments, vulnerability management, penetration testing, security audits, and ongoing risk assessments. We also maintain a variety of incident response plans, backup and recovery plans and business continuity/disaster recovery plans that are utilized when incidents are detected. We require employees with access to information systems, including all corporate employees, to undertake data protection and cybersecurity training and compliance programs annually.

We have a unified and centrally-coordinated team, led by our chief information security officer, that is responsible for implementing and maintaining centralized cybersecurity and data protection practices in close coordination with executive leadership team including CEO, CTO, CFO, CLO, CHRO, and other members of the senior leadership team. Reporting to our chief information security officer are a number of experienced security, governance, risk and compliance professionals. In addition to our in-house cybersecurity capabilities, we also engage with external assessors, consultants, auditors, or other third parties to assist with assessing, identifying, and managing cybersecurity risks.

Our cybersecurity risks and risk management activities are evaluated as part of our enterprise risk assessments which are also reviewed by the Audit Committee. In addition, we have established a Security Steering Committee, which is comprised of executives and senior leaders from the Product and Infrastructure organizations, in addition to the Information Security and Product Security organization leaders. The Security Steering Committee meets monthly to evaluate cybersecurity related risks and mitigations, including prioritization of efforts to reduce the overall cybersecurity risk for the company from the engineering and product development perspective.

#### **Benchmarks and Applications — Ecosystem**

We built the Domo platform with the explicit goal that it be extended and leveraged by a rich ecosystem of partners, developers, business experts and entrepreneurs. Each of the core pieces of the Domo platform has been engineered from the ground up to be extensible and accessible through APIs and SDKs. We have also created the Domo Appstore, a marketplace for the distribution of additive capabilities and pre-built content from the Domo ecosystem, such as a new data connector, a best-practice dashboard, or a fully functioning custom solution, to extend their Domo experience. Third parties are able to rapidly develop rich applications that leverage the collective power of the Domo platform. Each of the core tenets of the platform are offered as services and functionality used to build the types of products that typically would be expensive and time-consuming to replicate.

#### **Virtuous Cycle of Optimization**

The combination of these six core benefits drives a seventh factor, a virtuous cycle of optimization. A digitally connected organization is able to leverage all of the data, people, systems, behaviors, automation, write-back, predictive analytics, machine learning, natural language processing and workflows to achieve its goals and improve the entire business. Customers get more value from their workforce, and get more value from their data. We believe this is only the beginning; the network effect of digitizing complex workflows, automating well known outcomes, suggesting courses of action, unlocking crowd wisdom effects within the business and anomaly detection across the entire organization will continue to improve as more of an organization's people, data and systems are connected to the Domo platform.

#### **Competitive Strengths**

Our key competitive strengths include:

- **Mobile Functionality.** We designed Domo with mobile functionality front of mind. Domo's native mobile applications unlock users' ability to access data and collaborate in real time, from anywhere. When data is in Domo, it is immediately available for consumption on smartphones and other mobile devices without requiring separate versions or visualizations.
- **Functionality That Can Be Used by Everyone.** Employees can easily connect to relevant data sources, create powerful data transformations, analyze data, build reports and applications, configure alerts, and collaborate through our desktop or mobile application. Employees without technical expertise can use all of the features of our platform without involving a business analyst.
- **Easy to Adopt.** Employees can begin using our platform within minutes, without the need for heavy IT involvement to procure and implement. We offer a free trial, through our website, in addition to traditional inside and field sales models for broad company deployments.
- **Scale.** Domo has been natively built on a cloud-based architecture that is capable of massive scale. The Domo data warehouse and our connector strategy allows our platform to connect, house and make accessible all of the data within an organization and have a system that can make recommendations.

- **Proven Economic Value.** The comprehensive capabilities of our solution enable organizations to benefit from cost savings that result from their ability to remove previously deployed, limited systems. Also, because our solution enables employees to spend less time tracking down data or preparing presentations for meetings, employees are able to dedicate more time to value added activities. As a result, in addition to cost savings, organizations that deploy our solution are often able to generate incremental revenue.
- **Proven Enterprise Readiness.** We have invested significantly to broaden our platform capabilities and enhance security and scalability requirements for the enterprise.
- **Continuous Product Innovation.** From inception through January 31, 2023 January 31, 2024, we have invested \$730.4 million \$824.1 million in research and development to create our comprehensive platform. These investments allowed us to create more than 1,000 first-class connectors as well as a library of very flexible universal connectors, which enable everyone to connect and use all of the data within their organization in real time, through our data explorer and ETL engine. We invested in creating our native mobile application, which empowers all employees to effectively manage their responsibilities using their mobile device. We also invested in developing collaboration capabilities, resulting in our solution being able to aggregate all collaboration activity within an organization in a context-sensitive, easily navigable view. These investments have also enabled us to build a comprehensive cloud-based platform with enterprise-grade features and to develop machine learning algorithms that invite all employees to action, based on the real-time data that is accessible within our platform. We developed the Domo Appstore on top of that, which offers hundreds of applications, developed internally and by an open ecosystem of partners, providing expertise across a variety of industries. Developer tools and programmatic APIs enable the rapid development and delivery of custom apps leveraging the Domo platform and services. Additionally, we believe that our significant investments in research and development will provide tremendous leverage in our financial model as our business continues to scale.
- **Strong Industry Recognition.** Our brand is synonymous with the next generation of cloud-native, mobile-first data solutions. We have attracted and retained top talent in our industry and have become a top choice for organizations looking for better ways to use data to run their businesses. We have received multiple innovation awards and top-

ranked top-ranked recognition for ease-of-use and business value based on customer-based research from organizations such as Dresner Advisory Services, Gartner and Ventana Research. In addition, Domo was named the BI and Analytics category winner in the 2021 Cloud Awards and received the 2020 DEVIES Award for Best Innovation in IoT. We've also been recognized with workplace and growth awards including the Deloitte Technology Fast 500, Great Places to Work, Utah Business Best Places to Work (nine consecutive years). Additionally, our annual conference, Domopalooza, attracts thousands of prospects and users.

- **Expanding Third Party Ecosystem with Strong Network Effects.** We have developed pre-built applications for specific use cases and provide everyone with the necessary tools to build applications that run on our platform. These applications can be tailored to the specific needs of a specific role, organization or industry and leverage all the benefits of our solution to enable everyone to improve decision making, business outcomes and financial results. Once built, users can share these applications within their organization, but can also elect to open the application to all our users, across industries and geographies.

## Growth Strategies

Key components of our growth strategy include:

- **Increasing Our Overall Customer Base.** The market for our platform is large and underpenetrated, as any organization of any size and in any industry is a potential customer of Domo. We believe there is substantial opportunity to add additional customers both in the United States and internationally as the need for all employees to access actionable, real-time data continues to drive market adoption of our platform. We are committed to further penetrating international markets such as Japan, Asia Pacific and EMEA.
- **Accelerate Expansion within Existing Customers.** We employ a land, expand, and retain business model and typically enter into enterprises either within a specific division or for a specific use case. As our users see the value of our platform and user engagement increases, we expand our footprint within the enterprise. We are focused on helping our users quickly realize the value of our platform. We have substantial growth potential within our existing customer base. We will continue to focus on showcasing the value of our platform to expand our footprint within our existing customers.
- **Extend Platform Functionality and Value Proposition.** Our goal is to continue to enhance and broaden the capabilities of our platform to address our users' evolving needs. To that end, we plan to continue to invest in enhancing the ease of use and self-service capabilities, scalability, security and performance of our platform and expanding the IoT, artificial intelligence and data management functionality of our platform. We will also continue to invest in additional features and capabilities.
- **Expand the Domo Ecosystem.** The ecosystem for our platform includes customer influencers, which share valuable best practices for and serve as proof points for other customers, strategic partners, which efficiently expand our reach, and third-party developers that create customized applications tailored for specific customer use cases. We will continue to invest in establishing and strengthening these relationships to broaden this ecosystem.
- **Leverage the Data.** The Domo platform is uniquely positioned to generate performance benchmarks and indices across a wide array of organizations and disciplines, and in time we plan to capitalize on that position to attract additional customers and broaden and deepen our relationships with them. Although no customer will have access to the data of another, given that customers bring their data into the same cloud-based platform, we could enable performance comparisons based on index derived from similarly-situated organizations.

## Our Technology

Our solution is comprised of seven nine core elements:

- connectors;
- data warehouse and fast query engine;

- Domo Magic ETL;
- data analysis and visualization tools;
- embedded analytics;
- collaboration tools;
- artificial intelligence algorithms; Domo AI;
- automation workflows; and
- apps and partner ecosystem.

These core elements were developed with two foundational considerations in mind:

- accessibility for all users, with a heavy emphasis on mobile-first functionality; and
- access, and applicability to business of all sizes, including those requiring enterprise-grade governance and security.

#### **Connectors**

The foundation of our technology is the ability to connect all of an organization's relevant business data and then combine, cleanse and transform that data into formats that can be easily visualized and analyzed.

Our platform provides real-time access to data through a broad and flexible set of connection options, including through more than 1,000 first-class connectors, which we define as read/write, API and standards-based connectors that are available in the Domo Appstore, as well as a library of very flexible universal connectors. We also provide users an intuitive web-based toolkit, Connector Dev Studio, which allows users to build their own connectors.

Our platform allows organizations to integrate directly with almost any source of data required to answer key business questions. Whether the necessary data is located in other third-party systems, on-premise data stores, or even local machines, Domo provides easy access across all platforms with no coding necessary in most cases. Since Domo has built and maintains a large library of connectors, organizations no longer need to directly deal with the confusing and constantly changing ecosystem. Typically, all that is necessary are the security credentials required to access the data. Additionally, the cloud-based nature of Domo means that not only is it simple for an organization to import data, but such data will also be continually imported and updated creating a "living," real-time dataset with no hardware investment by the customer. For organizations with on-premises data solutions, or bespoke or legacy applications, we have developed Workbench, our secure data acquisition tool designed to easily and securely connect on-premises data to our platform. We thereby enable organizations to connect to real-time proprietary data sources regardless of where those data sources sit within the organization. QuickStart Apps help users load relevant data into a usable format with the click of a button. With a growing library of popular data sources that draw from years of role and industry experience, Domo guides users on what KPIs they should be measuring from the day they connect.

#### **Data Warehouse and Fast Query Engine**

Adrenaline, the Domo data warehouse, stores massive amounts of data connected from across the business, enabling anyone to quickly access the data they need.

After data has been imported into Domo, it is important that it is safe, secure, and available. Adrenaline uses industry-leading technologies to ensure that customer data is secure and encrypted while stored in the system. It is also stored in redundant systems to provide a safe and reliable retrieval. In the case of frequently changing, or updated data, Domo additionally stores historical versions of past data available for catastrophic recovery.

Availability of the data is handled through Domo's fast query layer. All data is prepared and available for querying through this feature. Adrenaline organizes the data across any number of factors or variables and employs a massive number of processors to query that data in parallel. This service supports queries while building simple cards as well as complex, custom queries and dataset joins on datasets comprised of billions of records. Our fast query layer eliminates the need for IT to perform time-consuming data summarizations or other complex processes in order to maintain high query performance. On top of the flexibility, it provides subsecond average query response time, enabling real-time consumption of information. The speed and flexibility at this layer differentiate between Domo from traditional solutions offered by our competitors.

Domo's federated query functionality supports several top cloud data warehouse engines and allows customers to query and visualize data that lives in their data warehouses without duplicating it.

In addition to federated query, Domo Cloud Amplifier capabilities allow for a native integration with Snowflake, Google Big Query, Databricks, AWS Redshift and Dremio. Cloud Amplifier goes beyond direct query for data visualizations to include the ability to write back data to the selected cloud service. This write portion allows for the hydration of data via both Domo connectors and Domo Magic ETL. Cloud Amplifier also can integrate with OAuth security setup for the host cloud service allowing for seamless integration with existing data security rules.

#### **Domo Magic ETL: Data Transformation**

Our self-service ETL toolset, Fusion, enables users to easily join, aggregate and cleanse data from multiple sources. Unlike some solutions that require separate tools to extract, transform and load, or ETL, data, Fusion permits users of all skill levels to clean and combine data within our platform.

With an intuitive, drag-and-drop interface, users with little or no expertise can easily combine all their data and transform it into a format that can be easily manipulated, visualized and analyzed. For data analysts, our platform includes SQL-based dataflows, which allow more technical users to combine and transform raw data sources for other users. Fusion also includes a variety of machine learning algorithm and predictive analytics tools to allow everyone to add intelligence to any dataset, enabling a range of data science analysis, including:

- cluster analysis to perform cohort analysis and discover relationships to understand complex data;

- predictive models built on a suite of regression algorithms to better understand core drivers and influencers of key business metrics;
- forecasting models using common forecasting methods;
- Scripting tiles for running custom R and Python scripts;
- Deployment of AI Models hosted in Domo or other third party Data Science/Machine Learning platforms;
- time-series, multivariate, parametric and non-parametric algorithms to reveal abnormal or "interesting" data in any dataset; and
- intelligent models built on machine learning algorithms.

All algorithms can be implemented using a simple wizard for configuration.

#### **Real-time Analysis and Visualization**

Our Explorer analytics suite, consisting of Domo Analyzer, Domo Pages and Collections, Domo Stories, Publication Groups and Domo Everywhere, allows users to analyze, display, share and interact with data through pixel-perfect visualizations.

Domo Analyzer allows users to analyze, display, share and interact with data across mobile devices and personal computers. Domo Analyzer combines an intuitive simplicity that allows business users to find quick insights and advanced capabilities analysts expect. Analyzer allows users to create their own workspace:

- over 300 chart types and a robust mapping engine that enable users to immediately visualize area-specific data, even suggesting charts based on the data input so users never start with a blank slate;
- the ability to see and manipulate the data in all columns that are applied to charts, along with any other unused columns that should be shown;
- out-of-the-box visualizations that make it easy to review numerous time periods to see trends and comparisons;
- pre-defined filters for any visualization, making it easy for viewers to explore the data and see results in specific areas;
- the ability to change options, colors, series, and even chart types on the fly and get instant feedback; and
- tools to allow users to verify that data is flowing correctly and on time.

Domo Pages and Collections allow everyone to consume and organize data in ways that are meaningful and personalized to them. It's easy to drag-and-drop, re-size and group reports, which we refer to as cards, into collections, and build slideshows to share both internally or externally.

Domo Stories allows provides a vast library of illustrative forms (including ISOTYPES) out of the box. For example, Domo's catalog of shape includes 50+ types with configuration rules to specify color, shape, and value. Domo Bricks has greatly expanded the library of illustrative forms by providing the ability to copy and paste snippets of code and then further customize the illustration within the brick's edit box. Or, users can choose from a collection of out-of-the-box Domo Bricks that can be customized to combine cards, text, meet precise visualization needs. Domo also supports custom SVGs as reusable infographic components. Users can import vector art created in illustration software into Domo and images use as live data-powered components in any data Story.

Domo Dashboards and the new App Studio tool enhance the creation of complete visual compositions. Customers can use a drag-and-drop interface to create highly stylized infographic data stories that include:

- customized interactive filtering relationships between selected elements in a dashboard story;
- image usage and color rules to tell enforce design consistency and branding;
- dynamic, rich text blocks that can have portions dynamically inserted from live data;
- background images for an entire story canvas;
- embedded live videos that play in place; and
- apply a powerful story about single theme with colors and design elements across all objects in App Studio (multiple dashboards and visualizations).

Domo also supports (out of the data. Rather than simply arranging cards box) fine-grained control over presentation on a page, users can customize page layouts to emphasize certain points and guide other users through analysis of the data. small mobile screen.

**Other sharing tools include Publication Groups, which enable everyone to securely share filtered views of data with other individuals and groups, send a single card or a slideshow of cards through scheduled emails, enabling everyone to share valuable information with teams or external stakeholders.**

#### **Embedded Analysis**

Domo Everywhere is a set of embedded analytics tools that enable organizations to easily and securely deliver data experiences to customers, partners and vendors, without having to recreate new or special datasets. Content can be shared in portals, or web properties or even inside applications. Once embedded, any parameters applied to a card can be reflected in the embedded report. In addition, user access can be controlled by using Single Sign On and personal data permissions (PDPs) to pass parameters back to Domo. Customers and partners have the power to edit and create content within the embedded environment using an intuitive, drag-and-drop interface that requires no coding or technical expertise. They can also connect to their own proprietary data and utilize Domo's transformation layer to augment the data being shared.

#### **Real-time Collaboration**

Domo connects all employees across an organization, while also allowing everyone to customize and create personalized experiences to help them learn and invite action on those items that are uniquely important to them.

Our Org Explorer and Profiles features bring a social component and transparency to an organization, allowing all employees to see other employees' role within the organization, find their contact information and learn how they contribute to the organization. Everyone can see what cards their coworkers are following, and then follow the same information, or share their own data with them proactively.

Once connected with the right people, Buzz aggregates all collaboration activity, in a single context-sensitive, easily navigable view. This allows an entire organization to share and discuss data in real time, to make better decisions more quickly. With Buzz, users can:

- chat with individuals and teams around real-time data through both public and private channels and direct messages;
- share alerts with other users; and
- search for and share attachments with an easy-to-use drag-and-drop interface.

Other features to promote collaboration are included throughout our platform, including:

- Report Scheduler, which allows users to schedule delivery of a card or page to anyone;
- Snapshot Annotation, which allows users to call out a specific spike or trends in data, annotate on any card to highlight it for others and initiate a conversation from any device;
- Projects and Tasks, which help users quickly take action with simple planning and assignment tools, including creating a task directly from a Buzz thread; and
- Alerts, which prompt timely collaboration and action.

#### **Artificial Intelligence Algorithms Domo AI**

Through Domo AI brings the value of AI to business users and includes two foundational elements: AI Model Management and the AI Service Layer.

Domo AI Model Management allows for the deployment, training and refactoring of AI Models whether hosted by Domo or by a suite of third party. Domo Hosted models leverage either AutoML or Domo Jupyter Workspaces to develop the model. Third party models (including LLM) can be hosted by Open AI, Data Bricks, Amazon Bedrock and Hugging Face. Whether hosted internal or external to Domo, the AI Model is exposed via an inference end point which can be accessed via Domo Magic ETL, Dashboards, Apps and Workflow engine or from external systems with appropriate access.

Domo AI Service Layer provides specific and tuned internal services powered by Domo AI Models (Domo provides default models but allows the flexibility to change which model is being used for each service based on customer policy and needs). Current AI Services include text-to-sql, text-to-beastmode (calculated fields), text-generation and text-summarization. Domo will also be adding Universal Model services for such tasks as forecasting, outlier analysis, sentiment analytics, PII detection and more.

These AI models and services can be applied towards data preparation via Domo Magic ETL and Domo Workflows. In Magic ETL, a model inference endpoint can be used to run data through a specific model. In Workflows, in addition to running a model or AI Service, the Workflow can also allow for a "human in the loop" component where in some scenarios human approval or update is required."

Additional AI/ML functions with Domo include:

- Data Science tiles in Magic ETL: A user can easily deploy a multiple algorithms with no code. Customers can simply drag and drop a data science which leverages machine learning algorithms, artificial intelligence tile (a pre-packaged action/calculation/algorithm/or other data transformation action including clustering, forecasting and predictive analytics, Domo creates alerts, detects anomalies, optimizes queries, outlier detection) in Magic ETL that performs a clustering algorithm (including both k-means and suggests areas of interest k-medians algorithms) on the dataset. This can be achieved through a few clicks and no code.
- Scripting tiles for R and Python: Advanced customers can employ our data science scripting tiles (R or Python) to help people focus on what matters most. We are also developing additional artificial intelligence capabilities to enable users to develop benchmarks and indexes based on data in the Domo platform, as well as automatic write back to other systems.

Domo was designed and built from the ground up to deliberately and seamlessly combine all the traditional disparate technologies into a single system. This seamless combination allows our customers to apply advanced analytics use their own custom code for AI and machine learning functions. Once a customer's custom-coded data science tile is deployed, data can be fed into this algorithm. If more specificity is needed, a user can configure a Python script to their data for code up any advanced clustering methodology or unsupervised approach they prefer. Customers can also use Jupyter notebooks to find clusters in a variety of uses, including:

- modeling access patterns to allow for intelligent alerts that inform users of what is happening with both their data and their organization — even if the user didn't explicitly ask for it; and dataset.
- analyzing popular consumption paths Jupyter Notebooks Integration: Jupyter Notebooks are tightly integrated with Domo to allow for customized recommendations users to easily explore their Domo DataSets, leverage instantaneous code execution to develop pipelines for data reports, science and even conversations machine learning, document their processes, create custom visualizations, and write transformed data back into Domo.
- Domo's AutoML (built on AWS Sagemaker) capability can automatically identify key drivers in a dataset. AutoML automatically generates a feature importance dataset for the customer that helps them explore and visualize the data to understand how each attribute in the data contributes to the predicted result. The higher the score on a feature, the more the feature impacts the model's predictions. From a business perspective, this helps users may find interesting or may understand which drivers impact the outcome they care about the most. It also speeds up the ML workflow by helping users prioritize data improvements for features that will have missed. the most impact on the model's predictions. Domo's augmented Data Profiler automatically recommends cleaning actions and calculates correlations and distributions to help business users identify the most important attributes of their data.

## **Partner Ecosystem: App Development Platform and Appstore**

The Domo Appstore offers hundreds of apps, developed internally and by an open ecosystem of partners, providing expertise across a variety of industries. Developer tools and programmatic APIs enable the rapid development and delivery of custom apps leveraging the Domo platform and services.

Domo's developer portal provides all of the tools and documentation needed to build custom apps leveraging our platform. Our App Design Studio lets non-technical users harness the power of Adobe Illustrator to build real-time infographics, and our App Dev Studio allows users to gain ultimate flexibility and develop customer visualizations using HTML, CSS, JavaScript, and just about any web technology.

Underlying our technology approach are two key considerations:

- accessibility for all users, which includes a heavy emphasis on mobile; and
- applicability to business of all sizes, requiring enterprise-grade governance.

### **Mobile-First Functionality**

Domo's native mobile applications for iOS and Android, and also mobile web browsers, enable employees to effectively manage their responsibilities using their mobile device. Domo Mobile unlocks the ability for users to access their data and collaborate with their teams in real time, from anywhere.

- *Build Once and Done.* When data is loaded or content created in Domo, it is immediately available for consumption on mobile devices, tablets, and more. There is no need to maintain separate mobile versions of visualizations.
- *Powerful Visualization Exploration.* Domo's powerful page filters tool is also available on mobile. Whether it's an executive walking into a retail store or a manufacturing manager looking at a specific product line, individuals can quickly filter a page to find the story they are interested in.
- *Collaborate on the Go.* Just because users are out of the office doesn't mean they can't collaborate with their team around business. All the benefits of Buzz, Domo's powerful chat and collaboration platform, are available on any mobile device.
- *Share Key Metrics Internally and Externally.* Data owners can share important information with internal or external collaborators while limiting their access to sensitive or irrelevant data. Snapshot Annotations also help you make visuals clearer to your audience on mobile devices.
- *Browse Your Organization.* As a platform for business management, understanding organizational structure is key. With Domo, an organization's contact list and organizational chart are on any mobile device, for access to the people in the organization from anywhere, anytime.

### **Data Management, Governance, Security and Access Control**

**Domo's Business Cloud** The Domo platform is designed to meet the enterprise security, compliance and privacy requirements of our customers, particularly in highly regulated industries, such as financial services, government, health care, pharmaceuticals, energy and technology.

In addition to advanced internal security controls, Domo provides extensive self-service features that enable administrators to stay in control of and have full transparency into data at all times. These features include access management, data governance and logging and monitoring tools.

#### *Access Management*

Creating users and granting access rights in Domo is the first layer in maintaining information security. **PDPs** Personalized Data Permissions (PDPs) allow users to create robust entitlement policies that govern access to specific data, increasing data usage while simultaneously helping to ensure that sensitive or irrelevant information remains secure. Pre-defined security profile options are included to allow organizations to easily deploy our platform. Each profile contains clearly defined access privileges, which can be turned on or off by default, and privileges and roles can be fully tailored to align with an organization's unique policy.

**The Domo Governance Toolkit** allows users to automate key governance functions such as PDP policies, group management, tagging of objects in Domo, copying of key data, backup of data and more.

#### *Logging and Monitoring*

Administrators can easily monitor global activity across Domo with our Activity Logs console. Authorized users can quickly access usage metrics like login attempts, card views, card creation and card edits. The console also provides the times those events took place and by which user. Admins can filter and sort this data, and export to an Excel spreadsheet or CSV

file. The activity log can also be written to an external streaming service (such as kafka) so that existing enterprise monitors are fully aware of activity with Domo.

#### *Data Governance*

Once data is connected to Domo, the platform provides capabilities and tools to manage it across its lifecycle. The Domo Data Warehouse is a dynamic 3D management console that enables IT professionals to interact with and curate every data source in Domo. Administrators can see which data sources are updating, identify potential problems, understand existing data relationships, and gauge the size of each data source, all in one visually engaging platform.

Domo Bring Your Own Key, or BYOK, provides the ability to rotate encryption keys numerous times a day. Through this user-controlled encryption, organizations can revoke encryption keys at any time, nullifying all data in the Domo platform and preventing access to their sensitive customer data.

Domo Sandbox enables the creation of new content without upsetting day-to-day operations. Using Sandbox, users can build and test new visualizations in a separate testing environment and easily promote content once it's ready for consumption, thereby avoiding disruptive downtime and maintenance.

## Customers

As of **January 31, 2023** **January 31, 2024**, we had over **2,500** **2,600** customers. We have customers in a wide variety of industries, geographies, and sizes, ranging from small organizations to large enterprises. We derived **78%** **79%** of our revenue for the year ended **January 31, 2023** **January 31, 2024** from customers in the United States. We define a customer at the end of any particular quarter as an entity that generated revenue greater than \$2,500 during that quarter. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced at a separate billing address is treated as a separate customer. In cases where customers purchase through a reseller, each end customer is counted separately. For the fiscal years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023**, **2024**, no single customer represented more than 10% of our revenue, nor did any single organization when accounting for multiple subsidiaries or divisions which may have been invoiced separately.

We have invested in platform capabilities and online support resources that allow our customers to expand the use of our platform in a self-guided manner. Our professional services, customer support and customer success functions also support our sales force by helping customers to successfully deploy our platform and implement additional use cases. We work closely with our customers to drive increased engagement with our platform by identifying new use cases through our customer success teams, as well as in-platform, self-guided experiences. We actively engage with our customers to assess whether they are satisfied and fully realizing the benefits of our platform. While these efforts often require a substantial commitment and upfront costs, we believe our investment in product, customer support, customer success and professional services will create opportunities to expand our customer relationships over time.

## Sales and Marketing

We typically offer our platform to our customers as a subscription-based service. Subscription fees are based upon the chosen Domo package which includes tier-based platform capabilities, as well as the number of users, or usage. Business leaders, department heads and managers are the typical initial subscribers to our platform, deploying Domo to solve a business problem or to enable departmental access to critical data. Over time, as customers recognize the value of our platform, we increasingly engage with CIOs and other executives to facilitate broad enterprise adoption. A majority

We recently began offering our platform as a consumption-based service. Customers have an annual purchase commitment, utilizing a tiered pricing structure, which is paid upfront, and is based on an estimated volume of usage. We believe this model could increase customer adoption and allow us to better land, expand, and retain customers over the long term, and thereby have a positive impact on sales and marketing productivity. We believe this has potential to remove many of the barriers to adoption and better align our customers subscribe pricing to the value delivered to our services through multi-year contracts. customers. We expect an increase in the number of consumption-based agreements in future periods. However, we have limited experience with consumption-based agreements and changes in our pricing and subscription models subject us to a number of uncertainties.

As of **January 31, 2023** **January 31, 2024**, **65%** **66%** of our customers were under multi-year contracts on a dollar-weighted basis, compared to **62%** **65%** and **60%** **62%** of customers as of **January 31, 2022** **January 31, 2023** and **2021**, **2022**, respectively. This transition to a higher The high percentage of revenue from multi-year contracts, among both new and existing customers, has enhanced the predictability of our subscription revenue. We typically invoice our customers annually in advance for subscriptions to our platform. Our one-year and multi-year contracts generally automatically renew for additional one-year terms, with each party having the option to elect not to renew, and generally may not be canceled absent material breach by us or the customer. A majority Approximately 60% of our annual recurring revenue is up for renewal during the fiscal year ending **January 31, 2024** **January 31, 2025**.

We primarily generate sales through our direct sales team, which includes both inside sales and field sales personnel. Currently, most Most all of our sales and professional services activities are being conducted remotely. We also make updated our freemium offering. Domo Free, making it easy for users and organizations to sign up for free trials on our website, which website. With our new freemium offering in conjunction with our consumption-based pricing model, Domo Free customers can be converted to paid subscriptions by access our complete platform and pay solely for the user services they utilize beyond the allotment of credits offered through Domo Free.

We generate customer leads, accelerate sales opportunities and build brand awareness through our marketing programs. Our marketing programs target C-level, and senior line of business leaders spanning all functional areas of a business, including sales, marketing, finance, human resources and information technology. We also host Domopalooza, our annual user conference for current customers and prospects.

We have also developed go-to-market partnerships with a number of key technology, system integrator and consultant partners both domestically and internationally to help customers and potential customers validate our solutions and provide introductions to potential customers, and in some cases to resell or provide professional services related to our platform. We anticipate that we will continue to develop a select number of third-party relationships to help grow our business.

In response to the macroeconomic uncertainty, existing and potential customers may choose to reduce or delay technology spending or attempt to renegotiate contracts and obtain concessions.

## Competition

Historically, software companies have not offered solutions that meet the needs of an organization with respect to providing real-time intelligence on business operations to all users, from the CEO to the frontline. In many cases, organizations do not have any solution or otherwise rely on manual business processes such as spreadsheets and reports, or combinations of single solution software. Certain features of our platform compete with products offered by various companies including those that fall into the following categories:

- large software companies, including suppliers of traditional business intelligence products that provide one or more capabilities that are competitive with our products, such as Microsoft Corporation, Oracle Corporation, SAP AG, salesforce.com, inc., and IBM;
- business analytics software companies, such as Tableau Software, Inc. (acquired by salesforce.com, inc.), Qlik Technologies, Looker Data Sciences, Inc. (acquired by Alphabet, Inc.), MicroStrategy, ThoughtSpot, Sisense, Inc., and Tibco Software, Inc.; and
- SaaS-based products or cloud-based analytics providers such as salesforce.com, inc. and Infor, Inc.

We believe that the principal competitive factors in our markets include the following:

- user-centric design;
- ease of adoption and use;

- rapid time to value;
- features and platform experience;
- enterprise-grade performance, including scalability, reliability and query response time;
- brand;
- security, governance and privacy;
- accessibility across mobile devices, operating systems, and applications;
- breadth of data source connectivity through third-party integration;
- customer support;
- continued innovation; and
- pricing.

We believe that we compete effectively on each of the factors listed above; however, we expect competition to intensify in the future. It is possible that the large software vendors who currently do not have a competitive offering, some of which operate in adjacent product categories today, may in the future bring such a solution to market through product development, acquisitions or other means. In addition, several of our competitors have greater name recognition, much longer operating histories, more and better-established customer relationships, larger sales forces, larger marketing and software development budgets and significantly greater resources than we do. Therefore, it is possible that we may not compete favorably with respect to certain of the foregoing factors.

Current and future competitors may also continue to make strategic acquisitions or establish cooperative relationships among themselves or with others. By doing so, these competitors may increase their ability to meet the needs of customers. These relationships may limit our ability to sell or certify our platform through specific distributors, technology providers, database companies and distribution channels and allow competitors to rapidly gain significant market share. These developments could limit our ability to obtain revenue from existing and new customers. If we are unable to compete successfully against competitors, our business, operating results and financial condition would be harmed.

#### **Data Center Operations**

We rely heavily on data centers and other technologies and services provided by third parties in order to operate critical functions of our business. We serve our customers from multiple data centers in the following geographies: North America, Western Europe, Canada, Australia, and Japan. The data centers we use are designed to host mission-critical computer systems with fully redundant subsystems and compartmentalized security zones. Our platform runs within third-party data centers. As of **January 31, 2023** **January 31, 2024**, we used Amazon Web Services, or AWS, data center facilities located in Western Europe, North America and Australia. We committed to spend an aggregate of \$106.0 million between October 2022 and September 2027 pursuant to our agreement with AWS. If we fail to meet the minimum purchase commitment during any year, we are required to pay the difference. AWS may terminate the agreement upon written notice to us for cause, including any material breach by us. We also use Microsoft Azure data centers in the United States to host customer data.

We and our third-party data center providers maintain a formal and comprehensive security program designed to ensure the security and integrity of customer data, protect against security threats or data breaches, and prevent unauthorized access to the data of our customers. We and our third-party data center providers strictly regulate and limit all access to on-demand servers and networks at our production and remote backup facilities.

We apply a wide variety of strategies to achieve better than 99.9% systems availability for our subscription services, excluding scheduled maintenance. Our systems are continually monitored for any signs of problems, and we strive to take preemptive action when necessary. Our data center facilities and the third-party data centers employ advanced measures designed to ensure physical integrity, including redundant power and cooling systems, and advanced fire and flood prevention.

#### **Research and Development**

We focus our efforts on anticipating customer demand to remain competitive in the marketplace. Our ability to compete depends in large part on our continuous commitment to research and development and our ability to introduce new platform enhancements, applications, technologies, features and capabilities in a timely manner. Our research and development organization is responsible for design, development, testing, release and maintenance. Our efforts are focused on developing new platform enhancements, use cases, and features and further enhancing the functionality, reliability, performance and flexibility of existing solutions.

Research and development expenses were **\$66.5 million** **\$81.0 million**, **\$81.0 million** **\$95.1 million** and **\$95.1 million** **\$85.0 million** for the fiscal years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024**, respectively.

#### **Intellectual Property**

We rely on a combination of trade secret, copyright, trademark, patent and other intellectual property laws, contractual arrangements, such as assignment, confidentiality and non-disclosure agreements, and confidentiality procedures and technical measures to gain rights to and protect the technology and intellectual property used in our business. We actively pursue registration of our trademarks and service marks in the United States and abroad.

As of **January 31, 2023** **January 31, 2024**, we owned **119** **115** issued U.S. patents and **two** **four** pending U.S. patent applications. We also owned ten patents in the European Union, **five** **patents** **in** **the** **People's** **Republic** **of** **China**, three patents in Great Britain, **one** **patent** **in**

**Australia**, **one** **patent** **five** **patents** in Canada and one patent in Japan. The issued U.S. patents that we own have expiration dates ranging from **August 2023** **April 2024** to **February 2040**, **September 2041**. We have sole ownership of all of our U.S. patents and pending U.S. patent applications.

Our applications use "open source" software. Open source software is made available to the general public in source code form for use, modification and redistribution on an "as-is" basis under the terms of a non-negotiable license. We also rely on other technology that we license from third parties. Though such third-party technology may not continue to be available to us on commercially reasonable terms, we believe that alternative technology would be available to us.

Our policy is to require employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, and other technology and intellectual property created by them on our behalf and agreeing to protect our confidential information, and all of our key employees and independent contractors have done so. In addition, we generally enter into confidentiality agreements with our vendors and customers. We also control and monitor access to our software, source code and other proprietary information.

#### **Regulatory Matters**

Data privacy, information security and data protection with respect to the collection, storage, and other processing of personal data continue to be focuses of worldwide legislation and regulation. We are subject to data privacy, data protection and information security regulation by data protection authorities in the United States (including the states in which we conduct our business) and in other countries where we conduct our business. These regulations include laws requiring holders of personal data to maintain safeguards and to take certain actions in response to a data breach. In the European Union, the General Data Protection Regulation requires comprehensive information privacy and security protections for natural persons with respect to personal data collected about them, and in the United Kingdom, the Data Protection Act and UK GDPR require similar protections. Each of these regimes provides for substantial potential fines in the event of noncompliance. We post on our website a privacy policy concerning the processing, use and disclosure of personal data, and certify adherence to and compliance with the U.S. Department of Commerce's Privacy Shield Principles and the E.U.-U.S. and Swiss-U.S. Privacy Shield Frameworks. Our publication of our Privacy Shield certification, our privacy policy, and other statements we publish regarding privacy, data protection and information security may subject us to potential governmental action if they are found to be deceptive or misrepresentative of our practices or in violation of applicable privacy law. We also may be bound from time to time by contractual obligations, including model contract provisions approved by the European Commission, that impose additional restrictions on our handling of personal data.

The legal environment of internet-based businesses is evolving rapidly in the United States, the European Union and elsewhere. The manner in which existing laws and regulations are applied in this environment, and how they will relate to our business in particular, both in the United States and internationally, is often unclear. For example, we sometimes cannot be certain which laws will be deemed applicable to us given the global nature of our business, including with respect to such topics as data privacy and security, pricing, advertising, taxation, content regulation, and intellectual property ownership and infringement or other violations of intellectual property rights. In particular, the various privacy, data protection and data security legal obligations that apply to us may evolve in a manner that relates to our practices or the features of our applications or platform, and we may need to take additional measures to comply with such changes in legal obligations and to maintain and improve our information security posture in an effort to avoid information security incidents or breaches affecting personal data or other sensitive or proprietary information.

#### **Data Security**

Domo is designed to meet enterprise security, compliance and privacy requirements of our customers, particularly in highly regulated industries, such as financial services, health care, pharmaceuticals, energy and technology. Our architecture is designed to allow customers to maintain control of their data through various means including: multiple logical and physical security layers; least privilege and separation of duties access model; threat assessments of each new feature; transport layer encryption and encryption at rest that allows customers to manage their own encryption keys using Domo's Bring Your Own Key, or BYOK; several self-service security controls offered within the Domo platform for customers to implement their own security policies, and extensive logging and monitoring of network, system and application events.

We voluntarily engage independent third-party security auditors to test our systems and controls at least annually against several widely recognized security standards and regulations.

We have completed a SOC 1 and SOC 2, and HITRUST risk-based attestation. Service Organization Controls, or SOC, are standards established by the American Institute of Certified Public Accountants for reporting on internal control environments implemented within an organization. We have also been certified as compliant with ISO 27001 and ISO 27018 standards. The ISO 27001 security standard specifies the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented Information Security Management System within the context of the organization's overall business risks. This standard addresses confidentiality, access control, vulnerability and risk assessment. ISO 27018 establishes commonly accepted control objectives, controls and guidelines for implementing measures to protect personally identifiable information in accordance with the privacy principles in ISO/IEC 29100 for a cloud computing environment. Furthermore, we have completed our annual third party validation of HIPAA Security and Privacy Risk Analysis. We sign business associate agreements with our customers who require them in support of compliance with the Health Insurance Portability and Accountability Act, or HIPAA, and the Health Information Technology for Economic and Clinical Health Act, or HITECH.

We have also completed our annual audits to evaluate our compliance with GDPR and CCPA requirements. Our cloud hosting providers and services providers also regularly undergo ISO 27001 or SOC 1 or SOC 2 audits and numerous other audits to verify their security practices.

We complete the two industry-leading information security questionnaires. This includes the Shared Assessments Standardized Information Gathering, or SIG, questionnaire, as well as the Cloud Security Alliance Consensus Assessments Initiative Questionnaire, or CSA CAIQ. The SIG is composed of approximately 1,400 security questions spanning 17 domains. The CSA CAIQ is a set of security questions focused on cloud security controls, and it is mapped to numerous industry programs and standards including ISO 27001, NIST SP 800-53, and COBIT, amongst others. Both of these information security industry questionnaires assist organizations in evaluating a cloud provider's operations and processes.

#### **Employees**

As of **January 31, 2023** **January 31, 2024**, we had **967,958** employees, of which **773,740** work in the United States. None of our employees are represented by a labor union, and we believe our employee relations are good.

#### **Corporate Information**

We were originally incorporated in Delaware in September 2010 under the corporate name "Shacho, Inc." We changed our name to "Domo, Inc." in December 2011. Our principal executive offices are located at **772,802** East **Utah Valley Drive**, **1050** South, American Fork, UT 84003, and our telephone number is (801) 899-1000. Our website address is [www.domo.com](http://www.domo.com). Information contained on, or that can be accessed through, our website does not constitute part of this Annual Report on Form 10-K.

## Available Information

The following filings are available through our investor relations website after we file them with the Securities and Exchange Commission or SEC: (SEC): Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and our Proxy Statement for our annual meeting of stockholders. These filings are also available for download free of charge on our investor relations website. Our investor relations website is located at [www.domo.com/ir](http://www.domo.com/ir). The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is <http://www.sec.gov>.

We webcast our earnings calls and certain events we participate in or host with members of the investment community on our investor relations website. Additionally, we provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events, and press and earnings releases as part of our investor relations website. Further corporate governance information, including our corporate governance guidelines and code of conduct, is also available on our investor relations website under the heading "Governance." The contents of our websites are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

## Item 1A. Risk Factors

*You should carefully consider the following risk factors, in addition to the other information contained in this report, including the section of this report captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes. If any of the events described in the following risk factors or the risks described elsewhere in this report occurs, our business, operating results and financial condition could be seriously harmed. This report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this report.*

### Risks Related to Our Financial Position and Capital Needs

**We have a history of losses, and we may not be able to generate sufficient revenue to achieve or maintain profitability in the future.**

We incurred net losses of \$84.6 million \$102.1 million, \$102.1 million \$105.6 million and \$105.6 million \$75.6 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023 2024, respectively, and had an accumulated deficit of \$1,330.0 million \$1,405.6 million at January 31, 2023 January 31, 2024. We may not be able to generate sufficient revenue to achieve or sustain profitability. We expect to continue to incur losses for the foreseeable future and we expect costs to increase in future periods as we expend substantial financial and other resources on, among other things:

- sales and marketing, including any expansion of our direct sales organization, which will require time before these investments generate sales results;
- technology and data center infrastructure, enhancements to cloud architecture, improved disaster recovery protection, increasing data security, compliance and operations expenses;
- data center costs as customers increase the amount of data that is available to our platform and usage on our platform;
- other software development, including enhancements and modifications related to our platform;
- international expansion in an effort to increase our customer base and sales;
- general and administration, including significantly increasing expenses in accounting and legal related to the increase in the sophistication and resources required for public company compliance and other work arising from the growth and maturity of the company;
- competing with other companies, custom development efforts and open source initiatives that are currently in, or may in the future enter, the markets in which we compete;
- maintaining high customer satisfaction and ensuring quality and timely releases of platform enhancements and applications;
- developing our indirect sales channels and strategic partner network;
- maintaining the quality of our cloud and data center infrastructure to minimize latency when using our platform;
- increasing market awareness of our platform and enhancing our brand;
- maintaining compliance with applicable governmental regulations and other legal obligations, including those related to intellectual property and international sales; and
- attracting and retaining top talent in a competitive market.

These expenditures may not result in additional revenue or the growth of our business. If we fail to continue to grow revenue or to achieve or sustain profitability, the market price of our Class B common stock could be adversely affected.

**We have been growing and expect to continue to invest in our growth for the foreseeable future. If we fail to manage this growth effectively, our business and operating results will be adversely affected.**

We intend to continue to grow our business. If we cannot adequately train new employees, including our direct sales force, or if new employees are not as productive as quickly as we would like, sales may decrease or customers may lose confidence in the knowledge and capability of our employees. In addition, we may make direct investments in our international business, business, and increase the number of employees outside the United States. We must successfully manage growth to achieve our objectives. Although our business has experienced significant growth in the past, we cannot provide any assurance that our business will continue to grow at any particular rate, or at all.

Our ability to effectively manage the growth of our business will depend on a number of factors, including our ability to do the following:

- effectively recruit, integrate, train and motivate new employees and make them productive, including our direct sales force, while retaining existing employees, maintaining the beneficial aspects of our corporate culture and effectively executing our business plan;
- attract new customers, and retain and increase usage by existing customers;
- recruit and successfully leverage channel partners and app developers;
- successfully enhance our platform;
- continue to improve our operational, financial and management controls;
- protect and further develop strategic assets, including intellectual property rights; and
- manage market expectations and other challenges associated with operating as a public company.

These activities will require significant financial resources and allocation of valuable management and employee resources, and growth will continue to place significant demands on management and our operational and financial infrastructure.

Our future financial performance and ability to execute our business plan will depend, in part, on our ability to effectively manage any future growth. There are no guarantees we will be able to do so. In particular, any failure to successfully implement systems enhancements and improvements will likely negatively impact our ability to manage our expected growth, ensure uninterrupted operation of key business systems and comply with the rules and regulations that are applicable to public reporting companies. Moreover, if we do not effectively manage the growth of our business and operations, the quality of our platform could suffer, which could negatively affect our brand, operating results and business.

***Our ability to raise capital in the future may be limited, and if we fail to raise capital when needed in the future, we could be prevented from growing or could be forced to delay or eliminate product development efforts or other operations.***

Our business and operations may consume resources faster than we anticipate. We have incurred cumulative and recurring losses from operations since inception and had an accumulated deficit of **\$1,330.0 million** **\$1,405.6 million** as of **January 31, 2023** **January 31, 2024**. We have also experienced negative or close to **break even** **breakeven** cash flows from operating activities, including cash used in operating activities of **\$15.9 million** and **\$10.9 million** for the **years** **year ended January 31, 2021 and 2023, respectively**, **January 31, 2023** and cash provided by operating activities of **\$0.4 million** and **\$2.6 million** for the **year** **years ended January 31, 2022, and 2024, respectively**. As of **January 31, 2023** **January 31, 2024**, we had **\$66.5 million** **\$60.9 million** of cash, cash equivalents, and restricted cash which were held for working capital purposes, of which **\$3.7 million** was restricted cash. Additionally, no amounts were available to draw under our credit facility.

We may need to raise additional funds to invest in growth opportunities, to continue product development and sales and marketing efforts, and for other purposes. Additional financing may not be available on favorable terms, if at all. If adequate funds are not available on acceptable terms, we may be unable to meet our obligations, invest in future growth opportunities, or continue operations at anticipated levels, which could harm our business and operating results. In addition, current and future debt instruments may impose restrictions on our ability to dispose of property, make changes in our business, engage in mergers or acquisitions, incur additional indebtedness, and make investments and distributions. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any such future offerings. As a result, stockholders bear the risk that future securities offerings reduce the market price of our Class B common stock and dilute their interest.

***Future operating results and key metrics may fluctuate significantly due to a wide range of factors, which makes our future results difficult to predict.***

Our operating results and key metrics could vary significantly from quarter to quarter as a result of various factors, some of which are outside of our control, including:

- the expansion of our customer base;
- the size, duration and terms of our contracts with both existing and new customers;
- the introduction of products and product enhancements by competitors, and changes in pricing for products offered by us or our competitors;
- customers delaying purchasing decisions in anticipation of new products or product enhancements by us or our competitors or otherwise;
- changes in customers' budgets;
- seasonal variations in our sales, which have generally historically been highest in our fourth fiscal quarter and lowest in the first fiscal quarter;
- the timing of satisfying revenue recognition criteria, particularly with regard to large transactions;
- the amount and timing of payment for expenses, including infrastructure costs to deliver our platform, research and development, sales and marketing expenses, employee benefit and stock-based compensation expenses and costs related to Domopalooza, our annual user conference that occurs in our first fiscal quarter;
- costs related to the hiring, training and maintenance of our direct sales force;
- the timing and growth of our business, in particular through the hiring of new employees and international expansion; and
- general economic and political conditions, both domestically and internationally, including the impacts of pandemics or other catastrophic events, **military conflicts** (including the Russian invasion of Ukraine, **and hostilities between Israel and Hamas**), inflation, and adverse impacts to the financial service services industry, as well as economic conditions specifically affecting industries in which our customers operate.

Any one of these or other factors discussed elsewhere in this report may result in fluctuations in our operating results, meaning that quarter-to-quarter comparisons may not necessarily be indicative of our future performance.

**Because we recognize revenue from subscriptions ratably over the terms of our subscription agreements, near-term changes in sales may not be reflected immediately in our operating results.**

We offer our platform primarily through subscription agreements, which typically vary in length between one and three years, and may in many cases be subject to automatic renewal or renewal only at a customer's discretion. We generally invoice our customers in annual installments at the beginning of each year in the subscription period. Amounts that have been invoiced are initially recorded as deferred revenue and are recognized ratably over the subscription period. As a result, most of the revenue that we report in each period is derived from the recognition of deferred revenue relating to subscriptions entered into during previous periods. A decline in new or renewed subscriptions in any one quarter is not likely to have a material impact on results for that quarter. However, declines would negatively affect revenue and deferred revenue balances in future periods, and the effect of significant downturns in sales and market acceptance of our platform, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our total revenue through additional sales in any period, as revenue from new customers is recognized over the applicable subscription term. We may be unable to adjust our cost structure to reflect the changes in revenue. In addition, a significant majority of our costs are expensed as incurred, while revenue is generally recognized over the life of the customer agreement. As a result, increased growth in the number of our customers could result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements.

**The length, cost and uncertainty associated with sales cycles for enterprise customers may result in fluctuations in our operating results and our failure to achieve the expectations of investors.**

Our sales efforts to enterprise customers, which we define as companies with over \$1 billion in revenue, face long sales cycles, complex customer requirements, substantial upfront sales costs, and a relatively low and difficult to predict volume of sales on a quarter-by-quarter basis. This makes it difficult to predict with certainty our sales and related operating performance in any given period. Our sales cycle for new enterprise customers varies from approximately six months to multiple years. Customers often undertake a prolonged evaluation of our platform, including assessing their own readiness, scoping the professional services involved, and comparing our platform to products offered by competitors and their ability to solve the problem internally. Events may occur during this period that affect the size or timing of a purchase or even cause cancellations, which may lead to greater unpredictability in our business and operating results. Moreover, customers often begin to use our platform on a limited basis with no guarantee that they will expand their use of our platform widely enough across their organization to justify the costs of our sales efforts. We may also face unexpected implementation challenges with enterprise customers or more complicated installations of our platform. It may be difficult to deploy our platform if the customer has unexpected database, hardware or software technology issues.

Adherence to our financial plan in part depends on managing the mix of customers, the rate at which customers increase their use of our platform within their organizations, the number of use cases they employ, and the timing and amount of upsells, all of which affect annual contract value. Our financial performance and the predictability of our quarterly financial results may be harmed by failures to secure the higher value enterprise agreements in a timely manner or at all, or changes in the volume of transactions overall, compared to our forecasts, and depends in large part on the successful execution of our direct sales team. The predictability of billings may be adversely impacted by fluctuations in the proportion of contracts that are not billed annually in advance.

Additionally, our quarterly sales cycles are generally more heavily weighted toward the end of the quarter with an increased volume of sales in the last few weeks and days of the quarter. This impacts the timing of recognized revenue and billings, cash collections and delivery of professional services. Furthermore, the concentration of contract negotiations in the last few weeks and days of the quarter could require us to expend more in the form of compensation for additional sales, legal and finance employees and contractors. Compression of sales activity to the end of the quarter also greatly increases the likelihood that sales cycles will extend beyond the quarter in which they are forecasted to close for some sizeable transactions, which will harm forecasting accuracy and adversely impact billings and new customer acquisition and renewal metrics for the quarter in which they are forecasted to close.

**Increased sales to customers outside the United States or paid for in currency other than the U.S. dollar exposes us to potential currency exchange losses.**

As our international sales and operations increase, so too will the number and significance of transactions, including intercompany transactions, occurring in currencies other than the U.S. dollar. In addition, our international subsidiaries may accumulate assets and liabilities that are denominated in currencies other than the U.S. dollar, which is the functional reporting currency of these entities. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar can affect our revenue and operating results due to foreign currency gains and losses that are reflected in our earnings. We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

**Our credit facility contains restrictive covenants that may limit our operating flexibility.**

Our credit facility contains restrictive covenants that limit our ability to transfer or dispose of assets, merge with other companies or consummate certain changes of control, acquire other companies, open new offices that contain a material amount of assets, pay dividends, incur additional indebtedness and liens and enter into new businesses. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the lender or terminate the credit facility, which may limit our operating flexibility. In addition, our credit facility is secured by all of our assets, including our intellectual property, and requires us to satisfy certain financial covenants. There is no guarantee that we will be able to generate sufficient cash flow or sales to meet these financial covenants or pay the principal and interest on any such debt. Furthermore, there is no guarantee that future working capital, borrowings or equity financing will be available to repay or refinance any such debt. Any inability to make scheduled payments or meet the financial covenants on our credit facility would adversely affect our business.

**We may be subject to additional obligations to collect and remit sales tax and other taxes, and we may be subject to tax liability for past transactions, which could harm our business.**

We do not collect sales and use, value added and similar taxes in all jurisdictions in which we have sales, based on our belief that such taxes are not applicable in certain jurisdictions. State, local and foreign jurisdictions have differing rules and regulations governing sales, use, value added and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. In particular, the applicability of such taxes on subscriptions to our platform in various jurisdictions is unclear. Further, these jurisdictions' rules regarding tax nexus are complex and vary significantly, significantly across state, local and foreign jurisdictions. As a result, we could face the possibility of audits that could result in tax assessments, including associated interest and penalties. A successful assertion that we should be collecting additional sales, use, value added or other taxes in those jurisdictions where we have not historically done so could result in substantial tax liabilities and related penalties for past transactions, discourage customers from purchasing our application, or otherwise harm our business and operating results. In addition, we are required to withhold and timely remit payroll-related taxes for which we are also subject to the possibility of audits that could result in tax assessments, including associated interest and penalties.

**Changes in tax laws or regulations that are applied adversely to us or our customers could increase the costs of our platform and adversely impact our business.**

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could affect the tax treatment of our (and our subsidiaries') domestic and foreign financial results. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. Specifically, For example, the Tax Cuts & Jobs Act of 2017 eliminated the ability to deduct research and development expenditures currently and instead requires taxpayers to capitalize and amortize those expenditures over five or fifteen years. However, recently proposed tax legislation, if enacted, would restore the ability to deduct currently domestic research and development expenditures through 2025 and would retroactively restore this benefit for 2022 and 2023. Further, the Inflation Reduction Act of 2022 introduced a non-deductible excise tax of 1% on the value of certain share repurchases by publicly traded corporations, which may increase the costs to us of any share repurchases.

In addition, taxation of cloud-based software is constantly evolving as many state and local jurisdictions consider the taxability of software services provided remotely. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future customers may elect not to continue to use or purchase subscriptions to our platform in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our platform. Any or all of these events could harm our business and operating results.

**We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions.**

As a multinational organization, we are subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain, and significant judgment and estimates are required in determining our provision for income taxes. Our tax expense may be impacted if our intercompany transactions, which are required to be computed on an arm's-length basis, are challenged and successfully disputed by tax authorities. Our policies governing transfer pricing may be determined to be inadequate and could result in additional tax assessments. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could harm our liquidity and operating results. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements or other taxes apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could adversely affect our operating results.

Further, many countries and the Organization for Economic Cooperation and Development have proposed to reallocate some portion of profits of large multinational companies to markets where sales arise, known as "Pillar One," as well as enact a global minimum tax rate of at least 15% for multinationals with global revenue exceeding certain thresholds, known as "Pillar Two," and many countries have adopted or intend to adopt these proposals. Changes to these and other areas in relation to international tax reform, including future actions taken by foreign governments could increase uncertainty and may adversely affect our tax rate and operating results in future years.

**Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.**

As of January 31, 2023 January 31, 2024, we had NOL net operating loss (NOL) carryforwards for federal and state income tax purposes of approximately \$1,166.2 million \$1,178.3 million and \$1,344.7 million \$1,352.8 million, respectively, which may be available to offset taxable income in the future, and which future. The federal NOLs will begin to expire in various years beginning in 2032 for federal purposes if not utilized. The state NOLs will expire depending upon on the various rules in the states state jurisdictions in which we operate. A lack of future taxable income could adversely affect our ability to utilize these NOLs before they expire.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended or the Code, (the Code), a corporation that undergoes an "ownership change" (as defined under Section 382 of the Code and applicable Treasury Regulations) is subject to limitations on its ability to utilize its pre-change pre-ownership change NOLs to offset our future taxable income. An

ownership change under Section 382 of the Code could affect our ability to utilize the NOLs to offset our income. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. We have historically contracted third parties to perform a Section 382 analysis to evaluate limitations on our NOLs due to ownership changes, with the most recent analysis being through January 31, 2023. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities including for federal and state tax purposes. For these reasons, we may not be able to utilize a material portion of the our NOLs, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our operating results and financial condition.

**Adverse events or perceptions affecting the financial services industry could adversely affect our operating results, financial condition and prospects.**

Limited liquidity, defaults, non-performance or other adverse developments affecting financial institutions or parties with which we do business, or perceptions regarding these or similar risks, have in the past and may in the future lead to market-wide liquidity problems. Such developments, and their effects on the broader financial system, could result in a variety of material and adverse impacts on our business operations and financial conditions, including, but not limited to:

- delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets;
- loss of access to revolving existing credit facilities or other working capital sources or the inability to refund, roll over or extend the maturity of, or enter into new credit facilities or other working capital resources;
- potential or actual breach of obligations, including U.S. federal and state wage laws and contracts that may require us to maintain letters or credit or other credit support arrangements; and
- termination of cash management arrangements or delays in accessing or actual loss of funds subject to cash management arrangements.

For example, on March 10, 2023, Silicon Valley Bank or SVB, (SVB) was closed and placed in receivership and subsequently, additional financial institutions have been placed into receivership. Prior to SVB's closure, we had approximately \$12.4 million in deposit accounts with SVB and an additional \$18.3 million subject to SVB sweep account arrangements (with amounts held in custodial accounts with third-party financial institutions). As a result of U.S. government intervention, we subsequently regained access to our accounts at SVB, and Silicon Valley Bridge Bank has assumed SVB's obligations to honor our standby letter of credit. However, there remains significant uncertainty surrounding the resolution of SVB and the impact of SVB's closure these bank closures on the broader financial system. Moreover, there is no guarantee that the U.S. government will intervene to

provide access to uninsured funds in the future in the event of the failure of other financial institutions, or that they would do so in a timely fashion. In such an event, parties with which we have commercial agreements, including customers and suppliers, may be unable to satisfy their obligations to, or enter into new commercial arrangements with us.

Concerns regarding the U.S. or international financial systems could impact the availability and cost of financing, thereby making it more difficult for us to acquire financing on acceptable terms or at all. In addition, instability in the financial services industry could spur a deterioration in the macroeconomic environment and dampen demand for our products.

Any of these risks could materially impact our operating results, liquidity, financial condition and prospects.

#### **Risks Related to Our Relationships with Customers and Third Parties**

##### ***If we are unable to attract new customers in a manner that is cost-effective, our revenue growth could be slower than we expect and our business may be harmed.***

To increase our revenue, we must add new customers. Demand for our platform is affected by a number of factors, many of which are beyond our control, such as continued market acceptance of our platform for existing and new use cases, the timing of development and release of new applications and features, technological change, growth or contraction in our addressable market, and accessibility across mobile devices, operating systems, and applications, and macroeconomic changes, including the impact of the COVID-19 pandemic, public health epidemics or pandemics on the demand for technology solutions like ours. In addition, if competitors introduce lower cost or differentiated products or services that are perceived to compete with our features, our ability to sell our features based on factors such as pricing, technology and functionality could be impaired. As a result, we may be unable to attract new customers at rates or on terms that would be favorable or comparable to prior periods, which could negatively affect the growth of our revenue.

Even if we do attract customers, the cost of new customer acquisition may prove so high as to prevent us from achieving or sustaining profitability. We recognize subscription revenue ratably over the term of the subscription period. In general, customer acquisition costs and other upfront costs associated with new customers are much higher in the first year than the aggregate revenue we recognize from those new customers in the first year. As a result, the profitability of a customer to our business in any particular period depends in part upon how long a customer has been a subscriber and the degree to which it has expanded its usage of our platform. Additionally, we intend to continue to hire additional sales personnel to grow our domestic and international operations. If our sales and marketing efforts do not result in substantial increases in revenue, our business, results of operations, and financial condition may be adversely affected.

##### ***If customers do not renew their contracts with us or reduce their use of our platform, our revenue will decline and our operating results and financial condition may be adversely affected.***

The initial terms of our customer contracts typically vary in length between one and three years, and our customers have no obligation to renew their subscriptions after the expiration of their initial subscription periods. In some cases, the contracts automatically renew (with each party having the option to elect not to renew), but in circumstances where that is not the case, our customers may unilaterally elect not to renew, may seek to renew for lower subscription amounts or for shorter contract lengths, or may choose to renew for the same or fewer applications over time. A majority of our annual recurring revenue is up for renewal during the fiscal year ending January 31, 2024 January 31, 2025. Our renewal rates may decline or fluctuate as a result of a number of factors, including leadership changes within our customers resulting in loss of sponsorship, limited customer resources, pricing changes by us or competitors, customer satisfaction with our platform and related applications, the acquisition of customers by other companies, procurement or budgetary decisions, and deteriorating general economic conditions, including as a result of the COVID-19 pandemic, public health epidemics or pandemics. To the extent our customer base continues to grow, renewals and additional subscriptions by renewing customers will become an increasingly important part of our results. If our customers do not renew their subscriptions, or decrease the amount they spend with us, revenue will decline and our business will be harmed.

##### ***If customers do not expand their use of our platform or adopt additional use cases, our growth prospects, operating results and financial condition may be adversely affected.***

Our future success depends on our ability to increase the deployment of our platform within and across our existing customers and future customers. Many of our customers initially deploy our platform to specific groups or departments within their organization or for a limited number of use cases. Our growth prospects depend on our ability to persuade customers to expand their use of our platform to additional groups, departments and use cases across their organization. Historically, we have made significant investments in research and development to build our platform and to offer enterprise customers the features and functionality that they require.

If our future operating results are significantly below the expectations of investors, it could harm the market price of our Class B common stock.

##### ***The loss of one or more of our key customers, or a failure to renew our subscription agreements with one or more of our key customers, could negatively affect our ability to market our platform.***

We rely on our reputation and recommendations from key customers in order to promote subscriptions to our platform. The loss of, or failure to renew by, any of our key customers could have a significant effect on our revenue, reputation and our ability to obtain new customers. In addition, acquisitions of our customers could lead to cancellation of such customers' contracts, thereby reducing the number of our existing and potential customers.

##### ***If we are unable to develop and maintain successful relationships with channel partners, our business, operating results, and financial condition could be adversely affected.***

To date, we have been primarily dependent on our direct sales force to sell subscriptions to our platform. Although we have developed relationships with some channel partners, such as referral partners, resellers, and integration partners, these channels have resulted in limited revenue historically. We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with additional channel partners that can drive substantial revenue. If we fail to identify additional channel partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future channel partners in independently selling and deploying our products, our business, results of operations, and financial condition could be adversely affected. Typically, agreements with channel partners are non-exclusive, meaning our channel partners may offer customers the products of several different companies, including products that compete with our platform. They may also cease marketing our platform with limited or no notice and with little or no penalty. Additionally, customer retention and expansion attributable to customers acquired through our channel partners may differ

significantly from customers acquired through our direct sales efforts. If our channel partners do not effectively market and sell our products, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

Sales by channel partners are more likely than direct sales to involve collectability concerns. In particular, sales by our channel partners into developing markets, and accordingly, variations in the mix between revenue attributable to sales by channel partners and revenue attributable to direct sales, may result in fluctuations in our operating results.

***We rely upon data centers and other systems and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties, to operate our business and interruptions or performance problems with these systems, technologies and networks may adversely affect our business and operating results.***

We rely on data centers and other technologies and services provided by third parties in order to manage our cloud-based infrastructure and operate our business. If any of these services becomes unavailable or otherwise is unable to serve our requirements due to extended outages, interruptions, facility closure, or because it is no longer available on commercially reasonable terms, expenses could increase, our ability to manage finances could be interrupted and our operations otherwise could be disrupted or otherwise impacted until appropriate substitute services, if available, are identified, obtained, and implemented.

We do not control, or in some cases have limited control over, the operation of the data center facilities we use, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, to adverse events caused by operator error, and to interruptions, data loss or corruption, and other performance problems due to various factors, including introductions of new capabilities, technology errors, infrastructure changes, distributed denial of service attacks, or other security related incidents. For instance, in December 2017, researchers identified significant CPU architecture vulnerabilities commonly known as "Spectre" and "Meltdown" that have required software updates and patches, including for providers of public cloud services, to mitigate such vulnerabilities and such updates and patches have required servers to be offline and potentially slow their performance. We may not be able to rapidly switch to new data centers or move customers from one data center to another in the event of any adverse event. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our service and the loss or corruption of, or unauthorized access to or acquisition of, customer data.

In addition, if we do not accurately predict our infrastructure capacity requirements, customers could experience service shortfalls. The provisioning of additional cloud hosting capacity and data center infrastructure requires lead time. As we continue to add data centers, restructure our data management plans, and increase capacity in existing and future data centers, we may be required to move or transfer our data and customers' data. Despite precautions taken during such processes and procedures, any unsuccessful data transfers may impair customers' use of our platform, and we may experience costs or downtime in connection with the transfer of data to other facilities, which may lead to, among other things, customer dissatisfaction and non-renewals. The owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, we may be required to transfer to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Our ability to provide services and solutions to customers also depends on our ability to communicate with customers through the public internet and electronic networks that are owned and operated by third parties. In addition, in order to provide services on-demand and promptly, our computer equipment and network servers must be functional 24 hours per day, which requires access to telecommunications facilities managed by third parties and the availability of electricity, which we do not control. A severe disruption of one or more of these networks or facilities, including as a result of utility or third-party system interruptions, could impair our ability to process information and provide services to our customers.

Any unavailability of, or failure to meet our requirements by, third-party data centers or other third-party technologies or services, or any disruption of the internet or the third-party networks or facilities that we rely upon, could impede our ability to provide services to customers, harm our reputation, result in a loss of customers, cause us to issue refunds or service credits to customers, subject us to potential liabilities, result in contract terminations, and adversely affect our renewal rates. Any of these circumstances could adversely affect our business and operating results.

#### ***Contractual disputes with our customers could be costly, time-consuming and harm our reputation.***

Our business is contract intensive and we are party to contracts with our customers all over the world. Our contracts can contain a variety of terms, including service levels, security obligations, indemnification and regulatory requirements. Contract terms may not always be standardized across our customers and can be subject to differing interpretations, which could result in disputes with our customers from time to time. If our customers notify us of an alleged contract breach or otherwise dispute any provision under our contracts, the resolution of such disputes in a manner adverse to our interests could negatively affect our operating results.

Additionally, 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 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.

#### **Risks Related to Our Products and Solutions**

***We face intense competition, and we may not be able to compete effectively, which could reduce demand for our platform and adversely affect our business, growth, revenue and market share.***

The market for our platform is intensely and increasingly competitive and subject to rapidly changing technology and evolving standards. In addition, many companies in our target market are offering, or may soon offer, products and services that may compete with our platform. Furthermore, many potential customers have made significant investments in legacy software systems and may be unwilling to invest in new solutions.

Our current primary competitors generally fall into the following categories:

- large software companies, including suppliers of traditional business intelligence products that provide one or more capabilities that are competitive with our products, such as Microsoft Corporation, Oracle Corporation, SAP AG and IBM;

- business analytics software companies, such as Tableau Software, Inc., Qlik Technologies, Looker Data Sciences, Inc., Sisense, Inc., and Tibco Software, Inc.; and
- SaaS-based products or cloud-based analytics providers such as salesforce.com, Inc. and Infor, Inc.

We expect competition to increase as other established and emerging companies enter the markets in which we compete, as customer requirements evolve and as new products and technologies are introduced. For example, salesforce.com, inc. acquired Tableau Software, Inc. in August 2019 and Alphabet Inc. acquired Looker Data Sciences, Inc. in February 2020.

Many competitors, particularly the large software companies named above, have longer operating histories, significantly greater financial, technical, research and development, marketing, distribution, professional services or other resources and greater name recognition than we do. In addition, many competitors have strong relationships with current and potential customers, channel partners and development partners and extensive knowledge of markets in which we compete. As a result, they may be able to respond more quickly to new or emerging technologies and changes in customer requirements, for example by devoting greater resources to the development, promotion and sale of their products than we do.

Moreover, many of these competitors may bundle their data management and analytics products into larger deals or maintenance renewals, often at significant discounts or at no charge. Increased competition may lead to price cuts, alternative pricing structures or the introduction of products available for free or a nominal price, fewer customer orders, reduced gross margins, longer sales cycles and loss of market share. We may not be able to compete successfully against current and future competitors, and our business, operating results and financial condition will be harmed if we fail to meet these competitive pressures. Even if we are successful in acquiring and retaining customers, those customers may continue to use our competitors' products in addition to our products.

Our ability to compete successfully depends on a number of factors, both within and outside of our control. Some of these factors include ease and speed of platform deployment and use, accessibility across mobile devices, operating systems, and applications, discovery and visualization capabilities, analytical and statistical capabilities, performance and scalability, the quality of our data security infrastructure, the quality and reliability of our customer service and support, total cost of ownership, return on investment and brand recognition. Any failure by us to compete successfully in any one of these or other areas may reduce the demand for our platform, as well as adversely affect our business, operating results and financial condition.

Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others. By doing so, these competitors may increase their ability to meet the needs of customers. These relationships may limit our ability to sell or certify our platform through specific distributors, technology providers, database companies and distribution channels and allow competitors to rapidly gain significant market share. These developments could limit our ability to obtain revenue from existing and new customers. If we are unable to compete successfully against competitors, our business, operating results and financial condition would be harmed.

***We continue to evolve our subscription and pricing models and changes could adversely affect our operating results.***

Our pricing and subscription models have evolved over time, and will continue to evolve in the future. We have started to introduce consumption-based pricing, which is pricing based upon the use of our platform, for certain of our customers. We have limited experience with determining the optimal pricing for our consumption-based contracts. Changes Revenue recognized for certain customers may be negatively impacted due to our new consumption-based pricing model. For example, certain customers may end up using less data than originally contemplated in their initial consumption-based contract resulting in lower net retention in future years. The success of our pricing model transition is subject to numerous variables, including, but not limited to, customer demand, renewal and expansion rates, our ability to further develop and scale infrastructure, the ability of our sales force to successfully execute new sales strategies, tax and accounting implications, pricing, and our costs. Moreover, changes in our pricing and subscription models subject us to a number of uncertainties, including our ability to plan for and model future growth and make accurate projections regarding our future performance. Changes to our pricing and subscription models may also expose to unexpected or unintended effects, including increased user dissatisfaction, reputational harm and difficulty obtaining or retaining customers. Moreover, Further, large customers, which are the focus of our direct sales efforts, may demand greater price discounts. In an inflationary environment, our costs may increase and we may not be able to adjust our pricing models accordingly, which could adversely impact our financial performance.

As we expand internationally, we also must determine the appropriate price to enable us to compete effectively internationally. In addition, if the mix of features we sell changes, then we may need to, or choose to, revise our pricing. As a result, in the future we may be required to reduce our prices or offer shorter contract durations, which could adversely affect our revenue, gross margin, profitability, financial condition and cash flow.

In addition, our competitors may offer different subscription or pricing models, which may be more attractive to potential customers. We may be required to adjust our subscription or pricing models in response to these changes, which could adversely affect our financial performance.

***If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards and changing customer needs or requirements, our solutions may become less competitive.***

Our success depends on our customers' willingness to adopt and use our platform, including on their smartphone or mobile device, as well as our ability to adapt and enhance our platform. To attract new customers and increase revenue from existing customers, we need to continue to enhance and improve our platform, to meet customer needs at prices that customers are willing to pay. Such efforts will require adding new features, expanding related applications and responding to technological advancements, which will increase our research and development costs. If we are unable to develop solutions that address customers' needs, or enhance and improve our platform in a timely manner, we may not be able to increase or maintain market acceptance of our platform.

Further, we may make changes to our platform that customers do not find useful. We may also discontinue certain features, begin to charge for certain features that are currently free or increase fees for any features or usage of our platform. We may also face unexpected problems or challenges in connection with new applications or feature introductions. Enhancements and changes to our platform could fail to attain sufficient market acceptance for many reasons, including:

- failure to predict market demand accurately in terms of platform functionality and capability or to supply features that meets this demand in a timely fashion;
- inability to operate effectively with the technologies, systems or applications of existing or potential customers;
- defects, errors or failures;
- negative publicity about their performance or effectiveness;

- delays in releasing new enhancements and additional features to our platform to the market;
- the introduction or anticipated introduction of competing products;
- an ineffective sales force;
- poor business conditions for our end-customers, causing them to delay purchases;
- challenges with customer adoption and use of our platform on mobile devices or problems encountered in developing or supporting enhancements to our mobile applications; and
- the reluctance of customers to purchase subscriptions to software incorporating open source software.

Because our platform is designed to operate on and with a variety of systems, we will need to continuously modify and enhance our platform to keep pace with changes in technology, and we may fail to do so.

In addition, issues in the use of artificial intelligence in our platform may result in reputational harm or liability. Domo's suite of data science leverages machine learning algorithms, predictive analytics, and other artificial intelligence technologies to identify trends, anomalies and correlations, provide alerts and initiate business processes. Artificial intelligence presents risks and challenges that could affect its adoption, and therefore our business. Artificial intelligence algorithms may be flawed. Datasets may be insufficient or contain biased information. **Artificial intelligence technologies that we make use of may produce or create outputs that appear correct but are factually inaccurate or otherwise flawed.** Inappropriate or controversial data practices by us or others could impair the acceptance of artificial intelligence solutions. These deficiencies could undermine the decisions, predictions, or analysis artificial intelligence applications produce, subjecting us to competitive harm, legal liability, and brand or reputational harm. **Additionally, artificial intelligence technologies are complex and rapidly evolving, and we face significant competition from other companies as well as evolving legal and regulatory landscapes.** Laws and regulations applicable to artificial intelligence continue to develop and may be inconsistent from jurisdiction to jurisdiction. For example, the E.U. has proposed an Artificial Intelligence Act that, if finalized, would prohibit certain artificial intelligence applications and systems and impose additional requirements on the use of certain applications or systems. The use of artificial intelligence technologies in our platform may result in new or enhanced governmental or regulatory scrutiny, new or modified laws or regulations, claims, demands, and litigation, confidentiality, privacy, data protection, or security risks, ethical concerns, or other complications that could adversely affect our business, financial condition, results of operations and prospects. Uncertainty around new and emerging artificial intelligence technologies may require additional investment in the development and maintenance of proprietary datasets and machine learning models, development of new approaches and processes to provide attribution or remuneration to creators of training

**data, and development of appropriate protections, safeguards, and policies for handling the processing of data with artificial intelligence technologies, which may be costly and could impact our expenses.**

Our platform also provides real-time write-back capabilities to customer environments, including to IoT products and services. The development of the internet of things or IoT, **(IoT)** presents security, privacy and execution risks. Many IoT devices have limited interfaces and ability to be updated or patched. IoT solutions may collect large amounts of data, and our handling of IoT data may not satisfy customers or regulatory requirements. IoT scenarios may increasingly affect personal health and safety. If IoT solutions that include our technologies do not work as intended, violate the law, or harm individuals or businesses, we may be subject to legal claims or enforcement actions. These risks, if realized, may increase our costs, damage our reputation or brand, or negatively impact our business and operating results.

Moreover, many competitors expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to competitors' research and development programs. If we fail to maintain adequate research and development resources or compete effectively with the research and development programs of competitors, our business could be harmed. Our ability to grow is also subject to the risk of future disruptive technologies. If new technologies emerge that are able to deliver business intelligence solutions at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect our ability to compete.

**We may not timely and effectively scale our existing technology, including our computing architecture, to meet the performance and other requirements placed on our systems, which could increase expenditures unexpectedly and create risk of outages and other performance and quality of service issues for our customers.**

Our future growth and renewal rates depend on our ability to meet customers' expectations with respect to the speed, reliability and other performance attributes of our platform, and to meet the expanding needs of customers as their use of our platform grows. The number of users, the amount and complexity of data ingested, created, transferred, processed and stored by us, the number of locations where our platform is being accessed, and the number of processes and systems managed by us on behalf of these customers, among other factors, separately and combined, can have an effect on the performance of our platform. In order to ensure that we meet the performance and other requirements of customers, we continue to make significant investments to develop and implement new technologies in our platform and infrastructure operations. These technologies, which include database, application and server advancements, revised network and hosting strategies, and automation, are often advanced, complex, and sometimes broad in scope and untested through industry-wide usage. We may not be successful in developing or implementing these technologies. To the extent that we do not develop offerings and scale our operations in a manner that maintains performance as our customers expand their use, our business and operating results may be harmed.

We may not accurately assess the capital and operational expenditures required to successfully fulfill our objectives and our financial performance may be harmed as a result. Further, we may make mistakes in the technical execution of these efforts to improve our platform, which may affect our customers. Issues that may arise include performance, data loss or corruption, outages, and other issues that could give rise to customer satisfaction issues, loss of business, and harm to our reputation. If any of these were to occur there would be a negative and potentially significant impact to our financial performance. Lastly, our ability to generate new applications, and improve our current solutions may be limited if and to the extent resources are necessarily allocated to address issues related to the performance of existing solutions.

**If we fail to meet our service level commitments, our business, results of operations and financial condition could be adversely affected.**

Our subscription agreements with many of our customers, including most of our top customers, provide certain service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of downtime that exceed the periods allowed under our subscription agreements, we may be obligated to provide these

customers with service credits, or we could face subscription terminations, which could significantly impact our revenue. Any extended service outages could also adversely affect our reputation, which would also impact our future revenue and operating results.

Our customers depend on our customer support organization to resolve technical issues relating to our platform. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. Increased customer demand for these services, without corresponding revenue, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on the ease of use of our services, on our reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation and our ability to sell our services to existing and prospective customers.

***If our or our customers' access to data becomes limited, our business, results of operations and financial condition may be adversely affected.***

The success of our platform is dependent in large part on our customers' ability to access data maintained on third party software and service platforms. Generally, we do not have agreements in place with these third parties that guarantee access to their platforms, and any agreements that we do have in place with these third parties are typically terminable for convenience by the third party. If these third parties restrict or prevent our ability to integrate our platform with their software or platform, including but not limited to, by limiting the functionality of our data connectors, our ability to access the data maintained on their systems or the speed at which such data is delivered, customers' ability to access their relevant data in a timely manner may be limited, and our business and operating results may be adversely affected.

***Our business depends on continued and unimpeded access to the internet and mobile networks.***

Our customers who access our platform and services through mobile devices, such as smartphones, laptops and tablet computers, must have a high-speed internet connection to use our services. Currently, this access is provided by telecommunications companies and internet access service providers that have significant and increasing market power in the broadband and internet access marketplace. In the absence of government regulation, these providers could take measures that affect their customers' ability to use our products and services, such as degrading the quality of the data packets we transmit over their lines, giving our packets low priority, giving other packets higher priority than ours, blocking our packets entirely, or attempting to charge their customers more for using our platform and services. To the extent that internet service providers implement usage-based pricing, including meaningful bandwidth caps, or otherwise try to monetize access to their networks, we could incur greater operating expenses and customer acquisition and retention could be negatively impacted. Furthermore, to the extent network operators were to create tiers of internet access service and either charge us for or prohibit our services from being available to our customers through these tiers, our business could be negatively impacted.

On February 26, 2015, the Federal Communications Commission (the FCC) reclassified broadband internet access services in the United States as a telecommunications service subject to some elements of common carrier regulation, including the obligation to provide service on just and reasonable terms, and adopted specific net neutrality rules prohibiting the blocking, throttling or "paid prioritization" of content or services. However, in December 2017, the FCC once again classified broadband internet access service as an unregulated information service and repealed the specific rules against blocking, throttling or "paid prioritization" of content or services. It retained a rule requiring internet service providers to disclose their practices to consumers, entrepreneurs and the FCC. A number of parties have already stated they would appeal this order and it is possible Congress may adopt legislation restoring some net neutrality requirements. The elimination of net neutrality rules and any changes to the rules could affect the market for broadband internet access service in a way that impacts our business, for example, if internet access providers begin to limit the bandwidth and speed for the transmission of data from independent software vendors.

***Incorrect or improper implementation or use of our platform could result in customer dissatisfaction and negatively affect our business, results of operations, financial condition, and growth prospects.***

Our platform is deployed in a wide variety of technology environments. Increasingly, our platform has been deployed in large scale, complex technology environments, and we believe our future success will depend on our ability to increase sales of our platform for use in such deployments. We must often assist our customers in achieving successful implementations of our platform, which we do through our professional services organization. The time required to implement our platform can vary. For complex deployments, implementation can take multiple months. If our customers are unable to implement our platform successfully, or unable to do so in a timely manner, customer perceptions of our platform may be harmed, our reputation and brand may suffer, and customers may choose to cease usage of our platform or not expand their use of our platform. Our customers and third-party partners may need training in the proper use of and the variety of benefits that can be derived from our platform to maximize its benefits. If our platform is not effectively implemented or used correctly or as intended, or if we fail to adequately train customers on how to efficiently and effectively use our platform, our customers may not be able to achieve satisfactory outcomes. This could result in negative publicity and legal claims against us, which may cause us to generate fewer sales to new customers and reductions in renewals or expansions of the use of our platform with existing customers, any of which would harm our business and results of operations.

***Our use of "open source" software could negatively affect our ability to offer our platform and subject us to possible litigation.***

Our platform uses "open source" software that we, in some cases, have obtained from third parties. Open source software is generally freely accessible, usable and modifiable, and is made available to the general public on an "as-is" basis under the terms of a non-negotiable license. Use and distribution of open source software may entail greater risks than use of third-party commercial software. Open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or other claims relating to violation of intellectual property rights or the quality of the software. In addition, certain open source licenses, like the GNU Affero General Public License (AGPL), may require us to offer for no cost the components of our platform that incorporate the open source software, to make available source code for modifications or derivative works we create by incorporating or using the open source software, or to license our modifications or derivative works under the terms of the particular open source license. If we are required, under the terms of an open source license, to release our proprietary source code to the public, competitors could create similar products with lower development effort and time, which ultimately could result in a loss of sales for us.

We may also face claims alleging noncompliance with open source license terms or infringement, misappropriation or other violation of open source technology. These claims could result in litigation or require us to purchase a costly license, devote additional research and development resources to re-engineer our platform, discontinue the sale of our products if re-engineering could not be accomplished on a timely or cost-effective basis, or make generally available our proprietary code in source code form, any of which would have a negative effect on our business and operating results, including being enjoined from the offering of the components of our platform that contained the open source software. We could also be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition and require us to devote additional research and development resources to re-engineer our platform.

Although we monitor our use of open source software and try to ensure that none is used in a manner that would subject our platform to unintended conditions, few courts have interpreted open source licenses, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our platform. We cannot guarantee that we have incorporated open source software in our platform in a manner that will not subject us to liability, or in a manner that is consistent with our current policies and procedures.

#### Risks Related to Our Personnel and Operations

***If we fail to effectively align, develop and expand our sales and marketing capabilities with our new pricing structure and increase sales efficiency, our ability to increase our customer base and increase acceptance of our platform could be harmed.***

To increase the number of customers and increase the market acceptance of our platform, we will need to align and expand our sales and marketing operations, including our domestic and international sales force, with our new pricing structure and increase sales efficiency. We are aligning our cost structure to better reflect significant product and business model innovation with the expectation that go-to-market operations in our new consumption-based business model will be more efficient and require less investment. We will continue to dedicate significant resources to sales and marketing programs. We believe that there is significant competition for direct sales personnel with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth in the future will depend, in large part, on our success in recruiting, training and retaining a sufficient number of direct sales personnel and sales leadership. New hires require significant training and time before they achieve full productivity, particularly in new sales territories. Recent hires and planned hires may not become as productive as quickly as we would like, changes in sales leadership could adversely affect our existing sales personnel, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. The effectiveness of our sales and marketing has also varied over time and, together with the effectiveness of any partners or resellers we may engage, may vary in the future. Our business and operating results may be harmed if our efforts do not generate a correspondingly significant increase in revenue. We may not achieve revenue growth from expanding our sales force if we are unable to hire, develop and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective. In particular, we may in the future need to further adjust our go-to-market cost structure and target metrics, particularly as they relate to how we structure, effect, and compensate our direct sales personnel to become more efficient and effective at selling under a consumption-based business model. Any adjustments in compensation structure could negatively affect the productivity of our direct sales personnel, and there is no assurance that we will be able to successfully implement the adjustments in a timely or cost-effective manner, or that we will be able to realize all or any of the expected benefits from such adjustments.

***We are currently subject to securities class-action litigation and may be subject to similar or other litigation in the future, all of which will require significant management attention, could result in significant legal expenses and may result in unfavorable outcomes, all or any of which could adversely affect our operating results, harm our reputation or otherwise negatively impact our business.***

We are, and may in the future become subject to litigation or claims arising in or outside the ordinary course of business that could negatively affect our business operations and financial condition, including securities class actions and shareholder derivative actions, both of which are typically expensive to defend. For example, we currently have a securities class-action complaint pending against us and certain of our current and former directors and officers, asserting violations of federal securities laws and seeking unspecified damages. We believe this lawsuit is without merit and intend to defend this case vigorously. For more information about this complaint, see Part II, Item 1 (Legal Proceedings) of this report.

The outcome of any litigation, regardless of its merits, is inherently uncertain. Any claims and lawsuits, and the disposition of such claims and lawsuits, could be time-consuming and expensive to resolve, divert management attention and resources, and lead to attempts on the part of other parties to pursue similar claims. Any adverse determination related to litigation could adversely affect our operating results, harm our reputation or otherwise negatively impact our business. In addition, depending on the nature and timing of any such dispute, a resolution of a legal matter could materially affect our future operating results, our cash flows or both.

***We have recently experienced management and board turnover, which creates uncertainties and could harm our business.***

In March 2022, we announced the resignation of Joshua G. James as our chairman and executive officer, and the appointment of John Mellor to succeed Mr. James as chief executive officer; in March 2023, we announced Mr. John Mellor's resignation and the re-appointment of Mr. Joshua G. James as our chief executive officer. In December 2022, we announced the resignation of Bruce Felt as our chief financial officer and, in March 2023, the appointment of David Jolley to replace Mr. Felt. In January 2023, we announced the resignation of Catherine Wong as our chief operating officer and executive vice president of engineering and the appointment of Daren Thayne to succeed Ms. Wong as executive vice president of engineering. Mr. Thayne assumed the responsibilities of Ms. Wong in addition to his previous responsibilities. In addition, we recently have experienced significant changes in the composition of our board of directors, and more could occur in the future. In February 2023, we announced the resignation of Laurence "Jay" Brown, Jr., Dana Evan and Joy Driscoll Durling as our directors. In March 2023, we announced the appointment of Dan Strong and Renée Soto to our board of directors to fill the open vacancies. Changes to strategic or operating goals, which can often times occur with the appointment of new executives and directors, can create uncertainty, may negatively impact our ability to execute quickly and effectively, and may ultimately be unsuccessful. In addition, executive leadership and director transition periods are often difficult as the new executives and directors gain more detailed knowledge of our operations, and friction can result from changes in strategy and management style. Management and board turnover inherently causes some loss of institutional knowledge, which can negatively affect strategy and execution. In addition, to the extent we experience additional management turnover, competition for top management is high and it may take months to find a candidate that meets our requirements. If we are unable to attract and retain qualified management personnel, our business could suffer.

***If we are unable to attract, integrate and retain additional qualified personnel, including top technical talent, our business could be adversely affected.***

Future success depends in part on our ability to identify, attract, integrate and retain highly skilled technical, managerial, sales and other personnel. We face intense competition for qualified individuals from numerous other companies, including other software and technology companies, many of whom have greater financial and other resources than we do. These companies also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than those we have to offer. In addition, new hires often require significant training and, in many cases, take significant time before they achieve full productivity. We may incur significant costs to attract and retain qualified personnel, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to competitors or other companies before we realize the benefit of our investment in recruiting and training them. Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. As we move into new geographies, we will need to attract and recruit skilled personnel in those areas and may face additional challenges in attracting, integrating and retaining international employees. If we are unable to attract, integrate 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 will be adversely affected.

Volatility or lack of positive performance in our stock price may also affect our ability to attract and retain our key employees. Employees may be more likely to leave us if the shares they own or the shares underlying their vested options have significantly appreciated in value relative to the original purchase prices of the shares or the exercise prices of

the options, or, conversely, if the exercise prices of the options that they hold are significantly above the market price of our common stock. If we are unable to appropriately incentivize and retain our employees through equity compensation, or if we need to increase our compensation expenses in order to appropriately incentivize and retain our employees, our business, operating results, financial condition and cash flows would be adversely affected and the ownership of existing shareholders would be diluted.

**If we fail to offer high-quality professional services and support, our business and reputation may suffer.**

High-quality professional services and support, including training, implementation and consulting services, are important for the successful marketing, sale and use of our platform and for the renewal of subscriptions by existing customers. Professional services may be provided by us or by a third-party partner. The importance of high-quality professional services and support will increase as we expand our business and pursue new customers. If we or our third-party partners do not provide effective ongoing support, our ability to retain and expand use of our platform and related applications to existing customers may suffer, and our reputation with existing or potential customers may be harmed.

We continue to pursue strategies to reduce the amount of professional services required for a customer to begin to use and gain value from our platform, lower the overall costs of professional service fees to our customers, and improve the gross margin of our professional services business. If we are unable to successfully accomplish these objectives, our operating results, including our profit margins, may be harmed.

**Before the COVID-19 pandemic, a significant portion of field sales and professional services were conducted in person. Currently, as a result of the work and travel restrictions related to the ongoing COVID-19 pandemic, a large portion of our sales and professional services activities are being conducted remotely. As of the date of this report, we do not yet know the extent of the negative impact on our ability to attract, serve, retain or upsell customers. Furthermore, existing and potential customers may choose to reduce or delay technology spending in response to the coronavirus pandemic, or attempt to renegotiate contracts and obtain concessions, which may materially and negatively impact our operating results, financial condition and prospects.**

**Catastrophic events may disrupt our business and impair our ability to provide our platform to customers, resulting in costs for remediation, customer dissatisfaction, and other business or financial losses.**

Our operations depend, in part, on our ability to protect our facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts and similar events. Despite precautions taken at our facilities, the occurrence of a natural disaster, epidemic or pandemic (such as the COVID-19 pandemic), an act of terrorism, vandalism or sabotage, spikes in usage volume or other unanticipated problems at a facility could result in lengthy interruptions in the availability of our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce revenue, subject us to liability and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could harm our business.

**Our long-term growth depends in part on being able to expand internationally on a profitable basis.**

Historically, we have generated a substantial majority of our revenue from customers inside the United States. For example, approximately 77% 78%, and 78% 79% of our total revenue for the years ended January 31, 2022 January 31, 2023 and 2023, 2024, respectively, was derived from sales within the United States. We have begun to expand internationally and plan to continue to expand our international operations as part of our growth strategy. Expanding our international operations will subject us to a variety of risks and challenges, including:

- the need to make significant investments in people, solutions and infrastructure, typically well in advance of revenue generation;
- the need to localize and adapt our application for specific countries, including translation into foreign languages and associated expenses;
- potential changes in public or customer sentiment regarding cloud-based services or the ability of non-local enterprises to provide adequate data protection, particularly in the European Union or the (the E.U.);
- technical or latency issues in delivering our platform;
- dependence on certain third parties, including resellers with whom we do not have extensive experience;
- the lack of reference customers and other marketing assets in regional markets that are new or developing for us, as well as other adaptations in our market generation efforts that we may be slow to identify and implement;
- unexpected changes in regulatory requirements, taxes or trade laws;
- differing labor regulations, especially in the E.U., where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs;
- difficulties in maintaining our company culture with a dispersed and distant workforce;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems and regulatory systems;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we choose to do so in the future;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- limited or insufficient intellectual property protection, or the risk that our products may conflict with, infringe or otherwise violate foreign intellectual property;
- political instability, terrorist activities or military conflicts including Russia's (including the Russian invasion of Ukraine; Ukraine and hostilities between Israel and Hamas);

- requirements to comply with foreign privacy, information security, and data protection laws and regulations and the risks and costs of non-compliance;
- likelihood of potential or actual violations of domestic and international anticorruption laws, such as the U.S. Foreign Corrupt Practices Act or the FCPA, (the FCPA), and the U.K. Bribery Act, or of U.S. and international export control and sanctions regulations, which likelihood may increase with an increase of sales or operations in foreign jurisdictions and operations in certain industries;
- requirements to comply with U.S. export control and economic sanctions laws and regulations and other restrictions on international trade;
- likelihood that the United States and other governments and their agencies impose sanctions and embargoes on certain countries, their governments and designated parties, which may prohibit the export of certain technology, products, and services to such persons;
- adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash should we desire to do so; and
- our ability to recruit and engage local channel and implementation partners.

Any of these risks could adversely affect our international operations, reduce our international revenue or increase our operating costs, adversely affecting our business, operating results and financial condition and growth prospects. Our limited experience operating our business in certain geographies outside of the United States increases the risk that recent and any potential future expansion efforts will not be successful. If substantial time and resources invested to expand our international operations do not result in a successful outcome, our operating results and business will suffer.

**For example.**

In addition, compliance with laws and regulations applicable to our international operations increases the cost of doing business in foreign jurisdictions. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these regulations could have adverse effects on our business. In addition, in many foreign countries it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. laws and regulations applicable to us. There can be no assurance that all of our employees, contractors, and agents will comply with the formal policies we will implement, or applicable laws and regulations. Violations of laws or key control policies by our employees, contractors, channel partners or agents could result in delays in revenue recognition, financial reporting misstatements, fines, penalties, or the prohibition of the importation or exportation of our software and services and could have a material adverse effect on our business and operating results.

Some of our business partners also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if our business partners are not able to successfully manage these risks.

***Future changes in the regulations and laws of the United States, or those of the international markets in which we do business, could harm our business.***

We are subject to general business regulations and laws, as well as regulations and laws specifically governing the internet and software, in the United States as well as the international markets in which we do business. These regulations and laws may cover employment, taxation, privacy, data security, data protection, pricing, content, copyrights and other intellectual property, mobile communications, electronic contracts and other communications, consumer protection, unencumbered internet access to our services, the design and operation of websites, and the characteristics and quality of software and services. It is possible changes to these regulations and laws, as well as compliance challenges related to the complexity of multiple, conflicting and changing sets of applicable regulations and laws, may impact our sales, operations, and future growth.

***Future acquisitions could disrupt our business and adversely affect our operating results, financial condition and cash flows.***

We may make acquisitions that could be material to our business, operating results, financial condition and cash flows. Our ability as an organization to successfully acquire and integrate technologies or businesses is unproven. Acquisitions involve many risks, including the following:

- an acquisition may negatively affect our operating results, financial condition or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- an acquisition may result in a delay or reduction of customer purchases for both us and the company we acquired due to customer uncertainty about continuity and effectiveness of service from either company;
- we may encounter difficulties in, or may be unable to, successfully sell any acquired products;
- an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- the potential strain on our financial and managerial controls and reporting systems and procedures;
- potential known and unknown liabilities associated with an acquired company;
- if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business as well as financial maintenance covenants;
- the risk of impairment charges related to potential write-downs of acquired assets or goodwill in future acquisitions;

- to the extent that we issue a significant amount of equity or convertible debt securities in connection with future acquisitions, existing stockholders may be diluted and earnings per share may decrease; and
- managing the varying intellectual property protection strategies and other activities of an acquired company.

We may not succeed in addressing these or other risks or any other problems encountered in connection with the integration of any acquired business. The inability to integrate successfully the business, technologies, products, personnel or operations of any acquired business, or any significant delay in achieving integration, could have a material adverse effect on our business, operating results, financial condition and cash flows.

***Governmental export or import controls could limit our ability to compete in foreign markets and subject us to liability if we violate them.***

Our software is subject to U.S. export controls, and we incorporate encryption technology into our platform. These products and the underlying technology may be exported only with the required export authorizations, including by license, a license exception or other appropriate government authorizations. U.S. export controls may require submission of a product classification and annual or semi-annual reports. Governmental regulation of encryption technology and regulation of imports or exports of encryption products, or our failure to obtain required import or export authorization for our platform, when applicable, could harm our international sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our platform, including with respect to new releases of our platform, may create delays in the introduction of our product releases in international markets, prevent customers with international operations from deploying our platform or, in some cases, prevent the export of our platform to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by U.S. sanctions. If we fail to comply with export and import regulations and such economic sanctions, we may be fined or other penalties could be imposed, including a denial of certain export privileges. Moreover, any new export or import restrictions, new legislation or shifting approaches in the enforcement or scope of existing regulations, or in the countries, persons or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell subscriptions to our platform would likely adversely affect our business, financial condition and operating results.

***Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws could subject us to penalties and other adverse consequences.***

We are subject to the FCPA, the U.K. Bribery Act and other anti-corruption, anti-bribery and anti-money laundering laws in various jurisdictions both domestic and abroad. Anti-corruption, anti-bribery, and anti-money laundering laws have been enforced aggressively in recent years and are interpreted broadly and generally prohibit companies and their directors, officers, employees and agents from promising, authorizing, making or offering improper payments or other benefits to government officials and others in the private sector. Such laws apply to our agents/third parties, and we leverage third parties, including channel partners, to sell subscriptions to our platform and conduct our business abroad. We and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, channel partners, and agents, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with such laws, we cannot assure you that all of our employees and agents 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 or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, a significant diversion of management's resources and attention or suspension or debarment from U.S. government contracts, all of which may have a material adverse effect on our reputation, business, operating results and prospects.

**Risks Related to Privacy and Cybersecurity**

***We are subject to governmental laws, regulation and other legal obligations, particularly those related to privacy, data protection and information security, and any actual or perceived failure to comply with such obligations could impair our efforts to maintain and expand our customer base, causing our growth to be limited and harming our business.***

We receive, store, and otherwise process personal information and other data from and about customers and other individuals in addition to our employees and service providers. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, such as the U.S. Federal Trade Commission or FTC, (FTC) and various state, local, and foreign agencies. Our data handling also is subject to contractual obligations and may be alleged or deemed to be subject to industry standards, including certain industry standards that we undertake to comply with.

In the United States, various laws and regulations apply to the collection, disclosure, and other processing of certain types of data, including with respect to security measures used to protect such data. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the collection, use, dissemination, security, and other processing of data. The laws and regulations relating to privacy and data security are evolving, can be subject to significant change, and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. For example, California in 2018 enacted the California Consumer Privacy Act or CCPA, (CCPA), which went into effect on January 1, 2020. The CCPA requires covered companies to, among other things, provide disclosures to California consumers and afford such consumers new abilities to opt-out of certain sales of personal information. Additionally, the California Privacy Rights Act or CPRA, (CPRA) was approved by California voters in the November 3, 2020 election. The CPRA amends and expands the CCPA in numerous respects, including by expanding the CCPA's private right of action. The CPRA created additional obligations relating to consumer data beginning on January 1, 2022, with enforcement anticipated to commence July 1, 2023 and became effective January 1, 2023. Following enactment of the CCPA, many other states have adopted or considered privacy legislation, many of which are comprehensive privacy legislation laws similar to the CCPA and CPRA. For example, in March 2021, Virginia, enacted the Virginia Consumer Data Protection Act, which Colorado, Utah, and Connecticut have adopted such legislation that became effective on January 1, 2023; in June 2021, Colorado enacted the Colorado Privacy Act, which takes effect on July 1, 2023; 2023, Texas, Montana, Oregon, and Florida have adopted such legislation that will become effective in March 2022, Utah enacted the Utah Consumer Privacy Act, which takes effect on December 31, 2023; 2024, Delaware, Iowa and Tennessee have adopted such legislation that will become effective in May 2022, Connecticut enacted An Act Concerning Personal Data Privacy 2025, and Online Monitoring, which goes into effect on July 1, 2023; and Indiana has adopted such legislation that will become effective in March 2023, Iowa enacted an Act Relating to Consumer Data Protection, which goes into effect on January 1, 2025. 2026. Broad federal privacy legislation has also been proposed. Additionally, states have adopted other laws and regulations relating to privacy and information security, such as Washington's My Health, My Data Act, which includes a private right of action. These and other new and evolving laws and regulations relating to privacy in the U.S. could increase our potential liability and adversely affect our business. Aspects of these laws and regulations and their interpretation and enforcement remain uncertain. We cannot fully predict the impact of these or other new and evolving laws and regulations relating to privacy.

and information security on our business or operations, but they may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

In addition, several foreign countries and governmental bodies, including the E.U., as well as the United Kingdom, Australia, Brazil, the People's Republic of China (the PRC), India, and Japan, where we maintain offices or other operational presences, have laws and regulations dealing with the handling and processing of personal data obtained from their residents, which in certain cases are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, security, disclosure, and other processing of various types of data, including data that identifies or may be used to identify an individual. Such laws and regulations may be modified or subject to new or different interpretations, and new laws and regulations may be enacted in the future. Within the E.U., in May 2018, a far-reaching regulation governing data and privacy practices called the General Data Protection Regulation or GDPR, (GDPR) became effective. The GDPR includes stringent operational requirements for processors and controllers of personal data and imposes significant penalties for non-compliance of up to the greater of €20 million or 4% of global annual revenues. Complying with the GDPR, the CCPA, and other data protection laws and regulations governing privacy, data protection, and information security may cause us to incur substantial operational costs or require us to modify our data handling practices. Actual or alleged non-compliance could result in proceedings against us by governmental entities or others (including a private right of action for affected individuals in certain instances) and substantial penalties, fines, and other liabilities, and may otherwise adversely impact our business, financial condition, and operating results.

Further, the United Kingdom has enacted a Data Protection Act and a version of the GDPR referred to as the UK GDPR that, collectively, substantially implement the GDPR in the United Kingdom and provide for penalties of up to the greater of £17.5 million and 4% of total annual revenue. Uncertainty remains, however, regarding how aspects of data protection in the United Kingdom will be handled in the medium to long term, and the United Kingdom is contemplating new data protection legislation. On June 28, 2021, the European Commission announced a decision of "adequacy" concluding that the United Kingdom ensures an equivalent level of data protection to the GDPR, which provides some relief regarding the legality of continued personal data flows from the European Economic Area to the United Kingdom. This adequacy determination must be renewed after four years, however, and may be modified or revoked in the interim. Further, United Kingdom data protection law imposes restrictions on personal data transfers to the U.S., similar to those imposed by the GDPR, and the United Kingdom's Information Commissioner's Office issued new standard contractual clauses, effective March 21, 2022, that are required to be implemented.

We have previously been certified under the E.U.-U.S. Privacy Shield and the Swiss-U.S. Privacy Shield with respect to our transfer of certain personal data from the E.U. and Switzerland to the United States. The E.U.-U.S. Privacy Shield framework and the use of E.U. Standard Contractual Clauses or the SCCs, (the SCCs) to protect data exports between the E.U. and the U.S. have been subject to legal challenges in the E.U., and on July 16, 2020, the Court of Justice of the European Union or CJEU, (the CJEU), Europe's highest court, held in the "Schrems II" case that the E.U.-U.S. Privacy Shield was invalid, and imposed additional obligations in connection with the use of the SCCs. The Swiss data protection and information commissioner concluded that the Swiss-U.S. Privacy Shield was invalid on similar grounds in September 2020. The European Commission issued new SCCs on June 4, 2021, addressing aspects of the CJEU's opinion in the Schrems II case, which were required to be implemented. The European Commission and United States agreed in principle in March 2022 to a new EU-U.S. Data Privacy Framework or DPF, (DPF), which would permit transfers of personal data from the E.U. to the U.S., by participating entities. President Biden issued an executive order in October 2022 providing for safeguards on imported E.U. personal data, on which basis the The European

Commission adopted a draft opinion on an adequacy decision with respect to the DPF in December 2022, concluding that July 2023, allowing for the U.S. ensures an adequate level DPF to be implemented and available for companies to use to legitimize transfers of protection for personal data imported from the E.U. This opinion has not yet been formally adopted into the EU. The U.S. We have self-certified to the DPF and to the Swiss-U.S. Data Privacy Framework (the Swiss DPF). Each of these frameworks may be further modified, and it remains unclear whether the DPF will be implemented, whether it will be appropriate for us subject to rely on if implemented, and whether legal challenge. Additionally, the European Commission's adequacy opinion decision regarding the DPF provides that it will be formally adopted, subject to future reviews and may be subject to suspension, amendment, repeal, or limitations to its scope by the European Commission. We and many other companies may need to implement different or additional measures to establish or maintain legitimate means for the transfer and receipt of personal data from the E.U., Switzerland, and the United Kingdom to the U.S., and we may, in addition to other impacts, be required to engage in additional contractual negotiations and experience additional costs associated with increased compliance burdens, and we and our customers face the potential for regulators to apply different standards to the transfer of personal data from the E.U., Switzerland and the United Kingdom to the U.S., and to block or require additional measures taken with respect to certain data flows from the E.U., Switzerland, and the United Kingdom to the U.S. We and our customers may face a risk of enforcement actions by data protection authorities in the E.U. and other jurisdictions relating to personal data transfers. Any such enforcement actions could result in substantial costs and diversion of resources, distract management and technical personnel and negatively affect our business, operating results, and financial condition. We may be at risk of experiencing reluctance or refusal of European or multi-national customers to use our solutions and being subject to regulatory action or incurring penalties. Any of these developments may have an adverse effect on our business.

Other jurisdictions have adopted laws and regulations addressing privacy, data protection, and information security, many of which share similarities with the GDPR. For example, Law no. 13.709/2018 of Brazil, the Lei Geral de Proteção de Dados Pessoais (LGPD) entered into effect in 2020, authorizing a private right of action for violations. Penalties include fines of up to 2% of the organization's revenue in Brazil in the previous year or 50 million Brazilian reais. The LGPD applies to businesses (both inside and outside Brazil) that process the personal data of users who are located in Brazil. The LGPD provides users with similar rights as the GDPR regarding their data. Additionally, the Personal Information Protection Law (PIPL) of the PRC was adopted and went into effect in 2021. The PIPL shares similarities with the GDPR, including extraterritorial application, data minimization, data localization, and purpose limitation requirements, and obligations to provide certain notices and rights to PRC citizens. The PIPL allows for fines of up to 50 million renminbi or 5% of a covered company's revenue in the prior year.

Additionally, we may be or become subject to data localization laws mandating that data collected in a foreign country be processed only within that country. These or other laws relating to privacy or data protection could require us to expand data storage facilities in foreign jurisdictions or to obtain new local data storage in such countries. The expenditures this would require, as well as costs of compliance generally, could harm our financial condition. The regulatory environment applicable to the collection, use, and other processing of personal data of residents of the E.U., United Kingdom, Switzerland, Brazil, the PRC, and other foreign jurisdictions, and our actions taken in response, may cause us to be required to undertake additional contractual negotiations, modify policies and procedures, and otherwise to assume additional liabilities or incur additional costs, and could result in our business, operating results, and financial condition being harmed.

We enter into business associate agreements with our customers who require them in order to comply with the Health Insurance Portability and Accountability Act or HIPAA, (HIPAA) and the Health Information Technology for Economic and Clinical Health Act, and therefore we are directly subject to certain provisions of HIPAA applicable to business associates. We may collect and process protected health information as part of our designated service, which may subject us to a number of data protection, security, privacy, and other government- and industry-specific requirements. In addition, if we are unable to comply with our obligations relating to the protection and processing of protected health

information, we could be found to have breached our contracts with customers with whom we have a business associate relationship. Noncompliance with laws and regulations relating to privacy and security of personal information, including HIPAA, or with contractual obligations, including under any business associate agreement, may lead to significant fines, civil and criminal penalties, and other liabilities. The U.S. Department of Health and Human Services or HHS, (HHS) audits the compliance of business associates and enforces HIPAA privacy and security standards. HHS enforcement activity has increased in recent years and HHS has signaled its intent to continue this trend. In addition to HHS, state attorneys general are authorized to bring civil actions seeking either injunctions or damages to the extent violations implicate the privacy of state residents.

Federal, state, and foreign laws, regulations, and other actual or asserted obligations relating to privacy, data protection, or information security may be interpreted and applied in manners that are, or are alleged to be, inconsistent with our practices. Any failure or perceived failure by us to comply with federal, state, or foreign laws, regulations, policies, legal or contractual obligations, industry standards, regulatory guidance or other actual or asserted obligations relating to privacy, data protection, information security, marketing, or consumer communications may result in governmental investigations and

enforcement actions, claims, demands, and litigation by private entities, fines, penalties, and other liabilities, harm to our reputation and adverse publicity, and could cause our customers and partners to lose trust in us, which could materially affect our business, operating results, and financial condition. We expect that there will continue to be new laws, regulations, industry standards and other actual and asserted obligations relating to privacy, data protection, marketing, consumer communications, and information security proposed and enacted or otherwise implemented in the United States, the E.U., and other jurisdictions, and we cannot fully predict the impact such future laws, regulations, standards, and obligations may have on our business. Future laws, regulations, standards, and other actual or asserted obligations, or any changed interpretation of existing laws or regulations could impair our ability to develop and market new features and maintain and grow our customer base and increase revenue. Future restrictions on the collection, use, sharing, disclosure, or other processing of data could require us to incur additional costs or modify our platform, possibly in a material manner, which we may be unable to achieve in a commercially reasonable manner or at all, and which could limit our ability to develop new features.

In addition to the privacy regulations described above, our business is also subject to contractual obligations to maintain compliance with leading security frameworks and standards such as AICPA's SOC 1 and SOC 2; International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) standards for ISO 27001 and ISO 27018; HITRUST Alliance's HITRUST CSF; and Texas Department of Information Resources' TX-RAMP certification. Annually, we also perform an internal/self-analysis of our adherence to the requirements stated in Australian Cyber Security Center (ASCS)'s IRAP framework and UK's National Cyber Security Centre's Cyber Essentials. Any failure or perceived failure by us to comply with these contractual obligations, industry standards, regulatory guidance or other actual or asserted obligations relating to privacy, data protection and information security may result in loss of certification, governmental investigations and enforcement actions, claims, demands, and litigation by private entities, fines, penalties, and other liabilities, harm to our reputation and adverse publicity, and could cause our customers and partners to lose trust in us, which could materially affect our business, operating results, and financial condition.

*If our network, application, or computer systems are breached or unauthorized access to customer data or other sensitive data is otherwise obtained, our platform may be perceived as insecure and we may lose existing customers or fail to attract new customers, operations may be disrupted if systems or data become unavailable, our reputation may be damaged and we may incur significant liabilities, remediation costs or liabilities, including regulatory fines for violation of compliance requirements.*

As a provider of cloud services, our operations involve the storage and transmission of our customers' sensitive and proprietary information, and we also collect, store, transmit, and otherwise process large amounts of sensitive corporate, personal, and other information relating to our business and operations, including intellectual property, proprietary business information, and other confidential information. Cyber-attacks and other malicious internet-based activity continue to increase generally, and cloud-based platform providers of software and services have been targeted. Many of our employees work remotely at least part of the time, which may pose additional data security risks. Within cloud service delivery organizations, there is an increased threat from both targeted and non-targeted activities. These activities may originate from threat actor groups with various motivations, including cyber espionage, financial or ideological motivations. We may also face numerous types of attacks, including financial attacks in the form of ransomware/cyber extortion, fraud, and misappropriation of resources (such as, for instance, cryptocurrency mining operations using Domo resources), and malicious attacks such as distributed denial of service with the intention to cause extended period of service downtime, which could prevent customers from accessing our products and services. Attackers may, in addition to other motivations, seek to render unavailable, destroy, modify, or access without authorization the various types of data we store or otherwise process, including our own data, our customers' data generally, or data of specific customers. Our employees and contractors who have access to company data as well as customer personal information and/or customer data could be a victim of social engineering tactics such as phishing and business email compromise, which could further lead to malware and/or ransomware being installed on our company assets and which could cause a potential compromise of systems and information. In addition, as we host our platform on third party cloud hosting services offered by the leading cloud hosting providers, any misconfiguration in the cloud due to our own unintentional error or lack of understanding, or any exploitation of vulnerabilities on those cloud hosting providers' technology, could lead to unauthorized access, misuse, acquisition, disclosure, loss, alteration, destruction, or other processing of our and our customers' data, including confidential, sensitive, and other information about individuals.

We engage third-party service providers to store and otherwise process some of our and our customers' data, including personal, confidential, sensitive, and other information relating to individuals. Our service providers may also be the targets of cyberattacks and other malicious activity. While we have established a formal third party security risk assessment process to address security risks for our company relating to our key third party service providers, our ability to monitor our service providers' security measures is limited, and, in any event, third parties may be able to circumvent those security measures or our own security measures, resulting in unavailability of or unauthorized access to, misuse, acquisition, disclosure, loss, alteration, destruction, or other processing of our and our customers' data, including confidential, sensitive, and other information about individuals. We also use and rely on several open source libraries and packages, and certain libraries and packages generated by artificial intelligence, while developing our product and if such libraries or packages are vulnerable and are exploited, our ability to address such vulnerabilities in a timely manner may be limited and may result in disruptions to our platform or operations and in unavailability of or unauthorized access to, misuse, acquisition, disclosure, loss, alteration, destruction, or other processing of our and our customers' data, including confidential, sensitive, and other information about individuals. Occasionally, we also deploy code generated by Artificial Intelligence (AI) tools and improper or inadequate vetting of AI-generated code for any security related vulnerabilities may result in exploitation of such vulnerabilities leading to disruption, unauthorized access to our infrastructure, our confidential data or our customers' data.

Additionally, there have been and may continue to be significant supply chain cyber-attacks generally, and our third-party service providers (and business partners) may be targeted or impacted by such attacks. We cannot guarantee that our systems and networks or those of our vendors or service providers have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach or compromise of or disruption to our systems and networks or the systems and networks of third parties that

support us and our services. Our ability to monitor our third-party service providers' data security is limited, and, in any event, third parties Malicious actors may be able to circumvent those security measures, resulting in unavailability of, unauthorized access to, misuse, disclosure, loss, unavailability, destruction, or other processing of our and our customers' data, including sensitive and personal information. We and our service providers may also face difficulties or delays in identifying, remediating, and otherwise responding to cyberattacks and other security breaches and incidents. Because the techniques used and vulnerabilities exploited to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or vulnerabilities or implement adequate preventative measures. We may also experience security breaches and incidents that may remain undetected for an extended period.

If any Enterprise use of generative artificial intelligence (GenAI) technologies may result in access to and processing of sensitive information, intellectual property, source code, trade secrets, and other data, through direct user input or the API, including customer or private information and confidential information. Sending confidential and private data outside of our own servers could trigger legal and compliance exposure, as well as risks of information exposure, including unauthorized acquisition, use, or other processing. Such exposure can result from contractual (for example, with customers) or regulatory obligations (such as CCPA, GDPR, HIPAA). Furthermore, if the GenAI platform's own systems and infrastructure are not secure, data breaches or incidents may occur and lead to the exposure of sensitive information such as customer data, financial information, and proprietary business information, or it may be believed or asserted that one or more of these has occurred. Threat actors could also use GenAI for malicious purposes, increasing the frequency of their attacks and the complexity level some are currently capable of, e.g. phishing attacks, fraud, social engineering, and other possible malicious use, such as with writing malware. Code generated by GenAI could potentially be used and deployed without a proper security audit or code review to find vulnerable or malicious components. This could cause widespread deployment of vulnerable code within the organization systems.

In addition, insider threats pose significant risks to our business, potentially compromising the confidentiality, integrity, and availability of customer data and the overall reputation of the organization. As employees or trusted individuals have authorized access to sensitive systems and customer information, malicious insiders may intentionally abuse their privileges, leading to actual or perceived data breaches or incidents, intellectual property theft or misappropriation, or unauthorized access to, or use of, systems or data. Additionally, insiders may inadvertently access, use, expose, or otherwise process confidential, personal, or otherwise critical information, or engage in unauthorized access to or use of company devices, networks, systems, or other resources, due to error, negligence, lack of awareness, or otherwise. We have suffered certain of these incidents in the past and expect that they will occur in the future.

From time to time, third parties have published, and may publish, unauthorized websites that give a false impression of being official Domo websites. Purveyors of these unauthorized websites may deceive job applicants, potential customers, and other third parties into believing they are interacting with us and may, among other things, collect and misuse their personal information or purport to charge them money in connection with submitting a job application, or performing a task pertaining to the Domo application, such as testing the application to optimize performance. These activities may disrupt our sales, human resources, and other functions, significantly harm our brand, reputation and market position, and result in claims, demands, inquiries, and potential liabilities.

Any security breach, or security incident, or similar event impacting our platform, our networks or systems, or any systems or networks of our service providers, occurs, whether as a result of third-party action, insider attacks, employee or service provider error or malfeasance, phishing or smishing attacks, ransomware or other malware, social engineering, or otherwise, such an event could result in unauthorized access to or use of our platform, disruptions to our platform or other aspects of our operations, the loss, alteration or unavailability of, or unauthorized access to or acquisition or other processing of, data or intellectual property of ourselves or our customers. Additionally, any such event, breach or incident, or unauthorized use of company resources, or any perception that any such event has occurred, may result in a loss of business, severe reputational or brand damage adversely affecting customer, partner, or investor confidence, regulatory investigations, demands, and orders, litigation or other claims, demands, or proceedings by governmental authorities or private parties, indemnity obligations, damages for contract breach, penalties for violation of applicable laws, regulations, or contractual obligations, and significant costs for remediation that 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, incident, or other incident, event, and other liabilities, as well as harm to our sales efforts and expansion into existing and new markets.

We could be required to expend significant capital and other resources to alleviate problems caused by such actual or perceived security breaches, incidents, or other incidents events and to remediate our systems, we could be exposed to a risk of loss, litigation or regulatory action and possible liability, and our ability to operate our business may be impaired. Additionally, actual, potential, or anticipated attacks, security breaches or incidents, or other events, may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants.

Due to political and macroeconomic uncertainty and military actions associated with geopolitical events such as Russia's invasion of Ukraine and hostilities between Israel and Hamas, we and our third-party service providers may be vulnerable to a heightened risk of cybersecurity attacks, phishing attacks, viruses, malware, ransomware, hacking, distributed denial of service, or similar breaches and incidents from nation-state and affiliated actors, including attacks that could materially disrupt our systems, operations, and platform. In addition, if the security measures of our customers are compromised, even without any actual compromise of our platform or systems or any networks or systems of our service providers, we may face negative publicity or reputational harm if customers or others incorrectly attribute the blame for such security breaches or other incidents to us, our platform, our systems or networks, or those of our service providers. Similarly, we may face reputational harm if any security breach or incident is caused by or otherwise attributed to our employees, vendors, or service providers as a result of inadvertent error, malfeasance, an insider attack, or otherwise. If customers or partners believe that our platform does not provide adequate security for the storage of personal or other sensitive information or its transmission over the internet, our business will be harmed. Customers' concerns about security or privacy may deter them from using our platform for activities that involve personal or other sensitive information.

Our insurance covering certain security and privacy damages and claim expenses may not be sufficient to compensate for all liability. Although we maintain insurance for liabilities incurred as a result of certain matters relating to privacy and information security, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

Additionally, with data security a critical competitive factor in our industry, we make public statements in our privacy policies, on our website, and elsewhere describing the security of our platform. Should any of these statements be untrue, become untrue, or be perceived to be untrue, even if through circumstances beyond our reasonable control, we may face claims, including claims of unfair or deceptive trade practices, and related investigations, enforcement actions or other proceedings, brought by the FTC, state, local, or

foreign regulators, and private litigants, which may result in fines, penalties, and other liabilities, and which may have a material adverse effect on our business, including our financial condition, operating results, and reputation.

***Real or perceived errors, failures, or bugs in our platform could adversely affect our operating results and growth prospects.***

We update our platform on a frequent basis. Despite efforts to test our updates, errors, failures or bugs may not be found in our platform until after it is deployed to our customers. We have discovered and expect we will continue to discover errors,

failures and bugs in our platform and anticipate that certain of these errors, failures and bugs will only be discovered and remediated after deployment to customers. Real or perceived errors, failures or bugs in our platform could result in negative publicity, government inquiries, loss of or delay in market acceptance of our platform, loss of competitive position, or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to help correct the problem.

We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of inaccuracies in the data we collect for our customers, or the loss, damage, unauthorized access to or acquisition of, or inadvertent release or exposure of confidential or other sensitive data could cause our reputation to be harmed and result in claims against us, and customers may elect not to purchase or renew their agreements with us or we may incur increased insurance costs. The costs associated with any material defects or errors in our software or other performance problems may be substantial and could harm our operating results.

***Interruptions or performance problems associated with our technology and infrastructure may adversely affect our business and operating results.***

Our continued growth depends in part on the ability of existing and potential customers to access our platform at any time. We have experienced, and may in the future experience, disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, introductions of new capabilities, human or technology errors, distributed denial of service attacks, or other security related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our platform becomes more complex and user traffic increases. If our platform is unavailable or if users are unable to access our platform within a reasonable amount of time, or at all, our business will be harmed.

We also rely on SaaS and other technologies from third parties in order to operate critical functions of our business. To the extent that our third-party service providers experience outages, disruptions, or other performance problems, or to the extent we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be adversely affected. In addition, if our agreements with third-party software or services vendors are not renewed or the third-party software or services become obsolete, fail to function properly, are incompatible with future versions of our products or services, are defective or otherwise fail to address our needs, there is no assurance that we would be able to replace the functionality provided by the third-party software or services with software or services from alternative providers.

We have taken steps to increase redundancy in our platform and infrastructure and have plans in place to mitigate events that could disrupt our platform's service. However, there can be no assurance that these efforts would protect against interruptions or performance problems.

**Risks Related to Our Intellectual Property**

***Our business is highly dependent upon our brand recognition and reputation, and the failure to maintain or enhance our brand recognition or reputation would likely adversely affect our business and operating results.***

We believe that maintaining and enhancing the Domo brand identity and our reputation are critical to our relationships with customers and channel partners and to our ability to attract new customers and channel partners. We also believe that the importance of our brand recognition and reputation will continue to increase as competition in our market continues to develop. Our success in this area will depend on a wide range of factors, some of which are beyond our control, including the following:

- the efficacy of our marketing efforts;
- our ability to maintain a high-quality, innovative and error- and bug-free platform;
- our ability to obtain new customers and retain and increase usage by existing customers;
- our ability to maintain high customer satisfaction;
- the quality and perceived value of our platform;
- our ability to obtain, maintain and enforce trademarks and other indicia of origin that are valuable to our brand;
- our ability to successfully differentiate our platform from competitors' products;
- actions of competitors and other third parties;
- our ability to provide customer support and professional services;
- any actual or perceived security breach or data loss, or misuse or perceived misuse of our platform;
- positive or negative publicity;

- interruptions, delays or attacks on our platform;
- challenges with customer adoption and use of our platform on mobile devices or problems encountered in developing or supporting enhancements to our mobile applications; and
- litigation or regulatory related developments.

If our brand promotion activities are not successful, our operating results and growth may be harmed.

Independent industry analysts often provide reviews of our platform, as well as competitors' products, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of competitors' products and services, our brand may be adversely affected.

Furthermore, negative publicity, whether or not justified, relating to events or activities attributed to us, our current or former employees, partners or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Damage to our reputation and loss of brand equity may reduce demand for our platform, make it difficult for us to attract and retain employees, and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brand may be costly and time consuming, and such efforts may not ultimately be successful.

***Third-party claims that we are infringing or otherwise violating the intellectual property rights of others, whether successful or not, could subject us to costly and time-consuming litigation or require us to obtain expensive licenses, and our business could be harmed.***

The technology industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets and other intellectual property rights. Companies in the technology industry must often defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Third parties, including our competitors, may own patents or other intellectual property rights that cover aspects of our technology or business methods and may assert patent or other intellectual property rights against us and others in the industry. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as "patent trolls," have purchased patents and other intellectual property assets for the purpose of making claims of infringement or other violation of intellectual property rights in order to extract settlements. From time to time, we have received and may receive in the future threatening letters, notices or "invitations to license," or may be the subject of claims that our technology and business operations infringe or otherwise violate the intellectual property rights of others. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management's attention and resources, damage our reputation and brand and cause us to incur significant expenses. Claims of intellectual property infringement or other violations of intellectual property rights might require us to stop using technology found to infringe or violate a third party's rights, redesign our platform, which could require significant effort and expense and cause delays of releases, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our platform. If we cannot or do not license the infringed or otherwise violated technology on commercially reasonable terms or at all, or substitute similar technology from another source, we could be forced to limit or stop selling our platform, we may not be able to meet our obligations to customers under our customer contracts, revenue and operating results could be adversely impacted, and we may be unable to compete effectively. Even if we are successful in defending against allegations of intellectual property infringement, litigation may be costly and may divert the time and other resources of our management. Additionally, customers may not purchase our platform if they are concerned that they may infringe or otherwise violate third-party intellectual property rights. The occurrence of any of these events may harm our business.

***Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.***

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement or other violations of intellectual property rights, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could harm our business, results of operations and financial condition. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

***The success of our business depends in part on our ability to protect and enforce our intellectual property rights.***

Our success is dependent, in part, upon protecting our proprietary technology. As of **January 31, 2023** **January 31, 2024**, we had **119** **115** issued U.S. patents covering our technology and **two** **four** patent applications pending for examination in the United States. Our issued patents, and any patents issued in the future, may not provide us with any competitive advantages or may be challenged by third parties, and our patent applications may never be granted. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that these patents will adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain.

Any patents that are issued may subsequently be invalidated or otherwise limited, allowing other companies to develop offerings that compete with ours, which could adversely affect our competitive business position, business prospects and financial condition. In addition, issuance of a patent does not guarantee that we have a right to practice the patented invention. Patent applications in the United States are typically not published until 18 months after filing or, in some cases, not at all, and publications of discoveries in industry-related literature lag behind actual discoveries. We cannot be certain that we were the first to use the inventions claimed in our issued patents or pending patent applications or otherwise used in our platform, that we were the first to file for protection in our patent applications, or that third parties do not have blocking patents that could be used to prevent us from marketing or practicing our patented technology. Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our platform is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States (in particular, some foreign jurisdictions do not permit patent protection for software), and mechanisms for enforcement of intellectual property rights may be inadequate. Additional uncertainty may result from changes to intellectual property legislation enacted in the United States, including the America Invents Act, and other national governments and from interpretations of the intellectual property laws of the United States and other countries by applicable courts and agencies. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

Although we generally enter into confidentiality and invention assignment agreements with our employees and consultants that have access to material confidential information and enter into confidentiality agreements with our customers and the parties with whom we have strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to and distribution of our platform and proprietary information or prevent reverse engineering. Further, these agreements may not prevent competitors from independently developing technologies that are substantially equivalent or superior to our platform, and we may be unable to prevent this competition.

Unauthorized use of our intellectual property may have already occurred or may occur in the future. We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. We may not prevail in any lawsuits that we initiate. Any litigation, whether or not resolved in our favor, could subject us to substantial costs, divert resources and the attention of management and technical personnel from our business and adversely affect our business. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new features or enhancements, result in our substituting inferior or more costly technologies into our platform, or injure our reputation.

We may initiate claims or litigation against third parties for infringement or other violation of our proprietary rights or to establish the validity of our proprietary rights. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert counterclaims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially viable. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, operating results, financial condition and cash flows.

#### Risks Related to Our Corporate Governance

***The dual class structure of our common stock has the effect of concentrating voting control with Joshua G. James, our founder and chief executive officer, which will limit your ability to influence the outcome of important transactions, including a change in control.***

Our Class A common stock has 40 votes per share, and our Class B common stock has one vote per share. Joshua G. James, our founder and chief executive officer, beneficially owns all of our outstanding shares of Class A common stock through Cocolalla, LLC, of which he is the managing member, and as of **January 31, 2023** **January 31, 2024**, beneficially controlled approximately **81%** **80%** of the voting power of our outstanding capital stock and therefore is able to control all matters submitted to our stockholders for approval. Mr. James may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company and might ultimately affect the market price of our Class B common stock.

Future transfers by the holder of Class A common stock will generally result in those shares converting into shares of Class B common stock, subject to limited exceptions, such as certain transfers effected for estate planning or charitable purposes. Mr. James has informed us he and Cocolalla, LLC have entered into arrangements under which he has pledged all of such shares to secure a loan with a financial institution. If these shares were to be sold or otherwise transferred upon default of the underlying loan, the market price of our Class B common stock could decline or be volatile. For additional information, see the section of this report captioned “—Other Risks Related to Ownership of Our Class B Common Stock—Future sales of our Class B common stock in the public market could cause our stock price to fall.”

***We are a “controlled company” within the meaning of Nasdaq rules, and as a result may choose to rely on exemptions from certain corporate governance requirements.***

We qualify as a “controlled company” under the corporate governance rules of The Nasdaq Stock Market because our founder and chief executive officer, and entities beneficially owned by him, control more than fifty percent of the voting power of our outstanding common stock. Although, as of the date of this report, the composition of our board of directors and its committees currently complies with applicable corporate governance rules of The Nasdaq Stock Market, we have previously, and may in the future rely, on the foregoing exemptions provided to controlled companies under the corporate governance rules of The Nasdaq Stock Market. If we, in the future, rely on these “controlled company” exemptions, we may not have a majority of independent directors on our board of directors, an entirely independent nominating and corporate governance committee, an entirely independent compensation committee or perform annual performance evaluations of the nominating and corporate governance and compensation committees unless and until such time as we are required to do so. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of these corporate governance requirements. If we cease to be a “controlled company” and our shares continue to be listed on The Nasdaq Global Market, we will be required to comply with these provisions within the applicable transition periods.

***We cannot predict the impact our dual class structure may have on our stock price or our business.***

We cannot predict whether our dual class structure, combined with the concentrated control of our stockholders who held our capital stock prior to the completion of our initial public offering, including our executive officers, employees and directors and their affiliates, will result in a lower or more volatile market price of our Class B common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. In July 2017, FTSE Russell announced that it plans to require new constituents of its indexes to have greater than 5% of the company's voting rights in the hands of public stockholders, and S&P Dow Jones announced that it will no longer admit companies with multiple-class share structures to certain of its indexes. Because of our dual class structure, we will likely be excluded from these indexes and we cannot assure you that other stock indexes will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class B common stock less attractive to other investors. As a result, the market price of our Class B common stock could be adversely affected.

#### Risks Related to Our Financial Reporting and Disclosure

***Our reported financial results may be harmed by changes in the accounting principles generally accepted in the United States.***

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the Securities and Exchange Commission or SEC, (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 may even affect the reporting of transactions completed before the announcement or effectiveness of a change. Other companies in our industry may apply these accounting principles differently than we do, adversely affecting the comparability of our financial statements.

***We have incurred and will continue to incur increased costs by being a public company, including costs to maintain adequate internal control over our financial and management systems.***

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements.

We have also incurred and will continue to incur costs associated with corporate governance requirements, including requirements of the SEC and The Nasdaq Stock Market. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly. We also expect these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, we may have more difficulty attracting and retaining qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules, and we cannot predict or estimate the additional costs we may incur or the timing of such costs.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404 of the Sarbanes-Oxley Act or Section 404, (Section 404) requires us to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on, and our independent registered public accounting firm potentially to attest to, the effectiveness of our internal controls over financial reporting. Our compliance with applicable provisions of Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. Moreover, if we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

#### **Other Risks Related to Ownership of Our Class B Common Stock**

##### ***The market price of our Class B common stock may be volatile, and the value of your investment could decline significantly.***

The trading price of our Class B common stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The following factors, in addition to other risks described in this report, may have a significant effect on our Class B common stock price:

- actual or anticipated fluctuations in revenue and other operating results, including as a result of the addition or loss of any number of customers;
- announcements by us or competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in ratings, key metrics and financial estimates and the publication of other news by any securities analysts who follow our company, or our failure to meet these analyst estimates or the expectations of investors;
- changes in operating performance and stock market valuations of cloud-based software or other technology companies, or those in our industry in particular;
- the size of our public float;
- price and volume fluctuations in the trading of our Class B common stock and in the overall stock market, including as a result of trends in the economy as a whole or in the technology industry;
- the impact of the COVID-19 pandemic, including on the global economy, our results of operations, enterprise software spending and business continuity;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business or industry, including those relating to data privacy and data security;
- lawsuits threatened or filed against us for claims relating to intellectual property, employment issues or otherwise;
- actual or perceived data breach or data loss, or misuse or perceived misuse of our platform;
- changes in our board of directors or management;
- short sales, hedging and other derivative transactions involving our Class B common stock;
- sales of large blocks of our common stock including sales by our executive officers, directors and significant stockholders; and
- other events or factors, including those resulting from war, incidents of terrorism, public health epidemics or pandemics, bank failures, changes in general economic, industry and market conditions and trends, as well as natural disasters, or responses to any natural disasters of these events or factors that may affect our operations.

In addition, the stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect our stock price, regardless of our actual operating performance. In addition, in the past, securities class action litigation has often been instituted against companies whose stock prices have declined, especially following periods of volatility in the overall market. For example, see Part I, Item 3 (Legal Proceedings) of this report for a description of a securities class action lawsuit currently pending against us and certain of our current and former officers and directors. Additional securities class action litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

***If securities or industry analysts do not publish research reports about our business, or if they issue an adverse opinion about our business, our stock price and trading volume could decline.***

The trading market for our Class B common stock and customer demand for our platform is influenced by the research and reports that securities and industry or securities analysts publish about us or our business. If one or more of the analysts who cover us issues an adverse opinion do not publish positive reports about our company, our stock price would likely decline. If one platform and value proposition, do not view us as a market leader, or more of these analysts ceases coverage of us cease or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume would likely decline. In addition, industry analysts may influence current and potential customers; if any of the foregoing were to decline, occur, customer demand for our platform, operating results and prospects may be adversely impacted. Further, we are transitioning to a consumption-based business model and to the extent that analysts fail to appreciate the benefits of such a model, misinterpret key

performance indicators associated with such a model or continue to focus on metrics unduly associated with a subscription-based model, our stock price and trading volume may decline or our business may suffer.

***Future sales of our Class B common stock in the public market could cause our stock price to fall.***

Our stock price could decline as a result of sales of a large number of shares or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

We register the offer and sale of all shares of common stock that we may issue under our equity compensation plans; as a result, these shares can generally be freely sold in the public market upon issuance, subject to compliance with applicable securities laws. Additionally, "sell-to-cover" transactions are utilized in connection with the vesting and settlement of restricted stock units so that shares of our common stock are sold on behalf of our employees in an amount sufficient to cover the tax withholding obligations associated with these awards. As a result of these transactions, a significant number of shares of our stock may be sold over a limited time period in connection with significant vesting events.

Further, we have been advised that Mr. James has pledged the shares of Class A common stock and Class B common stock beneficially owned by him to secure a loan with a financial institution, which loan has or will have various requirements to repay all or a portion of the loan upon the occurrence of various events, including when the price of the Class B common stock goes below certain specified levels. Mr. James has indicated that (1) he has substantial assets other than shares of our common stock and (2) if repayment of the loan is triggered there is a cure period to sell assets or restructure the loan. Although Mr. James has indicated his intention to sell other assets if necessary, shares of our common stock may need to be sold to meet these repayment requirements. Upon a default under such loan following any applicable cure period, the lender could sell the pledged shares into the market without limitation on volume or manner of sale. Sales of such shares to reduce the loan balance or by the lender upon foreclosure are likely to adversely affect our stock price. Mr. James has also indicated to us that he may in the future from time to time refinance such indebtedness, enter into derivative transactions based on the value of our Class B common stock, dispose of shares of common stock, otherwise monetize shares of his common stock and/or engage in other transactions relating to shares of our common stock and/or other securities of the company. Any of these activities may adversely affect the price of our common stock. Mr. James has also indicated that he intends to (1) continue to beneficially own a majority of the Class A common stock that he currently beneficially owns and (2) continue to control at least a majority of the voting power of our company.

In addition, in the future, we may issue additional shares of Class B common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement, employee arrangement or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us difficult, limit attempts by our stockholders to replace or remove our current management and limit our stock price.***

Provisions of our certificate of incorporation and bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. These provisions include the following:

- our dual-class common stock structure, which provides our holders of Class A common stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock and Class B common stock;
- when the outstanding shares of Class A common stock represent less than a majority of the total combined voting power of our Class A and Class B common stock, or the voting threshold date, our board of directors will be classified into three classes of directors with staggered three-year terms, and directors will only be able to be removed from office for cause;
- our amended and restated bylaws provide that, following the voting threshold date, approval of stockholders holding two-thirds of our outstanding voting power voting as a single class will be required for stockholders to amend or adopt any provision of our bylaws;
- our stockholders are able to take action by written consent for any matter until the voting threshold date;
- following the voting threshold date, vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- only the chairman of our board of directors, chief executive officer, a majority of our board of directors or, until the voting threshold date, a stockholder (or group of stockholders) holding at least 50% of the combined voting power of our Class A and Class B common stock are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued, without the approval of the holders of common stock; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder.

***Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the Delaware General Corporation Law, or the certificate of incorporation or the amended and restated bylaws, or (4) any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws or (5) other action asserting a claim that is governed by the internal affairs doctrine shall

be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants.

Any person or entity purchasing, holding or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum of its 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. If a court were to find this exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

#### General Risk Factors

##### ***Economic uncertainties or downturns could materially adversely affect our business.***

Current or future economic uncertainties or downturns, could adversely affect our business and operating results. Negative general macroeconomic conditions in both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, rising inflation, a recession, political deadlock, natural catastrophes, pandemics, military conflict (including the Russian invasion of Ukraine) Ukraine and hostilities between Israel and Hamas) and terrorist attacks, whether in the United States, Europe, the Asia Pacific region or elsewhere, could cause a decrease in business investments, including corporate spending on business intelligence software in general and negatively affect the rate of growth of our business.

General worldwide economic conditions may experience significant downturns and may be unstable. These conditions make it extremely difficult for our customers and us to forecast and plan future business activities accurately, and they could cause customers to reevaluate their decisions to subscribe to our platform, which could delay and lengthen our sales cycles or result in cancellations of planned purchases. Furthermore, during challenging economic times customers may tighten their budgets and face issues in gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. In turn, we may be required to increase our allowance for doubtful accounts, which would adversely affect our financial results.

For example, during 2021, the United States experienced an inflation rate of over 7%, according to data from the U.S. Department of Labor, significantly higher than recent norms. If inflation rates remain elevated or increase further, our expenses and operating costs are likely to increase. Inflation may also result in higher interest rates and otherwise adversely impact the macroeconomic environment, which in turn could adversely impact our customers and their ability or willingness to spend on our platform. Additionally, in recent periods the U.S. has experienced a labor shortage, which has contributed to an environment of escalating wages and salaries, which may also adversely affect our expenses and operating costs.

To the extent subscriptions to our platform 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 as an alternative to using our platform. Moreover, competitors may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our platform.

We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or industries in which we operate do not improve, or worsen from present levels, our business, operating results, financial condition and cash flows could be adversely affected.

##### ***The ongoing pandemic of coronavirus around the world could impact our business and operating results in volatile and unpredictable ways.***

The full impact of the COVID-19 pandemic on our business is inherently uncertain at the time of this report, and is highly dependent on inherently uncertain future developments, including duration and scope of the pandemic (including any potential future waves of the pandemic as well as new and emerging variants of the virus) as well as governmental, business and individual actions that have been and continue to be taken in response to the pandemic (including the availability, adoption and effectiveness of COVID-19 vaccines). In geographies in which we or our customers, partners and service providers operate, these developments could result in economic, social or labor instability or prolonged contractions in the industries in which our customers or partners operate, negatively impact our ability to attract, serve, retain or upsell customers or result in customers not purchasing or renewing our products, failing to make payments or attempting to renegotiate contracts, any of which could have a material adverse effect on our business and our results of operations and financial condition. Because our platform is offered as a subscription-based service, the effect of the pandemic may not be fully reflected in our operating results until future periods, if at all.

Before the COVID-19 pandemic, a significant portion of field sales and professional services were conducted in person. Currently, most all of our sales and professional services activities are being conducted remotely. As we continue to actively monitor issues arising from the COVID-19 pandemic, we may take further actions that alter our business operations, including those that may be required by federal, state, local or foreign authorities or that we determine are in the best interests of our employees, customers and stockholders. Additionally, if and to the extent work and travel restrictions related to COVID-19 are relaxed, we may begin shifting certain professional, sales and marketing activities from remote work to in-person or hybrid models, which could result in us incurring additional operating expenses associated with business travel, office space leases and other factors.

#### Item 1B. Unresolved Staff Comments

None.

#### Item 1C. Cybersecurity

Domo has an established cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of its critical systems, internal networks, and information. This program implements policies, processes, and controls to respond to cybersecurity threats and mitigate business impacts. Management is responsible for day-to-day administration of Domo's cybersecurity policies, processes, practices, and risk management.

Our board of directors recognizes the critical importance of maintaining the trust and confidence of our customers, clients, business partners and employees. Our board of directors is actively involved in oversight of our risk management program, and cybersecurity represents an important component of our overall approach to enterprise risk management ("ERM").

We have not identified any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that materially affected our organization, including its business strategy, results of operations, or financial condition. However, we face ongoing and increasing cybersecurity risks, including from bad actors that are becoming more sophisticated and effective over time. If realized, these risks are reasonably likely to materially affect our organization. Additional information on the cybersecurity risks we face is discussed in Part I, Item 1A, "Risk Factors."

#### Risk Management and Strategy

We have established policies and processes for assessing, identifying, and managing material risk from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes. We routinely assess risks from cybersecurity threats, including any potential unauthorized occurrence or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein. Our cybersecurity policies, standards, processes, and practices are informed by recognized frameworks established by the National Institute of Standards and Technology, the International Organization for Standardization and an array of other applicable standards-setting bodies, which are integrated into a broader risk management framework and related processes. We also hold various security-related industry certifications and attestations that have been validated by external auditors, including SOC 1, SOC 2, ISO 27001, ISO 27018, HITRUST, HIPAA, and others.

We conduct annual risk assessments to identify cybersecurity threats, as well as assessments in the event of a material change in our business practices that may affect information systems that are vulnerable to such cybersecurity threats. These risk assessments include identification of reasonably foreseeable internal and external risks, the likelihood and potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks.

Following these risk assessments, we evaluate whether and how to re-design, implement, and maintain reasonable safeguards to minimize identified risks; reasonably address any identified gaps in existing safeguards; and regularly monitor the effectiveness of our safeguards. We devote significant resources and designate high-level personnel, including our Chief Information Security Officer who reports to our Chief Technology Officer, to manage the risk assessment and mitigation process.

As part of our overall risk management system, we monitor and test our safeguards and train our employees on these safeguards, in collaboration with human resources, IT, and management. Personnel at all levels and departments are made aware of our cybersecurity policies through trainings.

We engage assessors, consultants, and auditors in connection with our risk assessment processes. These service providers assist us to design and implement our cybersecurity policies and procedures, as well as to monitor and test our safeguards.

We require each third-party service provider which have access to or a relationship to our systems or data to certify that it has the ability to implement and maintain appropriate security measures, consistent with all applicable laws, to implement and maintain reasonable security measures in connection with their work with us, and to promptly report any suspected breach of its security measures that may affect our company.

#### Governance

One of the key functions of our board of directors is informed oversight of our risk management process, including risks from cybersecurity threats. Our board of directors is responsible for monitoring and assessing strategic risk exposure, and our executive officers are responsible for the day-to-day management of the material risks we face. Our board of directors administers its cybersecurity risk oversight function directly as a whole, as well as through the audit committee.

We have a unified and centrally coordinated team, led by our Chief Information Security Officer (CISO), that is responsible for implementing and maintaining centralized cybersecurity and data protection practices in close coordination with executive leadership team including CEO, CTO, CFO, CLO, CHRO, and other members of the senior leadership team. The CISO has extensive experience in the management of cybersecurity risk management programs, having served in various leadership roles in information technology and information security for over 18 years. He also holds an undergraduate degree in information systems and a master's degree in business administration and accounting. We believe the Company's business leaders, including our CEO, CFO, CTO, CHRO, and CLO, who have experience managing cybersecurity risk at Domo and at similar companies, have the appropriate expertise, background and depth of experience to manage risks arising from cybersecurity threats. Reporting to our Chief Information Security Officer are several experienced security engineers, and governance, risk, and compliance professionals. In addition to our in-house cybersecurity capabilities, we also engage with external assessors, consultants, auditors, or other third parties to assist with assessing, identifying, and managing cybersecurity risks.

Our CISO and our management committee on cybersecurity (security steering committee) oversee our cybersecurity policies and processes, including those described in "Risk Management and Strategy" above. Some key processes by which our CISO and security steering committee are informed about and monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents include the following:

- **Identification and Reporting:** We have implemented a robust, cross-functional approach to identifying, assessing, and managing cybersecurity threats and risks. Our program includes controls and procedures designed to properly identify, classify, and escalate cybersecurity risks to provide management with visibility and prioritization of risk mitigation efforts and to publicly report material cybersecurity incidents when appropriate.
- **Threat Intelligence:** We have established a Threat Intelligence team focused on profiling, intelligence collection, and threat analysis supporting our ongoing efforts to identify, assess and manage cybersecurity threats. The team's input supports both near-term response to cybersecurity events, and long-term strategic planning and development of our cybersecurity risk management framework.
- **Technical Safeguards:** We deploy, maintain, and regularly monitor the effectiveness of technical safeguards that are designed to protect our information systems from cybersecurity threats. We make investments in core security capabilities, including awareness and training, identity and access, incident response, product security, cloud security, enterprise security, risk management, and supply chain risk, to enable us to better identify, protect, detect, respond to, and recover from evolving security threats. Our technical safeguards include firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved

through internal and external security assessments and cybersecurity threat intelligence. We regularly assess our safeguards through internal testing by our assurance teams. We also leverage external third-party testing (e.g., penetration testing, attack surface mapping, and security maturity assessments).

- **Incident Response and Recovery Planning:** We have established and maintain robust incident response, business continuity and disaster recovery plans designed to address our response to a cybersecurity incident. We conduct regular tabletop exercises involving multiple operational teams, including senior management, to test these plans and to familiarize personnel with their roles in a response scenario.
- **Third-Party Risk Management:** We maintain a robust, risk-based approach to identifying and overseeing cybersecurity threats presented by certain third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a significant cybersecurity incident affecting those third-party systems.
- **Education and Awareness:** We regularly provide employee training on security-related duties and responsibilities, including knowledge about how to recognize security incidents and how to proceed if an actual or suspected incident

should occur. This training is mandatory for employees across our organization and is intended to provide our employees and contractors with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices.

Our CISO provides quarterly briefings to the audit committee regarding our company's cybersecurity risks and activities, including any recent cybersecurity incidents and related responses, cybersecurity systems testing, activities of third parties, and the like. Our audit committee provides regular updates to the board of directors on such reports.

## Item 2. Properties

Our headquarters is located in American Fork, Utah. Our current facility has approximately 220,062 191,765 square feet under leases that expire between April 2023 and in May 2027. We also lease space in various locations throughout the United States for sales and professional services personnel. Our foreign subsidiaries lease office space for their operations and sales and professional services personnel.

We believe the facilities we lease are sufficient to meet our needs for the immediate future.

## Item 3. Legal Proceedings

### State Securities Class Action

In November 2019, a securities class action complaint captioned *Volonte v. Domo, Inc., et. al.*, Case No. 19-04-01778, was filed by a stockholder of the Company in the Fourth Judicial District Court for the County of Utah in the State of Utah against the Company, certain of the Company's current and former officers and directors, and the underwriters of the Company's June 2018 initial public offering alleging violations of Sections 11, 12 and 15 of the Securities Act of 1933 in connection with the Company's initial public offering and seeking unspecified damages. On August 19, 2020, the defendants filed a motion to dismiss the *Volonte* complaint. On April 13, 2021, the court granted the motion and dismissed the complaint. On April 25, 2021, the plaintiff filed a motion to amend or alter judgment or for reconsideration. On June 2, 2021, the court denied the plaintiff's motion. On June 14, 2021, the plaintiff filed a notice of appeal. On October 14, 2021, the plaintiff/appellant filed his principal brief in the Utah Court of Appeals (Appellate Case No. 20210399-CA). The appeal was fully briefed as of January 20, 2022, and the court heard oral argument from the parties on May 12, 2022. On March 9, 2023, the court affirmed the district court's dismissal of the complaint. The Company believes this lawsuit is without merit and intends to defend the case vigorously.

The Company is unable to estimate a range of loss, if any, that could result were there to be an adverse final decision in this case. If an unfavorable outcome were to occur, it is possible that the impact could be material to the Company's results of operations in the period(s) in which any such outcome becomes probable and estimable.

### Delaware Shareholder Derivative Lawsuit

In August 2021, a shareholder derivative complaint captioned *Zalvin v. James, et al.*, Case No. 2021-0672-KSJM, purportedly brought on behalf of the Company, was filed in the Delaware Court of Chancery against the Company's CEO and certain current and former directors alleging that they breached their fiduciary duties by awarding the Company's CEO allegedly excessive equity awards in 2020 and 2021. The lawsuit seeks rescission of the equity awards, unspecified damages, and attorney's fees and costs.

Since the lawsuit is purportedly brought on behalf of the Company, and the Company is only a nominal defendant, the alleged damages were allegedly suffered by the Company. A rescission of any equity awards would return the equity to the Company and a payment of any damages would be paid to the Company, minus any attorney's fees. The Company has indemnification and advancement obligations to the defendants in connection with this lawsuit.

On October 6, 2021, defendants and the Company, as nominal defendant, filed a motion to dismiss the *Zalvin* complaint. The motion was fully briefed as of February 4, 2022. On June 3, 2022, the parties filed a stipulation and agreement of compromise, settlement, and release. On September 21, 2022, the court entered an order providing final approval of the settlement, dismissing the claims with prejudice, and entering judgment.

### Other Litigation

The Company is involved in other legal proceedings from time to time arising in the normal course of business. Management believes that the outcome of these proceedings will not have a material impact on the Company's financial condition, results of operations, or liquidity. See "Note 12—Commitments and Contingencies" of our condensed consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information regarding our legal proceedings.

## Item 4. Mine Safety Disclosures

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### Market Information for Our Class B Common Stock

Our Class B common stock began trading on the Nasdaq Global Market under the symbol "DOMO" on June 29, 2018. Prior to that date, there was no public trading market for our Class B common stock. Our Class A common stock is not listed or traded on any stock exchange.

#### Holders of Record

As of **January 31, 2023** **January 31, 2024**, there was one holder of record of our Class A common stock and **91** **90** holders of record of our Class B common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

#### Dividend Policy

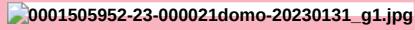
We have not paid, and in the foreseeable future do not intend to pay, cash dividends.

#### Stock Performance Graph

*The following performance graph and related information is "furnished" and shall not be deemed to be "soliciting material" or "filed" for purposes of Section 18 of the Exchange Act and Regulation 14A under the Exchange Act nor shall such information be incorporated by reference into any filing of Domo, Inc. under the Exchange Act or the Securities Act, except to the extent we specifically incorporate it by reference in such filing.*

The graph set forth below compares the cumulative total return to stockholders on our Class B common stock relative to the cumulative total returns of the Standard & Poor's 500 Index, or the S&P 500, and the S&P 500 Information Technology Index, between June 29, 2018 (the date the Russell 2000 Index. During the year ended January 31, 2024, we included the Russell 2000 Index as we believe it is a more comparable metric that aligns with the size of our Class B common stock commenced trading) through January 31, 2023, market capitalization. All values assume a \$100 initial investment, at market close on June 29, 2018. The initial public offering price of our Class B common stock, which had a closing stock price of \$27.30 on June 29, 2018, was \$21.00 per share. Data and all data for the S&P 500 and the S&P 500 Information Technology Index assume reinvestment of dividends. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our Class B common stock.

 M9a - Stock Performance Graph FY24 w Russell2000.jpg

Comparison of Cumulative Total Return 

Company/Index	Company/Index	Jan 31, 2019	Jan 31, 2020	Jan 31, 2021	Jan 31, 2022	Jan 31, 2023	Company/Index	Jan 31, 2019	Jan 31, 2020	Jan 31, 2021	Jan 31, 2022	Jan 31, 2023	Jan 31, 2024
Domo, Inc.	Domo, Inc.	\$ 99	\$ 89	\$ 232	\$ 172	\$ 57							
S&P 500	S&P 500	101	122	144	177	162							
S&P 500	S&P 500												
Information Technology	Information Technology	96	141	193	244	205							
(1) Base period													
Russell 2000													

#### Unregistered Sales of Equity Securities and Use of Proceeds

##### Unregistered Sales of Equity Securities

None.

##### Issuer Purchases of Equity Securities

None.

#### Item 6.

Reserved.

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements containing words such as "may," "believe," "could," "will," "seek," "depends," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements. You should read these statements carefully because they discuss future*

expectations, contain projections of future results of operations or financial condition or state other "forward-looking" information. These statements relate to our future plans, objectives, expectations, intentions and financial performance and the assumptions that underlie these statements. They include, but are not limited to, statements about:

- our ability to attract new customers and retain and expand our relationships with existing customers;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit, operating expenses, key metrics, ability to generate cash flow and ability to achieve and maintain future profitability;
- the potential impact on our business transitioning to a consumption-based pricing model;
- the anticipated trends, market opportunity, growth rates and challenges in our business and in the business intelligence software market;
- the efficacy of our sales and marketing efforts;
- our ability to compete successfully in competitive markets;
- our ability to respond to and capitalize on rapid technological changes;
- our expectations and management of future growth;
- our ability to enter new markets and manage our expansion efforts, particularly internationally;
- our ability to develop new product features;
- our ability to attract and retain key employees and qualified technical and sales personnel;
- our ability to effectively and efficiently protect our brand;
- our ability to timely scale and adapt our infrastructure;
- the effect of general economic and market conditions on our business;
- the impact of the coronavirus pandemic, including on the global economy, our results of operations, enterprise software spending, and business continuity;
- our ability to protect our customers' data and proprietary information;
- our ability to maintain, protect, and enhance our intellectual property and not infringe upon others' intellectual property; and
- our ability to comply with all governmental laws, regulations and other legal obligations.

Our actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, including those factors discussed in Part I, Item 1A (Risk Factors).

In light of the significant uncertainties and risks inherent in these forward-looking statements, you should not regard these statements as a representation or warranty by us or anyone else that we will achieve our objectives or plans in any specified time frame, or at all, or as predictions of future events. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and related notes that are included elsewhere in this Annual Report on Form 10-K. Our fiscal year ends on January 31. References to fiscal 2023, 2024, for example, refer to the fiscal year ended January 31, 2023 January 31, 2024.

## Overview

We founded Domo in 2010 with the vision of digitally connecting everyone within the enterprise with real-time, rich, relevant data and then enabling all employees to collaborate and act on that data. We realized that many organizations were unable to access the massive amounts of data that they were collecting in siloed cloud applications and on-premise databases. Furthermore, even for organizations that were capable of accessing their data, the process for doing so was time-consuming, costly, and often resulted in the data being out-of-date by the time it reached decision makers. The delivery format, including alert functionality, and devices were not adequate for the connected and real-time mobile workforce. Based on these observations, it was apparent that all organizations, regardless of size or industry, were failing to unlock the power of all of their people, data, and systems. To address these challenges, we provide a modern cloud-based business intelligence data experience platform that digitally connects everyone at an organization – from the CEO to frontline employees – with all the people, data and systems in an organization, giving them access to real-time data and insights and allowing them to manage put data to work for everyone so they can multiply their business from their smartphones. impact on the business.

We typically offer our platform to our customers as a subscription-based service. Subscription fees are based upon the chosen Domo package which includes tier-based platform capabilities or usage. Business leaders, department heads and managers are the typical initial subscribers to our platform, deploying Domo to solve a business problem or to enable departmental access. Over time, as customers recognize the value of our platform, we engage with CIOs and other executives to facilitate broad enterprise adoption.

A majority We recently began offering our platform as a consumption-based service. Customers of our consumption-based service have an annual purchase commitment based on an estimated volume of usage, utilizing a tiered pricing structure. We believe this model could increase customer adoption and allow us to better land, expand, and retain customers subscribe over the long term, and thereby have a positive impact on sales and marketing productivity. We believe this has potential to remove many of the barriers to adoption and better align our pricing to the value delivered to our services through multi-year contracts. customers. We expect an increase in the number of consumption-based agreements in future periods. However, we have limited experience with consumption-based agreements, and changes in our pricing and subscription models subject us to a number of uncertainties.

As of January 31, 2023 January 31, 2024, 65% 66% of our customers were under multi-year contracts on a dollar-weighted basis compared to 62% 65% and 60% 62% of customers as of January 31, 2022 January 31, 2023 and 2021, 2022, respectively. The high percentage revenue from multi-year contracts, among both new and existing customers, has enhanced the predictability of our subscription revenue. We typically invoice our customers annually in advance for subscriptions to our platform. A majority of our annual recurring revenue is up for renewal during the fiscal year ending January 31, 2024.

Remaining performance obligations (RPO) represents the remaining amount of revenue we expect to recognize from existing non-cancelable contracts, whether billed or unbilled. As of January 31, 2022 and 2023, January 31, 2024 total RPO was \$339.0 million and \$378.2 million, respectively, representing year-over-year growth of 12%. was \$373.3 million. The amount of RPO expected to be recognized as revenue in the next twelve months was \$221.7 million and \$243.8 million \$241.2 million as of January 31, 2022 and 2023, respectively, representing year-over-year growth of 10% January 31, 2024.

Our business model focuses on obtaining new customers and maximizing the lifetime value of those customer relationships. We recognize subscription revenue ratably over the term of the subscription period. In general, customer acquisition costs and other upfront costs associated with new customers are higher in the first year than the aggregate revenue we recognize from those new customers in the first year. Certain contract acquisitions costs are capitalized and then amortized over a period of four years for initial contracts. Over the lifetime of the customer relationship, we also incur sales and marketing costs to renew or increase usage per customer. However, these costs, as a percentage of revenue, are significantly less than those initially incurred to acquire the customer. As a result, the profitability of a customer to our business in any particular period depends in part upon how long a customer has been a subscriber and the degree to which it has expanded its usage of our platform.

From inception through January 31, 2023 January 31, 2024, we have invested \$730.4 million \$824.1 million in the development of our platform. As of January 31, 2023 January 31, 2024, we had 263 272 employees in our research and development organization. While we expect to continue to invest in research and development, we anticipate that these expenses will decrease investments as a percentage of revenue will likely increase slightly in the short term then remain consistent over time.

For the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, we had total revenue of \$210.2 million \$258.0 million, \$258.0 million \$308.6 million and \$308.6 million \$319.0 million, respectively, representing year-over-year growth of 23% 20% and 20% 3% for the years ended January 31, 2022 January 31, 2023 and 2023, 2024, respectively. Our enterprise customers generated revenue of \$115.4 million \$143.6 million, \$137.5 million \$160.6 million, and \$152.4 million \$155.7 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively, or year-over-year growth of 19% 12% and 11% decline of 3%, respectively. Our corporate customers generated revenue of \$94.8 million \$114.4 million, \$120.5 million \$148.0 million, and \$156.2 million \$163.3 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively, or year-over-year growth of 27% 29% and 30% 10%, respectively.

For the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, no single customer accounted for more than 10% of our total revenue, nor did any single organization when accounting for multiple subsidiaries or divisions which may have been invoiced separately. Revenue from customers with billing addresses in the United States comprised 76% 77%, 77% 78% and 78% 79% of our total revenue for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively.

We notwithstanding our ongoing shift to a consumption-based pricing model, we expect our revenue growth rate to decline be negatively impacted in the near term, due in part to the effects of the macroeconomic environment which has elongated the software sales cycle, and increased deal scrutiny, scrutiny, and made renewal discussions more challenging. These factors have had a greater impact on our enterprise customers as evidenced by our declining enterprise revenue, and we expect it to continue to decline in the near term. In connection with the slowing growth rate, we've response to these dynamics, we have taken and intend to continue to take steps to better align our sales team and focus on controlling costs, which we expect will result in improved margins, sustained positive cash flow and efficient growth in the long term.

We have incurred significant net losses since our inception, including net losses of \$84.6 million \$102.1 million, \$102.1 million \$105.6 million and \$105.6 million \$75.6 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively, and had an accumulated deficit of \$1,330.0 million \$1,405.6 million at January 31, 2023 January 31, 2024. We expect to incur losses for the foreseeable future and may not be able to achieve or sustain profitability.

#### Impact of Macroeconomic Conditions and COVID-19

Prevailing macroeconomic conditions have impacted, and may continue to impact, our business and those of our customers in a manner that we may not be able to quantify or isolate from other drivers of our performance. Ongoing concerns about the health of the U.S. and global economies may cause certain existing and potential customers to reduce or delay technology spending or, as discussed below, seek payment or other concessions from us, which may materially and negatively impact our operating results, financial condition and prospects. Furthermore, the United States has been experiencing historically elevated rates of inflation. This inflationary environment may cause us to incur higher operating costs that we may not be able to recoup through the pricing of our platform, and may further contribute to reduced or delayed technology spend by our customers in an effort to mitigate their own rising costs.

In addition, the COVID-19 pandemic may impact on our ability to attract, serve, retain or upsell customers. We serve customers in a wide variety of industries including travel and hospitality, sports and leisure, and retail which have been severely impacted by the COVID-19 pandemic. The COVID-19 pandemic, coupled with macroeconomic uncertainty, has resulted and may continue to result in certain customers pursuing concessions such as lengthened payment terms or reduced contract length, and these concessions may materially and negatively impact our operating results, financial condition and prospects. Because our platform is offered as a subscription-based service, the effect of the pandemic may not be fully reflected in our operating results until future periods, if at all..

See Item 1A "Risk Factors" in Part I of this Annual Report on Form 10-K for further discussion of the possible impact of the COVID-19 pandemic on our business.

#### Factors Affecting Performance

##### Continue to Attract New Customers

We believe that our ability to expand our customer base is an important indicator of market penetration, the growth of our business, and future business opportunities. We define a customer at the end of any particular quarter as an entity that generated revenue greater than \$2,500 during that quarter. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced at a separate billing address is treated as a separate customer. In cases where customers purchase through a reseller, each end customer is counted separately. We define enterprise customers as companies with over \$1 billion in revenue, and companies with less than \$1 billion in revenue are corporate customers. In order to maintain comparability, companies who become customers with revenue below \$1 billion and subsequently exceed that threshold are considered enterprise customers for all periods presented.

As of January 31, 2023 January 31, 2024, we had over 2,500 2,600 customers. Enterprise customers accounted for 55% 56%, 53% 52% and 49% of our revenue for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively. In order to accelerate customer To drive growth among both our enterprise and corporate

customers, we intend to further develop our partner ecosystem by establishing agreements with more software resellers, systems integrators and other partners to provide broader customer and geographic coverage. We believe we are underpenetrated in the overall market and have significant opportunity to expand our customer base over time.

#### **Customer Upsell and Retention**

We employ a land, expand, and retain sales model, and our performance depends on our ability to retain customers and expand the use of our platform at existing customers over time. It currently takes multiple years for our customers to fully embrace the power of our platform. We believe that as customers deploy greater volumes and sources of data for multiple use cases, the unique features of our platform can address the needs of everyone within their organization. We are still in the early stages of expanding within many of our customers.

We have invested in platform capabilities and online support resources that allow our customers to expand the use of our platform in a self-guided manner. Our professional services, customer support and customer success functions also support our sales force by helping customers to successfully deploy our platform and implement additional use cases. In addition, we believe our partner ecosystem will become increasingly important over time. We work closely with our customers to drive increased engagement with our platform by identifying new use cases through our customer success teams, as well as in-platform, self-guided experiences. We actively engage with our customers to assess whether they are satisfied and fully realizing the benefits of our platform. While these efforts often require a substantial commitment and upfront costs, we believe our investment in product, customer support, customer success and professional services will create opportunities to expand our customer relationships over time.

Our ability to drive growth and generate incremental revenue depends heavily on our ability to retain our customers and increase their usage of our platform. With that objective in mind, we allocate our customer success and customer support resources to align with maximizing the retention and expansion of our subscription revenue.

An important metric that we use to evaluate our performance in retaining customers is gross retention rate. We calculate our gross retention rate by taking the dollar amount of annual contract value (ACV) that renews in a given period divided by the ACV that was up for renewal in that same period. The ACV of multi-year contracts is also considered in the calculation based on the period in which the annual anniversary of the contract falls. Our gross retention rate was 88% 90%, 90% 89% and 89% 86% for the 12 months ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively.

The primary metric that we use to monitor customer retention and growth is annual recurring revenue (ARR) net retention rate. ARR represents the total annualized contract value of active customer subscription contracts as of the measurement date. Our ARR net retention rate compares the ARR from a cohort of customers as of the measurement date to ARR from that same cohort as of the same period in the prior fiscal year. The cohort is established based on customers who had greater than \$10,000 of ARR as of the end of the prior year period. ARR net retention rate is the quotient obtained by dividing the ARR of that cohort as of the measurement date by the ARR of that same cohort as of the corresponding prior year period.

The following table sets forth our ARR net retention rate for each of the eight quarters in the period ended January 31, 2023 January 31, 2024:

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
All Customers	109 %	109 %	108 %	110 %	108 %	107 %	107 %	101 %
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
All Customers	108 %	107 %	107 %	101 %	100 %	98 %	95 %	91 %

ARR net retention rate enables measurement of the progress of our business initiatives and is used by management to make operational decisions. ARR net retention rate is a performance metric and should be viewed independently of revenue and deferred revenue, and is not intended to be a substitute for, or combined with, any of these items.

In fiscal 2023 and particularly in Q4, 2024 our net retention trended lower as a result of slowing growth in upsells and gross upsells. Gross retention declined in part due to macroeconomic conditions. conditions and challenging renewals from customers with COVID-19 use cases of our platform. As we continue to enhance our product and develop methods to encourage wider and more strategic adoptions, we expect that customer retention will increase over the long term. Our ability to successfully upsell and the impact of cancellations may vary from period to period. The extent of this variability depends on a number of factors including the size and timing of upsells and cancellations relative to the initial subscriptions.

#### **Sales and Marketing Efficiency**

We are focused on increasing the efficiency of our sales force and marketing activities by enhancing account targeting, messaging, field sales operations and sales training in order to accelerate the adoption of our platform. Our sales strategy depends on our ability to continue to attract and retain top talent, to increase our pipeline of business, and to enhance sales productivity. We focus on productivity per quota-carrying sales representative and the time it takes our sales representatives to reach full productivity. In fiscal 2023, we experienced higher turnover with our sales representatives, resulting in decreased sales capacity, as it takes approximately six to nine months on average for newly-hired sales representatives to be trained and ramp up to full selling capacity. Although we experienced recent turnover, we had a record number of sales representatives as of January 31, 2023 and we expect to continue to increase our overall sales headcount and total ramped sales representatives in the near and long term.

We manage our pipeline by sales representative to ensure sufficient coverage of our sales targets. Our ability to manage our sales productivity and pipeline are important factors to the success of our business. We have taken steps to better align our sales and marketing spending and headcount to efficiently grow and attract new customers.

Sales and marketing expense as a percentage of total revenue was 56% and 56% for the years ended January 31, 2021 January 31, 2022 and 2022, 2023, respectively, compared to 55% 51% for the year ended January 31, 2023 January 31, 2024.

#### **Leverage Research and Development Investments for Future Growth**

We plan to continue to make investments in areas of our business to continue to expand our platform functionality. This may include investing in machine learning algorithms, predictive analytics, and other artificial intelligence technologies to create alerts, detect anomalies, optimize queries, and suggest areas of interest to help people focus on what matters most. These investments may also include extending the functionality and effectiveness of our platform through improvements to the Domo Appstore and developer toolkits,

which enable customers and partners to quickly build and deploy custom data applications. The amount of new investments as a percentage of revenue required to achieve our plans is expected to decrease as a percentage of revenue compared to historical years, increase slightly in the near term then remain consistent in the long term.

Research and development expense as a percentage of total revenue was 32% 31% and 31% for the years ended January 31, 2021 January 31, 2022 and 2022, 2023, respectively, compared to 31% 27% for the year ended January 31, 2023 January 31, 2024.

#### Key Business Metric

##### Billings

Billings represent our total revenue plus the change in deferred revenue in a period. Billings reflect sales to new customers plus subscription renewals and upsells to existing customers, and represent amounts invoiced for subscription, support and professional services. We typically invoice our customers annually in advance for subscriptions to our platform. Because we generate most of our revenue from customers who are invoiced on an annual basis and have a wide range of annual contract values, we may experience variability due to typical enterprise buying patterns and timing of large initial contracts, renewals and upsells.

The following table sets forth our billings for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023: 2024:

	Year Ended January 31,		
	2021	2022	2023
Billings (in thousands)	\$ 232,688	\$ 296,464	\$ 323,772

	Year Ended January 31,		
	2022	2023	2024
Billings (in thousands)	\$ 296,464	\$ 323,772	\$ 321,093

There is a disproportionate weighting toward annual billings in the fourth quarter, primarily as a result of large enterprise account buying patterns. Our fourth quarter has historically been our strongest quarter for new business and renewals. The year-on-year compounding effect of this seasonality in both billing patterns and overall new and renewal business causes the value of invoices that we generate in the fourth quarter for both new business and renewals to increase as a proportion of our total annual billings. The timing of renewal billings may vary due to our customers' requests to align end dates on multiple subscription contracts. The sequential quarterly changes in billings, accounts receivable, and deferred revenue during the fourth quarter of our fiscal year are not necessarily indicative of the billing activity that occurs for the following quarters.

#### Components of Results of Operations

##### Revenue

We typically offer subscriptions to our cloud-based platform. We derive our revenue primarily from subscriptions subscription revenue, which consists of subscription-based agreements and, professional services. Subscription revenue consists primarily of fees to provide our customers access to a lesser extent, consumption-based agreements for our cloud-based platform, which includes online customer support resources at no additional cost. Professional service fees include implementation services, optimization services, and training. We also sell professional services.

Subscription revenue Revenue from subscription-based agreements is a function of the number of customers, platform tier, number of users, price per user, and transaction and data volumes. Subscription revenue Revenue is recognized ratably over the related contractual term beginning on the date that the platform is made available to a customer. We recognize revenue ratably because the customer. Our new business subscriptions typically have customer receives and consumes the benefits of the platform throughout the contract period. Consumption-based agreements utilize a term tiered pricing structure for an annual purchase commitment based upon an estimated volume of one to three years, and we generally invoice our customers usage. Revenue from the annual purchase commitment in annual installments at the beginning of each year in the subscription period. Amounts that have been invoiced are initially recorded as deferred revenue and are consumption-based contracts is also recognized ratably over the subscription related contractual term of the contract. Amounts for the annual purchase commitments do not carry over beyond each annual commitment period.

Professional services and other revenue primarily consists of implementation services sold with new subscriptions, as well as professional services sold separately, including training and education. Professional services are generally billed in advance and revenue from these arrangements is recognized as the services are performed. Our professional services engagements typically span from a few weeks to several months.

##### Cost of Revenue

Cost of subscription revenue consists primarily of third-party hosting services and data center capacity; salaries, benefits, bonuses and stock-based compensation, or employee-related costs, directly associated with cloud infrastructure and customer support personnel; amortization expense associated with capitalized software development costs; depreciation expense associated with computer equipment and software; certain fees paid to various third parties for the use of their technology and services; and allocated overhead. Allocated overhead includes items such as information technology infrastructure, rent, and certain employee benefit costs.

Cost of professional services and other revenue consists primarily of employee-related costs directly associated with these services, third-party consultant fees, and allocated overhead.

##### Operating Expenses

**Sales and Marketing.** Sales and marketing expenses consist primarily of employee-related costs directly associated with our sales and marketing staff and commissions. Other sales and marketing costs include digital marketing programs and promotional events to promote our brand, including Domopalooza, our annual user conference, as well as tradeshows, advertising and allocated overhead. Contract acquisition costs, including sales commissions, are deferred and then amortized on a straight-line basis over the period of benefit, which we have determined to be approximately four years for initial contracts. Contract acquisition costs related to renewal contracts and professional services are recorded

as expense when incurred if the period of benefit is one year or less. If the period of benefit is greater than one year, costs are deferred and then amortized on a straight-line basis over the period of benefit, which we have determined to be two years.

**Research and Development.** Research and development expenses consist primarily of employee-related costs for the design and development of our platform, contractor costs to supplement staff levels, third-party web services, consulting services, and allocated overhead. Our cycle of frequent updates has facilitated rapid innovation and the introduction of new product features throughout our history. We capitalize certain software development costs that are attributable to developing new features and adding incremental functionality to our platform, and amortize such costs as costs of subscription revenue over the estimated life of the new feature or incremental functionality, which is generally three years.

**General and Administrative.** General and administrative expenses consist of employee-related costs for executive, finance, legal, human resources, recruiting and administrative personnel; professional fees for external legal, accounting, recruiting and other consulting services; and allocated overhead costs.

#### **Other Expense, Net**

Other expense, net consists primarily of interest expense related to long-term debt. It also includes the effect of exchange rates on foreign currency transaction gains and losses, foreign currency gains and losses upon remeasurement of intercompany balances, and **sublease interest** income. The transactional impacts of foreign currency are recorded as foreign currency losses (gains) in the consolidated statements of operations.

#### **Provision for (Benefit from) Income Taxes**

Provision for (benefit from) income taxes consists primarily of income taxes related to foreign and state jurisdictions in which we conduct business. Because of the uncertainty of the realization of the deferred tax assets, we have a full valuation allowance for domestic net deferred tax assets, including net operating loss carryforwards and tax credits related primarily to research and development.

#### **Results of Operations**

The following tables set forth selected consolidated statements of operations data and such data as a percentage of total revenue for each of the periods indicated:

	Year Ended January 31,			Year Ended January 31,		2024
	2021	2022	2023	2022	2023	
(in thousands)						
Revenue:	Revenue:					
Revenue:						
Revenue:						
Subscription						
Subscription						
Subscription	Subscription	\$ 183,645	\$ 223,010	\$ 271,290		
Professional services and other	Professional services and other	26,535	34,951	37,355		
Total revenue	Total revenue	210,180	257,961	308,645		
Cost of revenue:	Cost of revenue:					
Subscription <sup>(1)</sup>	Subscription <sup>(1)</sup>	36,656	40,907	43,295		
Subscription <sup>(1)</sup>	Subscription <sup>(1)</sup>					
Subscription <sup>(1)</sup>	Subscription <sup>(1)</sup>					
Professional services and other <sup>(1)</sup>	Professional services and other <sup>(1)</sup>	20,092	26,239	29,783		
Total cost of revenue	Total cost of revenue	56,748	67,146	73,078		
Gross profit	Gross profit	153,432	190,815	235,567		
Operating expenses:	Operating expenses:					
Sales and marketing <sup>(1)</sup>	Sales and marketing <sup>(1)</sup>	117,335	143,722	173,300		
Sales and marketing <sup>(1)(2)</sup>	Sales and marketing <sup>(1)(2)</sup>					
Sales and marketing <sup>(1)(2)</sup>	Sales and marketing <sup>(1)(2)</sup>					
Sales and marketing <sup>(1)(2)</sup>	Sales and marketing <sup>(1)(2)</sup>					
Research and development <sup>(1)</sup>	Research and development <sup>(1)</sup>	66,474	81,027	95,093		

General and administrative <sup>(1)</sup>	42,708	54,536	56,047
General and administrative <sup>(1)(2)</sup>			
Total operating expenses	Total operating expenses		
		226,517	279,285
Loss from operations	Loss from operations	(73,085)	(88,470)
Other expense, net <sup>(1)</sup>	Other expense, net <sup>(1)</sup>	(11,140)	(14,102)
Loss before income taxes	Loss before income taxes	(84,225)	(102,572)
Provision for (benefit from) income taxes	Provision for (benefit from) income taxes	409	(461)
Net loss	Net loss	\$ (84,634)	\$ (102,111)
			\$ (105,551)

(1) Includes stock-based compensation expense as follows:

	Year Ended January 31,			Year Ended January 31,		
	2021 2022 2023			2022 2023 2024		
	(in thousands)			(in thousands)		
Cost of revenue:	Cost of revenue:					
Subscription						
Subscription	Subscription	\$ 1,213	\$ 2,819	\$ 2,676	\$ 2,810	
Professional services and other	Professional services and other	843	1,753	1,822	1,753	1,822
Sales and marketing	Sales and marketing	10,936	21,241	30,636	21,241	30,636
Research and development	Research and development	9,095	15,853	24,335	15,853	24,335
General and administrative	General and administrative	11,218	18,155	23,680	18,155	23,680
Other expense, net	Other expense, net	444	705	710		
Total	Total	\$33,749	\$ 60,526	\$83,859		

(2) Includes executive officer severance as follows:

	Year Ended January 31,		
	2021	2022	2023
Revenue:			
Subscription			
Professional services and other			
Total revenue	87 %	86 %	88 %
	13	14	12
	100	100	100

Cost of revenue:			
Subscription	17	16	14
Professional services and other	10	10	10
Total cost of revenue	27	26	24
Gross margin	73	74	76
Operating expenses:			
Sales and marketing	56	56	56
Research and development	32	31	31
General and administrative	20	21	18
Total operating expenses	108	108	105
Loss from operations	(35)	(34)	(29)
Other expense, net	(5)	(5)	(5)
Loss before income taxes	(40)	(39)	(34)
Provision for (benefit from) income taxes	—	—	—
Net loss	(40)%	(39)%	(34)%

	Year Ended January 31,		
	2022	2023	2024
(in thousands)			
Sales and marketing	\$ —	\$ 620	\$ 750
General and administrative	—	—	1,553
Total executive officer severance	\$ —	\$ 620	\$ 2,303

	Year Ended January 31,		
	2022	2023	2024
Revenue:			
Subscription	86 %	88 %	90 %
Professional services and other	14	12	10
Total revenue	100	100	100
Cost of revenue:			
Subscription	16	14	14
Professional services and other	10	10	10
Total cost of revenue	26	24	24
Gross margin	74	76	76
Operating expenses:			
Sales and marketing	56	56	51
Research and development	31	31	27
General and administrative	21	18	15
Total operating expenses	108	105	93
Loss from operations	(34)	(29)	(17)
Other expense, net	(5)	(5)	(6)
Loss before income taxes	(39)	(34)	(23)
Provision for (benefit from) income taxes	—	—	—
Net loss	(39)%	(34)%	(23)%

#### Discussion of the Years Ended January 31, 2022 January 31, 2023 and 2023 2024

##### Revenue


	Year Ended January 31,				\$ Change	% Change					
	2023		2024								
	(in thousands)										
Revenue:											
Subscription	\$ 271,290	\$ 285,500	\$ 14,210			5 %					
Professional services and other	37,355	33,489	(3,866)			(10)					
Total revenue	\$ 308,645	\$ 318,989	\$ 10,344			3					
Percentage of revenue:											
Subscription	88 %	90 %									
Professional services and other	12	10									
Total	100 %	100 %									

	Year Ended January 31,				\$ Change	% Change					
	2022		2023								
	(in thousands)										
Revenue:											
Subscription	\$ 223,010	\$ 271,290	\$ 48,280			22 %					
Professional services and other	34,951	37,355	2,404			7					
Total revenue	\$ 257,961	\$ 308,645	\$ 50,684			20					
Percentage of revenue:											
Subscription	86 %	88 %									
Professional services and other	14	12									
Total	100 %	100 %									

The increase in subscription revenue was primarily due to a **\$29.7 million** **\$25.8 million** increase from new customers and a **\$18.6 million** **\$11.6 million** net **increase** **decrease** from existing customers. Our customer count increased **11% 3%** from **January 31, 2022** **January 31, 2023** to **January 31, 2023** **January 31, 2024**. For the purpose of this comparison, new customers are defined as those added since the end of the prior year quarter. Revenue from existing customers is presented net of churn. The **increase** **decrease** in professional services and other revenue was primarily due to a higher amount of revenue recognized from the delivery of custom apps and a higher volume of billable hours delivered. delivered during the year ended January 31, 2023. For fiscal 2025 we expect that total revenue will be flat compared to fiscal 2024.

#### Cost of Revenue, Gross Profit and Gross Margin

	Year Ended January 31,				2023	2024	\$ Change	% Change				
	2022		2023									
	\$ Change	% Change	(in thousands)									
Cost of revenue:												
Cost of revenue:	Cost of revenue:											
Cost of revenue:	Subscription											
Cost of revenue:	Subscription											
Subscription	Subscription	\$ 40,907	\$ 43,295	\$ 2,388	6 %	\$ 43,295	\$ 46,045	\$ 2,750 6 %				
Professional services and other	Professional services and other	26,239	29,783	3,544	14							
Total cost of revenue	Total cost of revenue	\$ 67,146	\$ 73,078	\$ 5,932	9							
Gross profit	Gross profit	\$190,815	\$235,567	\$44,752	23							
Gross margin:	Gross margin:											
Subscription	Subscription	82 %	84 %									

Subscription							
Subscription							
Professional services and other							
Professional services and other							
Professional services and other							
Professional services and other	Professional services and other	25	20				
Total gross margin	Total gross margin	74	76				
Total gross margin							
Total gross margin							

The increase in cost of subscription revenue was primarily due to a \$4.0 million \$3.5 million increase in our third-party web hosting services, partially offset by a \$1.3 million decrease in employee-related costs and a \$0.2 million \$1.9 million decrease in data center costs. Costs related to fees paid to third parties for use of their technology and services increased by \$1.4 million.

The increase decrease in cost of professional services and other revenue is primarily due to a \$3.2 million \$1.8 million decrease in employee-related costs, partially offset by a \$1.5 million increase in outsourced services resulting from a higher volume of services delivered by partners and a \$0.4 million increase in employee-related costs, services.

Subscription We expect subscription gross margin improved due to economies of scale driven by increased subscription revenue and cost improvements from continued proactive management and optimization of our third-party hosting services, remain relatively flat in the near term.

Services gross margin declined primarily due to a lower average revenue rate per hour the timing of the delivery of custom apps and a higher volume of hours delivered by partners at a higher cost per hour, during the year ended January 31, 2024. We expect the gross margin for professional services and other to fluctuate from period to period due to changes in the proportion of services provided by third-party consultants, and their respective rates, seasonality, and timing of projects with higher margins.

#### Operating Expenses

		Year Ended January 31,				2023	2024	\$ Change	% Change
		2022	2023	\$ Change	% Change				
		(in thousands)							
Operating expenses:	Operating expenses:								
Operating expenses:	Operating expenses:								
Sales and marketing	Sales and marketing								
Sales and marketing	Sales and marketing	\$143,722	\$173,300	\$29,578	21 %	\$173,300	\$163,902	\$ (9,398)	(5) %
Research and development	Research and development	81,027	95,093	14,066	17				
General and administrative	General and administrative	54,536	56,047	1,511	3				
Total operating expenses	Total operating expenses	\$279,285	\$324,440	\$45,155	16				
Percentage of revenue:	Percentage of revenue:								
Sales and marketing	Sales and marketing	56 %	56 %						
Sales and marketing	Sales and marketing								
Research and development	Research and development								
Research and development	Research and development								

Research and development	Research and development	31	31
General and administrative	General and administrative	21	18
General and administrative			
General and administrative			

The **increase** **decrease** in sales and marketing expenses was primarily due to a **\$17.6 million increase** **\$5.0 million decrease** in employee-related **costs** and allocated overhead, attributable to higher headcount and stock-based compensation, of which **\$9.4 million related to stock-based compensation** **costs**. Marketing expenses **increased** **decreased** by **\$3.7 million** **\$2.5 million** primarily due to digital marketing and marketing events. Commission expense increased by \$2.4 million. Travel expenses increased by \$1.5 million, allocated overhead increased by \$1.2 million, and contract labor increased by \$0.9 million. a decrease in demand generation. Sales and marketing expense as a percentage of total revenue remained flat **decreased** from **56%** in the year ended January 31, 2023 compared to **51%** in the year ended **January 31, 2022** **January 31, 2024**. We expect sales and marketing expense to increase in the near term as we continue to invest in the growth of our business. Over the long term, we expect sales and marketing expense to decrease as a percentage of revenue. revenue to remain consistent in the near term and decrease in the long term.

Research and development expenses **increased** **decreased** primarily due to a **\$11.3 million increase** **\$6.6 million decrease** in employee-related **costs**, attributable to higher headcount and stock-based compensation, of which **\$8.8 million related to stock-based compensation**. Contract labor costs. Capitalized software increased by **\$1.1 million** **\$2.0 million**, which decreases **expense**. Research and development expense as a percentage of revenue **remained flat** **decreased** from **31%** in the year ended January 31, 2023 compared to **27%** in the year ended **January 31, 2022** **January 31, 2024**. In the long term, we **expect** that research and development expense to **decline** as a percentage of total revenue as we leverage our research to increase slightly in the near term and development organization. remain consistent in the long term.

General and administrative expenses **increased** **decreased** primarily due to a **\$2.0 million increase** **\$5.5 million decrease** in employee-related **costs**. This increase to employee-related **costs** included a **\$5.5 million increase** to stock-based compensation, partially offset by a **\$4.0 million decrease** in bonus expense. Legal Professional and professional legal expenses decreased by **\$1.0 million** **\$1.5 million**. General and administrative expenses as a percent of revenue decreased from **21%** in the year ended January 31, 2022 to **18%** in the year ended January 31, 2023 to **15%** in the year ended January 31, 2024. In the long term, we expect general and administrative expense to **decline** as a percentage of total revenue as we leverage previous investments in our general and administrative organization, to fluctuate from period to period.

#### Other Expense, Net

	Year Ended January 31,		\$ Change	% Change
	2022	2023		
	(in thousands)			
Other expense, net	\$ (14,102)	\$ (15,499)	\$ (1,397)	10 %
	Year Ended January 31,		\$ Change	% Change
	2023	2024		
	(in thousands)			
Other expense, net	\$ (15,499)	\$ (19,431)	\$ (3,932)	25 %

Other expense, net increased due to a **\$2.1 million** **\$3.8 million** increase in interest expense. This was partially offset by a **\$0.8 increase** in interest income. We expect interest expense to increase modestly due to an increasing principal balance and anticipated higher market interest rates. We expect foreign currency gains and losses could become more pronounced due to current market volatility.

#### Income Taxes

	Year Ended January 31,		\$ Change	% Change
	2022	2023		
	(in thousands)			
(Benefit from) provision for income taxes	\$ (461)	\$ 1,179	\$ 1,640	(356)%
	Year Ended January 31,		\$ Change	% Change
	2023	2024		
	(in thousands)			
Provision for income taxes	\$ 1,179	\$ 1,257	\$ 78	7 %

Income taxes increased primarily due to smaller allowable deductions higher taxable income from our international subsidiaries during the year ended **January 31, 2023** **January 31, 2024**. In the long term, we expect income tax expense to increase in conjunction with growth in higher taxable income from our international subsidiaries.

## Discussion of the Years Ended **January 31, 2021** **January 31, 2022** and **2022** **2023**

For a discussion of the year ended **January 31, 2022** **January 31, 2023** compared to the year ended **January 31, 2021** **January 31, 2022**, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended **January 31, 2022** **January 31, 2023**.

### Liquidity and Capital Resources

As of **January 31, 2023** **January 31, 2024**, we had **\$66.5 million** **\$60.9 million** of cash, cash equivalents, and restricted cash which were held for working capital purposes, of which \$3.7 million was restricted cash. Our cash and cash equivalents consist primarily of cash, money market funds and certificates of deposit. We have a \$100 million credit facility, all of which had been drawn as of **January 31, 2023** **January 31, 2024**.

Since inception, we have financed operations primarily from cash collected from customers for our subscriptions and services, periodic sales of convertible preferred stock, our initial public offering and to a lesser extent, debt financing. Our principal uses of cash have consisted of employee-related costs, marketing programs and events, payments related to hosting our cloud-based platform and purchases of short-term investments.

We believe our existing cash and cash equivalents will be sufficient to meet our projected operating requirements for at least the next 12 months. Over the longer term, we plan to continue investing in, among other things, growth opportunities.

product development, and sales and marketing. If available funds are insufficient to fund our future activities or execute on our strategy, we may raise additional capital through equity, equity-linked and debt financing, to the extent such funding sources are available. Alternatively, we may be required to reduce expenses to manage liquidity; however, any such reductions could adversely impact our business and competitive position. Our future capital requirements will depend on many factors, including our growth rate; the level of investments we make in product development, sales and marketing activities and other investments to support the growth of our business; the continuing market acceptance of our platform; and customer retention rates, and may increase materially from those currently planned. If we raise additional funds through the incurrence of indebtedness, such indebtedness likely would have rights that are senior to holders of our equity securities and could contain covenants that restrict operations in the same or similar manner as our credit facility. Any additional equity financing likely would be dilutive to existing stockholders. We cannot assure you that any additional financing will be available to us on acceptable terms, or at all.

Moreover, we may not be able to access a portion of our existing cash and cash equivalents due to conditions adversely affecting the financial institutions with which we do business, including limited liquidity, insolvency or receivership. Any such conditions could imperil our ability to access our existing cash and cash equivalents and could have a material adverse effect on our business and financial condition. For example, on March 10, 2023, the California Department of Financial Protection and Innovation closed Silicon Valley Bank and appointed the Federal Deposit Insurance Corporation as receiver; at such time, we had approximately \$12.4 million in deposit accounts with SVB, an additional \$18.3 million subject to SVB sweep account arrangements (with amounts held in custodial accounts with third-party financial institutions), and utilized SVB for our banking operations. We do not anticipate any losses as a result of the closure of SVB. For more information, see Note 16 "Subsequent Events" the section of this report captioned "Risk Factors—Risks Related to Our Financial Position and Capital Needs—Adverse events or perceptions affecting the consolidated financial statements in Item 8 of Part II, services industry could adversely affect our operating results, financial condition and prospects."

Although we are not currently a party to any agreement or letter of intent with respect to potential investments in, or acquisitions of, complementary businesses, services or technologies, we may enter into these types of arrangements in the future, which could also require us to seek additional equity financing, incur indebtedness, or use cash resources. We have no present understandings, commitments or agreements to enter into any such acquisitions. We do not have any special purpose entities and we do not engage in off-balance sheet financing arrangements.

### Credit Facility

In August 2020, we entered into an amendment to the credit facility which extended the maturity date for the outstanding loan from October 1, 2022 to April 1, 2025. Per the amendment, we ~~were~~ required to comply with a financial covenant requiring us to maintain a minimum balance of unrestricted cash and cash equivalents equal to \$10.0 million until our six-month adjusted cash flow is greater than zero. The amendment also revised the maximum debt ratio financial covenant and included an amendment fee of \$5.0 million, which accrues interest at a rate of 9.5% per year. The amendment fee, along with its accrued interest, is to be paid at the earlier of the payment date, maturity date, or the date the loan becomes payable.

In August 2023, we entered into an amendment to the credit facility to, among other things, replace the LIBOR reference rate with a term Secured Overnight Financing Rate (Term SOFR) reference rate and make conforming changes throughout the credit agreement. Additionally, we obtained a waiver for defaults on technical non-financial covenants related to collateral.

The credit facility permits us to incur up to \$100 million in term loan borrowings, all of which had been drawn as of **January 31, 2023** **January 31, 2024**. The During the fiscal year ended **January 31, 2024**, the term loan maturity date ~~is~~ was April 1, 2025 with a closing fee of \$7.0 million, which is in addition to the \$5.0 million amendment fee described above. Each term loan requires that we pay only interest until the maturity date. A portion of the interest that accrues on the outstanding principal of each term loan is payable in cash on a monthly basis, which portion accrues at a floating rate equal to the greater of (1) 7.0% and (2) ~~three-month LIBOR~~ **Adjusted Term SOFR** plus 5.5% per year. **Adjusted Term SOFR** is defined as the greater of (a) 0.0% and (b) Term SOFR plus 0.26161%. In the event that LIBOR SOFR is unavailable, interest will accrue at a floating rate equal to the greater of (1) ~~7.0%~~ 7% and (2) the U.S. prime rate ~~Alternate Base Rate~~ plus 2.75% per year. ~~LIBOR~~ The ~~Alternate Base Rate~~ is expected to be replaced ~~defined as an index rate in financial transactions by an alternative benchmark rate in the near future. While our loan agreement currently provides for a fallback from LIBOR to greatest of (a) the U.S. prime rate, it is possible that we may amend our loan agreement to provide for a methodology to effect a transition from LIBOR to a new benchmark rate. It is not possible to predict Prime Rate (b) the effect or timing of any establishment of a successor benchmark rate or its effect on our loan agreement or our business generally. The transition from LIBOR could result in our interest costs increasing Federal Funds Effective Rate plus 0.5% and our access to capital could change, which could adversely affect our results of operations and cash flows. (c) Adjusted Term SOFR.~~ As of **January 31, 2023** **January 31, 2024**, the interest rate was approximately **10.3%** **11.1%**. In addition to the **10.3%** **11.1%**, a fixed rate equal to 2.5% per year accrues on the outstanding principal of each term loan and is added to the principal amount of the outstanding term loan on a monthly basis.

The credit facility contains customary conditions to borrowing, events of default and covenants, including covenants that restrict our ability to dispose of assets, make material changes to the nature, control or location of our business, merge with or acquire other entities, incur indebtedness or encumbrances, make distributions to holders of our capital

stock, make investments or enter into transactions with affiliates. The credit facility is secured by substantially all of our assets. In addition, we are required to comply with a financial covenant based on the ratio of our outstanding indebtedness to our annualized recurring revenue. The maximum ratio is 0.600 on January 31.

2021 and April 30, 2021; 0.575 on July 31, 2021 and October 31, 2021; 0.550 on January 31, 2022 and April 30, 2022; 0.525 on July 31, 2022 and October 31, 2022; and 0.500 on January 31, 2023 through the maturity date.

The credit facility defines our annualized recurring revenue as four times our aggregate revenue for the immediately preceding quarter (net of recurring discounts and discounts for periods greater than one year) less the annual contract value of any customer contracts pursuant to which we were advised during such quarter would not be renewed at the end of the current term plus the annual contract value of existing customer contract increases during such quarter. This covenant is measured quarterly on a three-month trailing basis. Upon the occurrence of an event of default, such as non-compliance with covenants, any outstanding principal, interest and fees become due immediately. We were in compliance with the financial covenant terms of the credit facility at January 31, 2022 on January 31, 2023 and January 31, 2023 January 31, 2024. The credit facility is secured by substantially all of our assets.

#### Structured Payables

In June 2022, February 2024, we entered into a structured payables agreement, pursuant to an amendment to our credit facility which our counterparty assumes responsibility extended the maturity date for payables the outstanding loan from April 1, 2025 to designated suppliers. The agreement contains April 1, 2026 and made certain adjustments to the financial covenant terms of the credit facility. In conjunction of this amendment, we issued 189,036 fully-vested warrants to purchase Class B common stock with an annual limit exercise price of \$0.01 per share, adjusted for stock splits and combinations. These warrants have an aggregate of \$60.0 million, with a maximum allowable outstanding principal balance at any time of \$5.0 million. We are required to pay interest that accrues at a rate equal to 0.0417% per day after the date on which we are required to pay the counterparty with respect to each covered invoice, which interest rate increases to 0.0750% per day at the earlier of 61 days after the respective invoice due date or 121 days after the expiration date of the approved invoice. Our obligations are secured by \$6.0 million of the Company's accounts receivable. As of January 31, 2023, there were no outstanding obligations related to these structured payables. During the year ended January 31, 2023, no interest expense was recognized related to this agreement. February 17, 2028. For more information, see Note 18 "Subsequent Events."

#### Historical Cash Flow Trends

	Year Ended January 31,		
	2021	2022	2023
(in thousands)			
Net cash (used in) provided by operating activities	\$ (15,872)	\$ 379	\$ (10,890)
Net cash provided by (used in) investing activities	12,240	(6,517)	(7,996)
Net cash provided by (used in) financing activities	13,095	(561)	2,424

	Year Ended January 31,		
	2022	2023	2024
(in thousands)			
Net cash provided by (used in) operating activities	\$ 379	\$ (10,890)	\$ 2,583
Net cash used in investing activities	(6,517)	(7,996)	(11,760)
Net cash (used in) provided by financing activities	(561)	2,424	3,471

#### Operating Activities

Net cash used in our operating activities consisted primarily of payments we received from our customers, cash we invest in our personnel, timing and amounts we use to fund marketing programs and events to expand our customer base, the costs to provide our cloud-based platform and related outsourced professional services to our customers. These outflows were partially offset by the amount and timing of payments received from our customers.

Net cash used in operating activities during the year ended January 31, 2021 consisted of cash outflows of \$252.6 million exceeding the \$236.7 million of cash collected from customers. Significant components of cash outflows included \$141.2 million for personnel costs and \$55.2 million for marketing programs and events, third-party costs to provide our platform and outsourced professional services.

Net cash provided by operating activities during the year ended January 31, 2022 consisted of cash collected from customers of \$284.7 million exceeding the \$284.3 million of cash outflows. Significant components of cash outflows included \$171.0 million for personnel costs and \$55.0 million for marketing programs and events, third-party costs to provide our platform and outsourced professional services.

Net cash used in operating activities during the year ended January 31, 2023 consisted of cash outflows of \$325.3 million exceeding the \$314.4 million of cash collected from customers of \$314.4 million exceeding the \$325.3 million of cash outflows. Significant components of cash outflows included \$193.9 million for personnel costs and \$67.5 million for marketing programs and events, third-party costs to provide our platform and outsourced professional services.

Net cash provided by operating activities during the year ended January 31, 2024 consisted of cash collected from customers of \$338.0 million exceeding the \$335.4 million of cash outflows. Significant components of cash outflows included \$182.6 million for personnel costs and \$79.2 million for marketing programs and events, third-party costs to provide our platform and outsourced professional services.

## **Investing Activities**

Our investing activities consisted primarily of property and equipment purchases, which include capitalized development costs related to internal-use software.

Net cash provided by investing activities during the year ended January 31, 2021 consisted primarily of \$29.2 million of maturities of short-term investments, offset by \$11.1 million of purchases of short-term investments. The remaining amount consisted primarily of \$4.9 million of capitalized development costs related to internal-use software and \$0.8 million of purchased property and equipment.

Net cash used in investing activities during the year ended January 31, 2022 consisted primarily of \$6.0 million of capitalized development costs related to internal-use software and \$0.5 million of purchased property and equipment.

Net cash used in investing activities during the year ended January 31, 2023 consisted primarily of \$6.6 million of capitalized development costs related to internal-use software and \$1.3 million of purchased property and equipment.

Net cash used in investing activities during the year ended January 31, 2024 consisted primarily of \$8.6 million of capitalized development costs related to internal-use software and \$3.2 million of purchased property and equipment.

## **Financing Activities**

Our financing activities have consisted primarily of proceeds received from stock option exercises and our employee stock purchase plan.

Net cash provided by financing activities for the year ended January 31, 2021 consisted primarily of \$8.1 million of proceeds received from stock option exercises and \$6.7 million of proceeds from our employee stock purchase plan, offset by \$1.8 million used to repurchase shares for tax withholdings on release of restricted stock.

Net cash used in financing activities for the year ended January 31, 2022 consisted primarily of \$10.3 million used to repurchase shares for tax withholdings on release of restricted stock, offset by \$5.6 million of proceeds received from stock option exercises and \$4.1 million of proceeds from our employee stock purchase plan.

Net cash provided by financing activities for the year ended January 31, 2023 consisted primarily of \$1.6 million of proceeds from our employee stock purchase plan and \$0.9 million of proceeds received from stock option exercises.

Net cash provided by financing activities for the year ended January 31, 2024 consisted primarily of \$3.4 million of proceeds from our employee stock purchase plan.

## **Contractual Obligations and Commitments**

Contractual obligations are cash that we are obligated to pay as part of certain contracts that we have entered into during the normal course of business. Our primary commitment is related to obligations under our credit facility. For more information regarding our credit facility, see Note 11 "Credit Facility" to the consolidated financial statements in Item 8 of Part II. In addition, we have obligations under leases for office space. For more information regarding our lease obligations, see Note 8 "Leases" to the consolidated financial statements in Item 8 of Part II. We also have non-cancelable commitments related to our cloud infrastructure. As of January 31, 2023 January 31, 2024, we had contractual commitments of \$100.5 million \$75.0 million \$11.4 million of which is due in the next 12 months and the remaining balance due thereafter.

## **Critical Accounting Policies and Estimates**

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States or **GAAP** (GAAP). The preparation of these consolidated financial statements requires us to make estimates and assumptions that are inherently uncertain and that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. Critical accounting policies and estimates are those that we consider critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

### **Revenue Recognition**

We derive revenue primarily from **subscriptions** subscription revenue, which consists of subscription-based agreements and, to a lesser extent, consumption-based agreements to our cloud-based platform and platform. We also sell professional services. Revenue is recognized when control of these services is transferred to customers in an amount that reflects the consideration to which we expect to be entitled to in exchange for those services, net of sales taxes.

For sales through channel partners, we consider the channel partner to be the end customer for the purposes of revenue recognition as our contractual relationships with channel partners do not depend on the sale of our services to their customers and payment from the channel partner is not contingent on receiving payment from their customers. Our contractual relationships with channel partners do not allow returns, rebates, or price concessions.

The price of **subscriptions** Pricing is generally fixed at contract inception and therefore, our contracts do not contain a significant amount of variable consideration.

Revenue recognition is determined through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

## Subscription Revenue

**Subscription revenue** Revenue from subscription-based agreements primarily consists of fees paid by customers to access our cloud-based platform, including support services. The majority of our **subscription** subscription-based agreements have multi-year contractual terms and a smaller percentage have annual contractual terms. Revenue is recognized ratably over the related contractual term beginning on the date that the platform is made available to a customer. Access to the platform represents a series of distinct services as we continually provide access to and fulfill our obligation to the end customer over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. We recognize revenue ratably because the customer receives and consumes the benefits of the platform throughout the contract period. Our contracts are generally non-cancelable. **Consumption-based agreements utilize a tiered pricing structure for an annual purchase commitment based upon an estimated volume of usage.** Revenue from the annual purchase commitment in consumption-based contracts is also recognized ratably over the contractual term of the contract. Amounts for the annual purchase commitments do not carry over beyond each annual commitment period.

## Professional Services and Other Revenue

Professional services revenue consists of implementation services sold with new subscriptions as well as professional services sold separately. Other revenue includes training and education. Professional services arrangements are billed in advance, and revenue from these arrangements is recognized as the services are provided, generally based on hours incurred. Training and education revenue is also recognized as the services are provided.

## Contracts with Multiple Performance Obligations

Most of our contracts with new customers contain multiple performance obligations, generally consisting of subscriptions and professional services. For these contracts, individual performance obligations are accounted for separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices are determined based on historical standalone selling prices, taking into consideration overall pricing objectives, market conditions and other factors, including contract value, customer demographics and the number and types of users within the contract.

## Contract Acquisition Costs

Contract acquisition costs, net are stated at cost net of accumulated amortization and primarily consist of deferred sales commissions, which are considered incremental and recoverable costs of obtaining a contract with a customer. Contract acquisition costs for initial contracts are deferred and then amortized on a straight-line basis over the period of benefit, which we have determined to be approximately four years. The period of benefit is determined by taking into consideration contractual terms, expected customer life, changes in our technology and other factors. Contract acquisition costs for renewal contracts are not commensurate with contract acquisition costs for initial contracts and are recorded as expense when incurred if the period of benefit is one year or less. If the period of benefit is greater than one year, costs are deferred and then amortized on a straight-line basis over the period of benefit. Contract acquisition costs related to professional services and other performance obligations with a period of benefit of one year or less are recorded as expense when incurred. Amortization of contract acquisition costs is included in sales and marketing expenses in the accompanying consolidated statements of operations.

## Capitalized Internal-Use Software Costs

We capitalize certain costs related to development of our platform incurred during the application development stage. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Maintenance and training costs are also expensed as incurred. Capitalized costs are included in property and equipment.

Capitalized internal-use software is amortized mostly as subscription cost of revenue, with a smaller portion related to operations amortized as research and development within operating expenses. All capitalized internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally three years. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

## Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill and indefinite-lived intangible assets are not amortized, but rather tested for impairment at least annually on November 1 or more often if and when circumstances indicate that the carrying value may not be recoverable. Finite-lived intangible assets are amortized over their useful lives.

Goodwill is tested for impairment based on reporting units. We periodically reevaluate our business and have determined that it continues to operate in one segment, which is also considered the sole reporting unit. Therefore, goodwill is tested for impairment at the consolidated level.

We review our long-lived assets, including property and equipment and finite-lived intangible assets, for impairment whenever an event or change in facts and circumstances indicates that their carrying amounts may not be recoverable. Recoverability of these assets is measured by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated. If the carrying amount exceeds the undiscounted cash flows, the assets are determined to be impaired and an impairment charge is recognized as the amount by which the carrying amount exceeds fair value.

## Stock-Based Compensation

We have granted stock-based awards, consisting of stock options and restricted stock units, to our employees, certain consultants and certain members of our board of directors. We record stock-based compensation based on the grant date fair value of the awards, which include stock options and restricted stock units, and recognize the fair value of those awards as expense using the straight-line method over the requisite service period of the award. For restricted stock units that contain performance conditions, we recognize expense using the accelerated attribution method if it is probable the performance conditions will be met. We estimate the grant date fair value of stock options using the Black-Scholes option-pricing model.

Stock-based compensation expense related to purchase rights issued under the 2018 Employee Stock Purchase Plan, or ESPP, is based on the Black-Scholes option-pricing model fair value of the estimated number of awards as of the beginning of the offering period. Stock-based compensation expense is recognized using the straight-line method over the offering period.

The determination of the grant date fair value of stock-based awards is affected by the estimated fair value of our common stock as well as other assumptions and judgments, which are estimated as follows:

- *Fair Value Per Share of Common Stock.* Because there was no public market for our common stock prior to the IPO, the board of directors determined the common stock fair value at the grant date by considering numerous objective and subjective factors, including contemporaneous valuations of our common stock, actual operating and financial performance, market conditions, and performance of comparable publicly traded companies, business developments, the likelihood of achieving a liquidity event, and transactions involving preferred and common stock, among other factors. Subsequent to the IPO, we determine the fair value of common stock as of each grant date using the market closing price of our Class B common stock on the date of grant.
- *Expected Term.* The expected term is determined using the simplified method, which is calculated as the midpoint of the option's contractual term and vesting period. We use this method due to limited stock option exercise history. For the ESPP, the expected term is the beginning of the offering period to the end of each purchase period.
- *Expected Volatility.* The expected volatility is estimated based on the volatility of the Company's common stock over a period equivalent to the expected term of the awards.
- *Risk-free Interest Rate.* The risk-free interest rate is determined using U.S. Treasury rates with a similar term as the expected term of the option.
- *Expected Dividend Yield.* We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we use an expected dividend yield of zero.

#### Recent Accounting Pronouncements

See Note 2 "Summary of Significant Accounting Policies" of our consolidated financial statements in Item 8 of Part II of this Annual Report on Form 10-K for more information regarding recent accounting pronouncements.

#### Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily include interest rate foreign currency exchange rate, and inflation sensitivities as follows:

##### **Interest Rate Risk**

As of **January 31, 2023** **January 31, 2024**, we had **\$66.5 million** **\$60.9 million** of cash, cash equivalents, and restricted cash, which were held for working capital purposes, of which \$3.7 million was restricted cash. Our cash and cash equivalents consist primarily of cash, money market funds, and certificates of deposit. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, we believe that we do not have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. Decreases in interest rates, however, would reduce future interest income.

We have a credit facility that permits us to incur up to \$100 million in term loan borrowings, all of which had been drawn as of **January 31, 2023** **January 31, 2024**. **The** During the fiscal year ended **January 31, 2024**, the term **loans mature on** **loan maturity date was** April 1, 2025. A portion of the interest that accrues on outstanding principal of each term loan is payable in cash on a monthly basis, which portion accrues at a floating rate equal to the greater of (1) 7.0% and (2) **three-month LIBOR Adjusted Term SOFR** plus 5.5% per year. In the event that **LIBOR SOFR** is unavailable, interest will accrue at a floating rate equal to the greater of (1) 7.0% and (2) the **U.S. prime rate** **Alternate Base Rate** plus 2.75% per year. **LIBOR** is expected to be replaced as an index rate in financial transactions by an alternative benchmark rate in the near future. While our loan agreement currently provides for a fallback from **LIBOR** to the **U.S. prime rate**, it is possible that we may amend our loan agreement to provide for a methodology to effect a transition from **LIBOR** to a new benchmark rate. It is not possible to predict the effect or timing of any establishment of a successor benchmark rate or its effect on our loan agreement or our business generally. The transition from **LIBOR** could result in our interest costs increasing and our access to capital could change, which could adversely affect our results of operations and cash flows. As of **January 31, 2023** **January 31, 2024**, the interest rate was approximately **10.3%** **11.1%**. In addition to the **10.3%** **11.1%**, a fixed rate equal to 2.5% per year accrues on the outstanding principal of each term loan and is added to the principal amount of the outstanding term loan on a monthly basis.

Interest rate risk also reflects our exposure to movements in interest rates associated with our borrowings. At **January 31, 2023** **January 31, 2024**, we had total debt outstanding with a carrying amount of **\$108.6 million** **\$113.5 million**, which approximates fair value. A hypothetical change in interest rates of 100 basis points after **January 31, 2023** **January 31, 2024** would not have a material impact on the fair value of our outstanding debt, even at the borrowing limit, or in the returns on our cash.

##### **Foreign Currency Exchange Risk**

Due to our international operations, we have foreign currency risks related to revenue and operating expenses denominated in currencies other than the U.S. dollar, primarily the Japanese Yen, British Pound Sterling, and the Australian Dollar. Our subscriptions and services contracts are primarily denominated in the local currency of the customer making the purchase. In addition, a portion of operating expenses are incurred outside the United States and are denominated in foreign currencies. Changes in the relative value of the U.S. dollar to other currencies may negatively affect revenue and other operating results as expressed in U.S. dollars. We do not believe that an immediate 10% increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on operating results.

We have experienced and will continue to experience fluctuations in net loss as a result of transaction gains or losses related to remeasuring certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. We have not engaged in the hedging of foreign currency transactions to date. We are considering the costs and benefits of initiating such a program and may in the future hedge balances and transactions denominated in currencies other than the U.S. dollar as we expand international operations.

##### **Inflation Risk**

We do not believe that inflation has had a material effect on our business, financial condition or results of operations to date. For example, our subscription contracts often contain pricing terms that are tied to the Consumer Price Index (CPI), and our pricing policy for renewals not tied to CPI is designed to approximate changes in CPI. If our costs were to become subject to significant inflationary pressure, we may not be able to fully offset these higher costs with price increases. Our inability or failure to do so could adversely affect our business, financial condition and results of operations.

**Item 8. Financial Statements and Supplementary Data****Index to Consolidated Financial Statements**

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**Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Domo, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Domo, Inc. (the Company) as of [January 31, 2022](#) [January 31, 2023](#) and [2023, 2024](#), the related consolidated statements of operations, comprehensive loss, stockholders' deficit and cash flows for each of the three years in the period ended [January 31, 2023](#) [January 31, 2024](#), and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at [January 31, 2022](#) [January 31, 2023](#) and [2023, 2024](#), and the results of its operations and its cash flows for each of the three years in the period ended [January 31, 2023](#) [January 31, 2024](#), in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of [January 31, 2023](#) [January 31, 2024](#), based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated [March 24, 2023](#) [March 28, 2024](#) expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

**Revenue recognition**

<i>Description of the Matter</i>	As described in Note 2 to the consolidated financial statements, the Company derives its revenue primarily from subscriptions to its cloud-based platform and from professional services. Subscription revenue primarily consists of fees paid by customers to access the Company's cloud-based platform, including support services. Professional services revenue consists of fees paid by customers for other services including implementation, training and education. The Company evaluates its customer contracts to determine whether its services are considered distinct performance obligations that should be accounted for separately or combined. When the Company determines that a customer contract contains multiple performance obligations, the performance obligations are accounted for separately and revenue is allocated to each distinct performance obligation based on its standalone selling price.
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Auditing the Company's determination of distinct performance obligations, the allocation of the transaction price based on a standalone selling price and the timing of revenue recognition can be challenging. Judgment is involved to determine in the identification of distinct performance obligations, the estimation determination of standalone selling price, and the timing of revenue recognition. For example, there may be nonstandard terms and conditions or changes in management's business practices that can have a material effect on the distinct performance obligations, the appropriate standalone selling price and the timing of revenue recognition.

**How We Addressed the Matter in Our Audit** We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's processes to identify the distinct performance obligations and allocate the transaction price to those performance obligations, including the underlying assumptions related to the determination of the standalone selling prices.

Our audit procedures to test the determination of performance obligations, the allocation of the transaction price based on standalone selling prices and the timing of revenue recognition included, among others, obtaining an understanding of the Company's service offerings and testing a sample of customer contracts from which the Company generated revenue. For each selection, we identified the services to be provided under the terms of the contract and assessed management's determination of the performance obligations. We tested management's determination of standalone selling prices for performance obligations by evaluating the appropriateness of the methodology applied, testing selections to corroborate the data underlying the Company's calculations and testing the calculations for accuracy. We also tested that the timing of revenue recognition was appropriate. Additionally, we performed substantive analytical procedures, including a correlation analysis between revenue, deferred revenue, accounts receivable and cash. We also tested the accuracy and completeness of relevant underlying data.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2010.

Salt Lake City, Utah

March 24, 2023 March 28, 2024

#### Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Domo, Inc.

##### Opinion on Internal Control Over Financial Reporting

We have audited Domo, Inc.'s internal control over financial reporting as of January 31, 2023 January 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Domo, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 31, 2023 January 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Domo, Inc. as of January 31, 2022 January 31, 2023 and 2023, 2024, the related consolidated statements of operations, comprehensive loss, stockholders' deficit, and cash flows for each of the three years in the period ended January 31, 2023 January 31, 2024, and the related notes and our report dated March 24, 2023 March 28, 2024 expressed an unqualified opinion thereon.

##### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

##### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Salt Lake City, Utah  
March 24, 2023 28, 2024

**Domo, Inc.**

**Consolidated Balance Sheets**

(in thousands, except per share amounts)

Assets	As of January 31,			As of January 31, 2023	2024
			2022		
	Assets	Assets	2023		
Current assets:	Current assets:	Current assets:			
Cash, cash equivalents, and restricted cash	Cash, cash equivalents, and restricted cash	\$ 83,561	\$ 66,500		
Accounts receivable, net of allowances of \$3,793 and \$2,084 as of January 31, 2022 and January 31, 2023, respectively	64,149	78,958			
Accounts receivable, net of allowances of \$2,084 and \$3,711 as of January 31, 2023 and January 31, 2024, respectively					
Accounts receivable, net of allowances of \$2,084 and \$3,711 as of January 31, 2023 and January 31, 2024, respectively					
Accounts receivable, net of allowances of \$2,084 and \$3,711 as of January 31, 2023 and January 31, 2024, respectively					
Contract acquisition costs, net	Contract acquisition costs, net	15,417	15,908		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	9,975	7,447		
Total current assets	Total current assets	173,102	168,813		
Property and equipment, net	Property and equipment, net	17,584	21,375		
Right-of-use assets	Right-of-use assets	16,392	15,255		
Contract acquisition costs, noncurrent, net	Contract acquisition costs, noncurrent, net	23,177	22,299		
Intangible assets, net	Intangible assets, net	2,875	2,794		
Goodwill	Goodwill	9,478	9,478		
Other assets	Other assets	1,981	2,102		
Total assets	Total assets	\$ 244,589	\$ 242,116		
Liabilities and stockholders' deficit	Liabilities and stockholders' deficit				
	Liabilities and stockholders' deficit				

Current liabilities:	Current liabilities:	Current liabilities:		
Accounts payable	Accounts payable	\$ 4,770	\$ 12,120	
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	59,976	49,306	
Lease liabilities	Lease liabilities	3,439	4,905	
Deferred revenue	Deferred revenue	168,335	182,273	
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>236,520</b>	<b>248,604</b>	
Lease liabilities, noncurrent	Lease liabilities, noncurrent	16,757	15,271	
Deferred revenue, noncurrent	Deferred revenue, noncurrent	2,420	3,609	
Other liabilities, noncurrent	Other liabilities, noncurrent	10,882	12,425	
Long-term debt	Long-term debt	103,988	108,607	
<b>Total liabilities</b>	<b>liabilities</b>	<b>370,567</b>	<b>388,516</b>	
Commitments and contingencies (Note 12)	Commitments and contingencies (Note 12)	Commitments and contingencies (Note 12)		
Stockholders' deficit:	Stockholders' deficit:			
Preferred stock, \$0.001 par value per share; 10,000 shares authorized as of January 31, 2022 and January 31, 2023; no shares issued and outstanding as of January 31, 2022 and January 31, 2023	—	—		
Class A common stock, \$0.001 par value per share; 3,264 shares authorized as of January 31, 2022 and January 31, 2023; 3,264 shares issued and outstanding as of January 31, 2022 and January 31, 2023	3	3		
Class B common stock, \$0.001 par value per share; 500,000 shares authorized as of January 31, 2022 and January 31, 2023; 29,730 and 31,573 shares issued and outstanding as of January 31, 2022 and January 31, 2023, respectively	30	32		
Stockholders' deficit:				
Stockholders' deficit:				

Preferred stock, \$0.001 par value per share; 10,000 shares authorized as of January 31, 2023 and January 31, 2024; no shares issued and outstanding as of January 31, 2023 and January 31, 2024

Preferred stock, \$0.001 par value per share; 10,000 shares authorized as of January 31, 2023 and January 31, 2024; no shares issued and outstanding as of January 31, 2023 and January 31, 2024

Preferred stock, \$0.001 par value per share; 10,000 shares authorized as of January 31, 2023 and January 31, 2024; no shares issued and outstanding as of January 31, 2023 and January 31, 2024

Class A common stock, \$0.001 par value per share; 3,264 shares authorized, issued and outstanding as of January 31, 2023 and 2024

Class B common stock, \$0.001 par value per share; 500,000 shares authorized as of January 31, 2023 and 2024; 31,573 and 33,656 shares issued and outstanding as of January 31, 2023 and 2024, respectively

Additional	Additional		
paid-in capital	paid-in capital	1,098,084	1,183,921
<b>Accumulated other comprehensive income (loss)</b>			
		388	(322)
<b>Accumulated other comprehensive loss</b>			
Accumulated deficit	Accumulated deficit	(1,224,483)	(1,330,034)

Total stockholders' deficit	Total stockholders' deficit	(125,978)	(146,400)
Total liabilities and stockholders' deficit	Total liabilities and stockholders' deficit	\$ 244,589	\$ 242,116
		<u><u>\$ 244,589</u></u>	<u><u>\$ 242,116</u></u>

See accompanying notes to consolidated financial statements.

**Domo, Inc.**

**Consolidated Statements of Operations**

(in thousands, except per share amounts)

		Year Ended January 31,			2022	2023	2024
		2021	2022	2023			
		Revenue:	Revenue:	Revenue:			
Revenue:	Subscription	Subscription	\$183,645	\$ 223,010	\$ 271,290		
Subscription	Subscription	Subscription					
Professional services and other	Professional services and other	Professional services and other	26,535	34,951	37,355		
Total revenue	Total revenue	Total revenue	210,180	257,961	308,645		
Cost of revenue:	Cost of revenue:	Cost of revenue:					
Subscription	Subscription	Subscription					
Subscription	Subscription	Subscription					
Professional services and other	Professional services and other	Professional services and other	36,656	40,907	43,295		
Total cost of revenue	Total cost of revenue	Total cost of revenue	20,092	26,239	29,783		
Gross profit	Gross profit	Gross profit	56,748	67,146	73,078		
Operating expenses:	Operating expenses:	Operating expenses:					
Sales and marketing	Sales and marketing	Sales and marketing					
Sales and marketing	Sales and marketing	Sales and marketing					
Sales and marketing	Sales and marketing	Sales and marketing					
Research and development	Research and development	Research and development	117,335	143,722	173,300		
General and administrative	General and administrative	General and administrative	66,474	81,027	95,093		
Total operating expenses	Total operating expenses	Total operating expenses	42,708	54,536	56,047		
Loss from operations	Loss from operations	Loss from operations	226,517	279,285	324,440		
Other expense, net	Other expense, net	Other expense, net	(73,085)	(88,470)	(88,873)		
Loss before income taxes	Loss before income taxes	Loss before income taxes	(11,140)	(14,102)	(15,499)		
Loss before income taxes	Loss before income taxes	Loss before income taxes	(84,225)	(102,572)	(104,372)		

Provision for (benefit from) income taxes	Provision for (benefit from) income taxes	409	(461)	1,179
Net loss	Net loss	<u><u>\$ (84,634)</u></u>	<u><u>\$ (102,111)</u></u>	<u><u>\$ (105,551)</u></u>
Net loss per share, basic and diluted	Net loss per share, basic and diluted	<u><u>\$ (2.89)</u></u>	<u><u>\$ (3.19)</u></u>	<u><u>\$ (3.10)</u></u>
Weighted- average number of shares used in computing net loss per share, basic and diluted	Weighted- average number of shares used in computing net loss per share, basic and diluted	<u><u>29,308</u></u>	<u><u>32,021</u></u>	<u><u>34,092</u></u>

See accompanying notes to consolidated financial statements.

### Domo, Inc.

#### Consolidated Statements of Comprehensive Loss

(in thousands)

	Net loss	Year Ended January 31,			Year Ended January 31,		2024
		2021		2022	2023		
		(\$84,634)	(\$102,111)	(\$105,551)			
Net loss	Net loss						
Foreign currency translation adjustments	Foreign currency translation adjustments	490	(489)	(710)			
Unrealized losses on securities available for sale		(2)	—	—			
Comprehensive loss	Comprehensive loss	<u><u>\$ (84,146)</u></u>	<u><u>\$ (102,600)</u></u>	<u><u>\$ (106,261)</u></u>			
Comprehensive loss							
Comprehensive loss							

See accompanying notes to consolidated financial statements.

### Domo, Inc.

#### Consolidated Statements of Stockholders' Deficit

(in thousands, except share amounts)

	Stockholders' Deficit						
	Class A Common		Class B Common		Accumulated		
	Stock		Stock		Paid-in Capital	Other Comprehensive Income (Loss)	Accumulated Deficit
	Shares	Amount	Shares	Amount			Total
Balance as of January 31, 2020	3,263,659	\$ 3	24,985,698	\$ 25	\$ 988,141	\$ 389	\$ (1,037,738) \$ (49,180)
Vesting of restricted stock units	—	—	1,032,063	—	—	—	—
Shares repurchased for tax withholdings on vesting of restricted stock	—	—	(49,183)	—	(1,745)	—	(1,745)
Issuance of common stock under employee stock purchase plan	—	—	860,300	2	6,746	—	6,748
Exercise of stock options	—	—	374,049	—	8,092	—	8,092
Stock-based compensation expense	—	—	—	—	33,674	—	33,674

Exercise of common stock								
warrants	—	—	68,508	—	—	—	—	—
Issuance of common stock								
warrants	—	—	—	—	3,098	—	—	3,098
Other comprehensive loss	—	—	—	—	—	488	—	488
Net loss	—	—	—	—	—	—	(84,634)	(84,634)
Stockholders' Deficit								
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Stockholders' Deficit								
Stockholders' Deficit								
Class A Common Stock								
Shares								
Balance as of January 31, 2021	—	—	—	—	—	—	—	—
Balance as of January 31, 2021	—	—	—	—	—	—	—	—
Balance as of January 31, 2021	Balance as of January 31, 2021	3,263,659	3	27,271,435	27	1,038,006	877	(1,122,372)
Vesting of restricted stock units	Vesting of restricted stock units	—	—	1,678,215	3	—	—	—
Shares repurchased for tax withholdings on vesting of restricted stock	Shares repurchased for tax withholdings on vesting of restricted stock	—	—	(156,985)	—	(10,315)	—	—
Issuance of common stock under employee stock purchase plan	Issuance of common stock under employee stock purchase plan	—	—	505,020	—	4,133	—	—
Exercise of stock options	Exercise of stock options	—	—	332,137	—	5,621	—	—
Stock-based compensation expense	Stock-based compensation expense	—	—	—	—	60,639	—	—
Exercise of common stock warrants	Exercise of common stock warrants	—	—	100,000	—	—	—	—
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	(489)	—
Net loss	Net loss	—	—	—	—	—	(102,111)	(102,111)
Balance as of January 31, 2022	Balance as of January 31, 2022	3,263,659	3	29,729,822	30	1,098,084	388	(1,224,483)
Vesting of restricted stock units	Vesting of restricted stock units	—	—	1,630,656	2	—	—	2
Issuance of common stock under employee stock purchase plan	Issuance of common stock under employee stock purchase plan	—	—	164,959	—	1,563	—	—
Class A Common Stock								
Shares								
Common Stock	Common Stock	Additional Paid-in Capital	Common Stock	Other Comprehensive (Loss) Income	Accumulated Deficit	Accumulated Deficit	Common Stock	Stockholders' Deficit

Plan	Plan						
Exercise of stock options	Exercise of stock options	—	—	47,389	—	861	—
Stock-based compensation expense	Stock-based compensation expense	—	—	—	—	83,413	—
Other comprehensive loss	Other comprehensive loss	—	—	—	—	(710)	—
Net loss	Net loss	—	—	—	—	—	(105,551)
Balance as of January 31, 2023	Balance as of January 31, 2023	3,263,659	\$ 3	31,572,826	\$ 32	\$1,183,921	\$ (322) \$(1,330,034) \$(146,400)
Vesting of restricted stock units							
Issuance of common stock under employee stock purchase plan							
Issuance of common stock under employee stock purchase plan							
Issuance of common stock under employee stock purchase plan							
Exercise of stock options							
Stock-based compensation expense							
Other comprehensive income							
Net loss							
Balance as of January 31, 2024							

See accompanying notes to consolidated financial statements.

#### Domo, Inc.

#### Consolidated Statements of Cash Flows

(in thousands)

Year Ended January 31,			Year Ended January 31,		
	2021	2022	2022	2023	2024
Year Ended January 31,			Year Ended January 31,		
Cash flows from operating activities	Cash flows from operating activities				
Net loss	Net loss	\$(84,634)	\$(102,111)	\$(105,551)	
Adjustments to reconcile net loss to net cash used in operating activities:					
Net loss					
Net loss					

Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization	Depreciation and amortization	4,765	5,363	5,290
Non-cash lease expense	Non-cash lease expense	3,969	4,839	4,727
Amortization of contract acquisition costs	Amortization of contract acquisition costs	14,376	15,835	16,943
Stock-based compensation expense	Stock-based compensation expense	33,749	60,526	83,859
Other, net	Other, net	4,340	3,618	6,768
Change in operating assets and liabilities:				
Accounts receivable, net	Accounts receivable, net	(305)	(15,877)	(14,809)
Accounts receivable, net				
Contract acquisition costs	Contract acquisition costs	(16,775)	(22,258)	(16,999)
Prepaid expenses and other	Prepaid expenses and other	566	1,545	2,390
Accounts payable	Accounts payable	(1,341)	3,755	6,947
Operating lease liabilities	Operating lease liabilities	(3,685)	(3,065)	(6,179)
Accrued expenses and other liabilities	Accrued expenses and other liabilities	6,595	9,706	(9,403)
Deferred revenue	Deferred revenue	22,508	38,503	15,127
Net cash (used in) provided by operating activities		(15,872)	379	(10,890)
Net cash provided by (used in) operating activities				

<b>Cash flows</b>		<b>Cash flows</b>		
<b>from investing</b>		<b>from investing</b>		
<b>activities</b>		<b>activities</b>		
Purchases of	Purchases of			
property and	property and			
equipment	equipment	(5,706)	(6,517)	(7,996)
Purchases of securities available				
for sale		(11,149)	—	—
Proceeds from maturities of				
securities available for sale		29,200	—	—
Purchases of property and				
equipment				
Purchases of property and				
equipment				
Purchases of	Purchases of			
intangible	intangible			
assets	assets	(105)	—	—
Net cash provided by (used in)				
investing activities		12,240	(6,517)	(7,996)
Purchases of intangible assets				
Purchases of intangible assets				
Net cash used in investing				
activities				
Net cash used in investing				
activities				
Net cash used in investing				
activities				
<b>Cash flows</b>		<b>Cash flows</b>		
<b>from financing</b>		<b>from financing</b>		
<b>activities</b>		<b>activities</b>		
Proceeds from shares issued in				
connection with employee stock				
purchase plan				
Proceeds from shares issued in				
connection with employee stock				
purchase plan				
Proceeds from	Proceeds from			
shares issued	shares issued			
in connection	in connection			
with employee	with employee			
stock purchase	stock purchase			
plan	plan	6,748	4,133	1,563
Shares	Shares			
repurchased for	repurchased for			
tax withholdings	tax withholdings			
on vesting of	on vesting of			
restricted stock	restricted stock	(1,745)	(10,315)	—
Proceeds from	Proceeds from			
structured	structured			
payables	payables	—	—	6,624
Proceeds from structured				
payables				
Proceeds from structured				
payables				
Payments on	Payments on			
structured	structured			
payables	payables	—	—	(6,624)

Proceeds from	Proceeds from			
exercise of	exercise of			
stock options	stock options	8,092	5,621	861
Net cash provided by (used in)				
financing activities		13,095	(561)	2,424
Net cash (used in) provided by				
financing activities				
Net cash (used in) provided by				
financing activities				
Effect of	Effect of			
exchange rate	exchange rate			
changes on	changes on			
cash, cash	cash, cash			
equivalents,	equivalents,			
and restricted	and restricted			
cash	cash	488	(534)	(599)
Net increase (decrease) in cash,				
cash equivalents, and restricted				
cash		9,951	(7,233)	(17,061)
Net decrease in				
cash, cash				
equivalents,				
and restricted				
cash				
Cash, cash	Cash, cash			
equivalents,	equivalents,			
and restricted	and restricted			
cash at	cash at			
beginning of	beginning of			
period	period	80,843	90,794	83,561
Cash, cash	Cash, cash			
equivalents,	equivalents,			
and restricted	and restricted			
cash at end of	cash at end of			
period	period	\$ 90,794	\$ 83,561	\$ 66,500
Supplemental	Supplemental			
disclosures of	disclosures of			
cash flow	cash flow			
information	information			
Cash paid for income taxes, net				
of refunds				
Cash paid for income taxes, net				
of refunds				
Cash paid for	Cash paid for			
income taxes,	income taxes,			
net of refunds	net of refunds	\$ 836	\$ 625	\$ 309
Cash paid for	Cash paid for			
interest	interest	\$ 7,586	\$ 7,142	\$ 9,111
Non-cash	Non-cash			
investing and	investing and			
financing	financing			
activities	activities			

Operating lease right-of-use assets obtained for lease liabilities	\$ — \$ 17,588 \$ 4,608
Operating lease right-of-use assets obtained for lease liabilities	
Operating lease right-of-use assets obtained for lease liabilities	
Purchases of property and equipment included in accounts payable and lease liabilities	
Purchases of property and equipment included in accounts payable and lease liabilities	\$ — \$ 387 \$ 1,275
Stock-based compensation capitalized as internal-use software	
Stock-based compensation capitalized as internal-use software	\$ 583 \$ 1,226 \$ 1,583
Debt issuance costs in other liabilities, noncurrent	
Debt issuance costs in other liabilities, noncurrent	\$ 3,395 \$ — \$ —
Issuance of warrants in connection with credit facility	
Issuance of warrants in connection with credit facility	\$ 3,098 \$ — \$ —

See accompanying notes to consolidated financial statements.

#### Domo, Inc.

#### Notes to Consolidated Financial Statements

##### 1. Overview and Basis of Presentation

###### Description of Business and Basis of Presentation

Domo, Inc. (the Company) provides a cloud-based platform that digitally connects everyone from the CEO to the frontline employee with all the data, systems and people in an organization, giving them access to real-time data and insights and allowing them to **manage** **put data to work for everyone so they can multiply** **their business from their smartphones**. **impact on the business**. The Company is incorporated in Delaware. The Company's headquarters is located in American Fork, Utah and the Company has subsidiaries in the United Kingdom, Australia, Japan, Hong Kong, Singapore, New Zealand, Canada, and India.

The accompanying consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiaries, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). All intercompany balances and transactions have been eliminated in consolidation. The Company's fiscal year ends on January 31.

###### Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. The Company bases its estimates on historical experience and on other assumptions that its management believes are reasonable under the circumstances. Actual results could differ from those estimates. The Company's estimates and judgments include the determination of standalone selling prices for the Company's services, which are used to determine revenue recognition for arrangements with multiple performance obligations; the amortization period for deferred contract acquisition costs; valuation of the Company's stock-based compensation and related service period; useful lives of fixed assets; capitalization and estimated useful life of internal-use software; the incremental borrowing rate used to calculate the present value of capitalized leases; evaluation for impairment of long-lived and intangible assets including goodwill; and the allowance for doubtful accounts and expected credit losses.

###### Foreign Currency

The functional currencies of the Company's foreign subsidiaries are the respective local currencies. The cumulative effect of translation adjustments arising from the use of differing exchange rates from period to period is included in accumulated other comprehensive income within the consolidated balance sheets. Changes in the cumulative foreign translation adjustment are reported in the consolidated statements of stockholders' deficit and the consolidated statements of comprehensive loss. Transactions denominated in currencies other than the functional currency are remeasured at the end of the period and when the related receivable or payable is settled, which may result in transaction gains or losses. Foreign currency transaction gains and losses are included in other expense, net in the consolidated statements of operations. All assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated at the average exchange rate during the period, and equity balances are translated using historical exchange rates.

## Segment Information

The Company operates as one operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources.

### Domo, Inc.

#### Notes to Consolidated Financial Statements (Continued)

## 2. Summary of Significant Accounting Policies

### Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents **may** consist of cash on hand, money market funds and highly liquid investments purchased with an original maturity date of 90 days or less from the date of purchase. The fair value of cash equivalents approximated their carrying value as of **January 31, 2022** **January 31, 2023** and **January 31, 2023** **January 31, 2024**. Restricted cash relates to an outstanding letter of credit established in conjunction with an amendment to an existing lease agreement.

### Accounts Receivable

Accounts receivable are recorded at the invoiced amount (net of allowance), do not require collateral, and do not bear interest. The Company's payment terms generally provide that customers pay within 30 days of the invoice date.

The Company maintains an allowance for doubtful accounts and expected credit losses for amounts the Company does not expect to collect. In establishing the required allowance, management considers historical losses, current market conditions, customers' financial condition and credit quality, the age of the receivables, and current payment patterns. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Changes in the Company's allowance for doubtful accounts for the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024** were as follows (in thousands):

Balance as of January 31, 2020	\$	2,164
Additions		7,362
Write-offs		(5,746)
Balance as of January 31, 2021	\$	3,780
Additions		5,673
Write-offs		(5,660)
Balance as of January 31, 2022		3,793
Additions		3,019
Write-offs		(4,728)
Balance as of January 31, 2023		2,084
Additions		7,977
Write-offs		(6,350)
Balance as of January 31, 2024	\$	2,084 3,711

### Contract Acquisition Costs

Contract acquisition costs, net are stated at cost net of accumulated amortization and primarily consist of deferred sales commissions, which are considered incremental and recoverable costs of obtaining a contract with a customer. Contract acquisition costs for initial contracts are deferred and then amortized on a straight-line basis over the period of benefit, which the Company has determined to be approximately four years. The period of benefit is determined by taking into consideration contractual terms, expected customer life, changes in the Company's technology and other factors. Contract acquisition costs for renewal contracts are not commensurate with contract acquisition costs for initial contracts and are recorded as expense when incurred if the period of benefit is one year or less. If the period of benefit is greater than one year, costs are deferred and then amortized on a straight-line basis over the period of benefit, which the Company has determined to be two years. Contract acquisition costs related to professional services and other performance obligations with a period of benefit of one year or less are recorded as expense when incurred. Amortization of contract acquisition costs is included in sales and marketing expenses in the accompanying consolidated statements of operations.

Amortization expense related to contract acquisition costs was **\$14.4 million** **\$15.8 million**, **\$15.8 million** **\$17.1 million** and **\$17.1 million** **\$17.8 million** for the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023**, **2024**, respectively. There was no impairment charge in relation to contract acquisition costs for the periods presented.

### Domo, Inc.

#### Notes to Consolidated Financial Statements (Continued)

## 2. Summary of Significant Accounting Policies (Continued)

### **Property and Equipment, Net**

Property and equipment, net, are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets or over the related lease terms (if shorter). Repairs and maintenance costs are expensed as incurred.

The estimated useful lives of property and equipment are as follows:

Computer equipment and software	2-3 years
Furniture, vehicles and office equipment	3 years
Leasehold improvements	Shorter of remaining lease term or estimated useful life

### **Leases**

At the inception of a contract, the Company determines whether the contract is or contains a lease. Leases with a term greater than one year are recognized on the balance sheet as right-of-use (ROU) assets and lease liabilities. The Company has elected the short-term leases practical expedient which allows any leases with a term of 12 months or less to be considered short-term and thus not have an ROU asset or lease liability recognized on the balance sheet.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As these leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is the rate incurred to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. The operating lease ROU asset also includes any lease payments made in advance of lease expense and excludes lease incentives and initial direct costs incurred. Certain lease terms include options to terminate or extend the lease for periods of one to three years. The Company does not include these optional periods in its minimum lease terms or in the determination of the ROU assets and lease liabilities associated with these leases unless the options are reasonably certain to be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. ROU assets are subject to evaluation for impairment or disposal on a basis consistent with other long-lived assets.

The Company has lease agreements with lease and non-lease components which the Company has elected to account for as a single lease component. On the lease commencement date, the Company establishes assets and liabilities for the present value of estimated future costs to retire long-lived assets at the termination or expiration of a lease. Such assets are depreciated over the lease term to operating expense.

### **Income from subleases is recorded in other expense, net in the accompanying consolidated statements of operations.**

### **Capitalized Internal-Use Software Costs**

The Company capitalizes certain costs related to development of its platform incurred during the application development stage. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Maintenance and training costs are also expensed as incurred. Capitalized costs are included in property and equipment.

Capitalized internal-use software is amortized generally as subscription cost of revenue, with a smaller portion related to operations amortized as research and development within operating expenses. All capitalized internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally three years. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

### **Goodwill and Intangible Assets**

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill and indefinite-lived intangible assets are not amortized, but rather tested for impairment

**Domo, Inc.**

## **Notes to Consolidated Financial Statements (Continued)**

## 2. Summary of Significant Accounting Policies (Continued)

at least annually on November 1 or more often if and when circumstances indicate that the carrying value may not be recoverable. Finite-lived intangible assets are amortized over their useful lives.

Goodwill is tested for impairment based on reporting units. The Company periodically reevaluates the business and has determined that it continues to operate in one segment, which is also considered the sole reporting unit. Therefore, goodwill is tested for impairment at the consolidated level.

The Company reviews its long-lived assets, including property and equipment, finite-lived intangible assets, and ROU assets for impairment whenever an event or change in facts and circumstances indicates that their carrying amounts may not be recoverable. Recoverability of these assets is measured by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated. If the carrying amount exceeds the undiscounted cash flows, the assets are determined to be impaired and an impairment charge is recognized as the amount by which the carrying amount exceeds fair value.

There was no goodwill acquired and no impairment charges for goodwill during the periods presented.

#### **Revenue Recognition**

The Company derives revenue primarily from **subscriptions** subscription revenue, which consists of subscription-based agreements and, to a lesser extent, consumption-based agreements for its cloud-based **platform** and **platform**. The Company also sells professional services. Revenue is recognized when control of these services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those services, net of sales taxes.

For sales through channel partners, the Company considers the channel partner to be the end customer for the purposes of revenue recognition as the Company's contractual relationships with channel partners do not depend on the sale of the Company's services to their customers and payment from the channel partner is not contingent on receiving payment from their customers. The Company's contractual relationships with channel partners do not allow returns, rebates, or price concessions.

**The price of subscriptions** **Pricing** is generally fixed at contract inception and therefore, the Company's contracts do not contain a significant amount of variable consideration.

Revenue recognition is determined through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

#### **Subscription Revenue**

**Subscription revenue** **Revenue from subscription-based agreements** primarily consists of fees paid by customers to access the Company's cloud-based platform, including support services. The majority of the Company's **subscription** subscription-based agreements have multi-year contractual terms and a smaller percentage have annual contractual terms. Revenue is recognized ratably over the related contractual term beginning on the date that the platform is made available to a customer. Access to the platform represents a series of distinct services as the Company continually provides access to and fulfills its obligation to the end customer over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes revenue ratably because the customer receives and consumes the benefits of the platform throughout the contract period. The Company's contracts are generally non-cancelable. **Consumption-based agreements** utilize a tiered pricing structure for an annual purchase commitment based upon an estimated volume of usage. **Revenue from the annual**

**Domo, Inc.**

#### **Notes to Consolidated Financial Statements (Continued)**

## **2. Summary of Significant Accounting Policies (Continued)**

**purchase commitment in consumption-based contracts** is also recognized ratably over the related contractual term of the contract. Amounts for the annual purchase commitments do not carry over beyond each annual commitment period.

#### *Professional Services and Other Revenue*

Professional services revenue consists of implementation services sold with new subscriptions as well as professional services sold separately. Other revenue includes training and education. Professional services arrangements are billed in advance, and revenue from these arrangements is recognized as the services are provided, generally based on hours incurred. Training and education revenue is also recognized as the services are provided.

#### *Contracts with Multiple Performance Obligations*

Most of the Company's contracts with new customers contain multiple performance obligations, generally consisting of subscriptions and professional services. For these contracts, individual performance obligations are accounted for separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices are determined based on historical standalone selling prices, taking into consideration overall pricing objectives, market conditions and other factors, including contract value, customer demographics, platform tier, and the number and types of users within the contract.

#### **Deferred Revenue**

The Company's contracts are typically billed annually in advance. Deferred revenue includes amounts collected or billed in excess of revenue recognized. Deferred revenue is recognized as revenue as the related performance obligations are satisfied.

Deferred revenue that will be recognized during the succeeding twelve-month period is recorded as a current liability and the remaining portion is recorded as a noncurrent liability.

#### **Cost of Revenue**

Cost of subscription revenue consists primarily of third-party hosting services and data center capacity; employee-related costs directly associated with cloud infrastructure and customer support personnel, including salaries, benefits, bonuses and stock-based compensation; amortization expense associated with capitalized software development costs; depreciation expense associated with computer equipment and software; certain fees paid to various third parties for the use of their technology and services; and allocated overhead. Allocated overhead includes items such as information technology infrastructure, rent, and employee benefit costs.

Cost of professional services and other revenue consists primarily of employee-related costs associated with these services, including stock-based compensation; third-party consultant fees; and allocated overhead.

#### **Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense was **\$12.0 million** **\$10.8 million**, **\$10.8 million** **\$13.9 million** and **\$13.9 million** **\$11.7 million** for the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023**, **2024**, respectively.

#### **Research and Development**

Research and development expenses consist primarily of employee-related costs for the design and development of the Company's platform, contractor costs to supplement staff levels, third-party web services, consulting services, and allocated overhead. Research and development expenses, other than software development costs qualifying for capitalization, are expensed as incurred.

#### **Stock-Based Compensation**

The Company has granted stock-based awards, consisting of stock options and restricted stock units, to its employees, certain consultants and certain members of its board of directors. The Company records stock-based compensation based on

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

#### **2. Summary of Significant Accounting Policies (Continued)**

the grant date fair value of the awards, which include stock options and restricted stock units, and recognizes the fair value of those awards as expense using the straight-line method over the requisite service period of the award.

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

#### **2. Summary of Significant Accounting Policies (Continued)**

For restricted stock units that contain market conditions, the Company recognizes stock-based compensation based on the estimated grant date fair value of market condition awards using a Monte Carlo simulation, and the awards are expensed over the service period using an accelerated attribution method.

Stock-based compensation expense related to purchase rights issued under the 2018 Employee Stock Purchase Plan, **as amended** (ESPP) is based on the Black-Scholes option-pricing model fair value of the estimated number of awards as of the beginning of the offering period. Stock-based compensation expense is recognized using the straight-line method over the offering period.

The determination of the grant date fair value of stock-based awards is affected by the estimated fair value of the Company's common stock as well as other assumptions and judgments, which are estimated as follows:

- *Fair Value Per Share of Common Stock.* The Company determines the fair value of common stock as of each grant date using the market closing price of the Company's Class B common stock on the date of grant.
- *Expected Term.* The expected term is determined using the simplified method, which is calculated as the midpoint of the option's contractual term and vesting period. The Company uses this method due to limited stock option exercise history. For the ESPP, the expected term is the beginning of the offering period to the end of each purchase period.
- *Expected Volatility.* The expected volatility is estimated based on the volatility of the Company's common stock over a period equivalent to the expected term of the awards.
- *Risk-free Interest Rate.* The risk-free interest rate is determined using U.S. Treasury rates with a similar term as the expected term of the option.
- *Expected Dividend Yield.* The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company uses an expected dividend yield of zero.

#### **Income Taxes**

The Company accounts for income taxes in accordance with the liability method of accounting for income taxes. Under this method, the Company recognizes a liability or asset for the deferred income tax consequences of all temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years when the reported amounts of the assets and liabilities are recovered or settled. These deferred income tax assets or liabilities are measured using the enacted tax rates that will be in effect when the differences are expected to affect taxable income.

Valuation allowances are provided when it is more-likely-than-not that some or all of the deferred income tax assets may not be realized. In assessing the need for a valuation allowance, the Company has considered its historical levels of income, expectations of future taxable income and ongoing tax planning strategies. Because of the uncertainty of the realization of its deferred tax assets, the Company has a full valuation allowance for domestic net deferred tax assets, including net operating loss carryforwards, and tax credits related primarily to research and development. Realization of its deferred tax assets is dependent primarily upon future U.S. taxable income.

Tax positions are recognized in the consolidated financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. The Company's policy for recording interest and penalties related to income taxes, including uncertain tax positions, is to record such items as a component of the provision for income taxes.

#### **Concentrations of Credit Risk and Significant Customers**

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, and accounts receivable. Cash denominated in currencies other than the United States dollar represented 20% and 26% of total cash, cash equivalents, and restricted cash as of January 31, 2022 and January 31, 2023, respectively.

**Domo, Inc.**

#### **Notes to Consolidated Financial Statements (Continued)**

#### **2. Summary of Significant Accounting Policies (Continued)**

represented 26% and 28% of total cash, cash equivalents, and restricted cash as of January 31, 2023 and January 31, 2024, respectively.

The Company maintains its cash accounts with financial institutions where, at times, deposits exceed federal insured limits. The Company may invest its excess cash in money market funds, certificates of deposit, or in short-term investments consisting of highly-rated debt securities.

No single customer accounted for more than 10% of revenue for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023 2024 or more than 10% of accounts receivable as of January 31, 2022 January 31, 2023 and January 31, 2023 January 31, 2024.

The Company is primarily dependent upon third parties in order to meet the uptime and performance requirements of its customers. Any disruption or interference with the Company's use of these third parties would impact operations.

#### **Net Loss per Share**

The Company computes net loss per share using the two-class method required for multiple classes of common stock and participating securities. The rights, including the liquidation and dividend rights, of the Class A common stock and Class B common stock are substantially identical, other than voting rights. Accordingly, the Class A common stock and Class B common stock share equally in the Company's net losses.

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period increased by common shares that could be issued upon conversion or exercise of other outstanding securities to the extent those additional common shares would be dilutive. The dilutive effect of potentially dilutive securities is reflected in diluted net loss per share by application of the treasury stock method. During periods when the Company is in a net loss position, basic net loss per share is the same as diluted net loss per share as the effects of potentially dilutive securities are anti-dilutive.

#### **Recent Accounting Pronouncements**

In September 2022, November 2023, the FASB issued ASU No. 2022-04, 2023-07, *Liabilities - Supplier Finance Programs (Topic 450-50) Segment Reporting (Topic 280): Disclosure of Supplier Finance Program Obligations* *Improvements to Reportable Segment Disclosures*, which requires additional operating segment disclosures in annual and interim consolidated financial statements. For public business entities, that use supplier finance programs in connection with the purchase of goods and services to make certain annual disclosures about the key terms of the programs and information about the obligations outstanding at the end of the reporting period, including a rollforward of those obligations. The guidance does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. The amendments in this ASU 2022-04 are effective for all entities for fiscal years beginning after December 15, 2022 December 15, 2023 and for interim periods beginning after December 15, 2024 on a retrospective basis, including interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. Early with early adoption is permitted. The Company is currently evaluating the new guidance to determine the impact it may have on its consolidated financial statements and related disclosures of adopting ASU 2023-07.

In March 2020, December 2023, the FASB issued ASU No. 2020-04, 2023-09, *Reference Rate Reform* *Income Taxes (Topic 848) 740: Facilitation Improvements to Income Tax Disclosures*, which requires disclosures of disaggregated income taxes paid and the Effects of Reference Rate Reform on Financial Reporting. This effective tax rate reconciliation. For public business entities, this ASU is intended to provide optional expedients and exceptions effective for applying U.S. GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, to ease the potential accounting and financial reporting burden associated with the expected market transition from the London Interbank Offered

Rate ("LIBOR") and other interbank offered rates to alternative reference rates. In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*. This ASU defers the sunset date from December 31, 2022 to December 31, 2024 and is effective immediately, fiscal years beginning after December 15, 2024 on a retrospective or prospective basis. The Company plans to adopt this standard when LIBOR is discontinued and is currently evaluating the impact on its consolidated financial statements and related disclosures of adopting ASU 2023-09.

**Domo, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**

**3. Cash, Cash Equivalents, and Restricted Cash**

The amortized cost and estimated fair value of the Company's cash, cash equivalents, and restricted cash as of **January 31, 2022**, **January 31, 2023** and **January 31, 2024** were as follows (in thousands):

		January 31, 2022				January 31, 2023				January 31, 2024							
		Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value			Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value			Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
<b>Cash</b>	<b>Cash</b>	\$ 42,500	\$ —	\$ —	\$ 42,500												
<b>Cash equivalents:</b>	<b>equivalents:</b>																
Money market funds	Money market funds	25,878	—	—	25,878												
Money market funds	Money market funds																
Certificates of deposit	Certificates of deposit	15,183	—	—	15,183												
<b>Restricted cash (1)</b>																	
Total cash and cash equivalents		\$ 83,561	\$ —	\$ —	\$ 83,561												
Total cash, cash equivalents, and restricted cash																	
Total cash, cash equivalents, and restricted cash																	
Total cash, cash equivalents, and restricted cash																	
		January 31, 2023				January 31, 2024				January 31, 2024							
		Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value			Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value			Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
<b>Cash</b>	<b>Cash</b>	\$38,789	\$ —	\$ —	\$38,789												
<b>Cash equivalents:</b>	<b>equivalents:</b>																
Money market funds	Money market funds																
Money market funds	Money market funds	8,591	—	—	8,591												

Certificates of deposit	Certificates of deposit	15,420	—	—	15,420
<b>Restricted cash (1)</b>	<b>Restricted cash (1)</b>	3,700	—	—	3,700
Total cash, cash equivalents, and restricted cash	Total cash, cash equivalents, and restricted cash				
		<u>\$66,500</u>	<u>\$</u>	<u>—</u>	<u>\$</u>
		<u>66,500</u>			
Total cash, cash equivalents, and restricted cash	Total cash, cash equivalents, and restricted cash				

(1) Related to an outstanding letter of credit. See Footnote 12 "Commitments and Contingencies" for further details regarding this letter of credit.

#### 4. Fair Value Measurements

##### Assets Measured at Fair Value on a Recurring Basis

Financial instruments recorded at fair value in the financial statements are categorized as follows:

- Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs reflecting management's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

#### Domo, Inc.

##### Notes to Consolidated Financial Statements (Continued)

#### 4. Fair Value Measurements (Continued)

The following table summarizes the assets measured at fair value on a recurring basis as of January 31, 2022, January 31, 2023 and January 31, 2023, January 31, 2024 by level within the fair value hierarchy (in thousands):

	January 31, 2023				January 31, 2023			
	Level 1		Level 2		Level 1		Level 2	
<b>Cash equivalents:</b>								
Money market funds								
Money market funds								
Money market funds								
Certificates of deposit								
	January 31, 2022				January 31, 2022			
	Level 1		Level 2		Level 1		Level 2	
<b>Cash equivalents:</b>								
Money market funds	\$ 25,878	\$ —	\$ —	\$ 25,878				
Certificates of deposit	—	15,183	—	15,183				
<b>Total cash equivalents</b>								
<b>Total cash equivalents</b>								

	Total			
Total cash equivalents	\$ 25,878	\$ 15,183	\$ —	\$ 41,061

	January 31, 2024			January 31, 2024
	Level 1	Level 1	Level 2	Level 3
<b>Cash equivalents:</b>				
Money market funds				
Money market funds				
Money market funds				
	January 31, 2023			
	Level			
	Level 1	Level 2	3	Total
<b>Cash equivalents:</b>				
Money market funds	\$ 8,591	\$ —	\$ —	\$ 8,591
Certificates of deposit	—	15,420	—	15,420
Total cash equivalents				
Total cash equivalents				
Total cash equivalents	\$ 8,591	\$ 15,420	\$ —	\$ 24,011

During the years ended January 31, 2022 January 31, 2023 and 2023, 2024, the Company had no transfers between levels of the fair value hierarchy of its assets and liabilities measured at fair value.

#### Fair Value of Other Financial Instruments

The carrying amounts of certain financial instruments, including cash held in banks, accounts receivable, accounts payable, accrued liabilities, and other liabilities approximate fair value due to their short-term maturities and are excluded from the fair value tables above.

See Note 8 "Leases" for fair value measurements related to its lease impairment.

#### 5. Property and Equipment

Property and equipment, net consisted of the following (in thousands):

	As of January 31,			
	2022	2023		
	As of January 31,			
	2023			
Capitalized internal-use software development costs	Capitalized internal-use software development costs	\$ 37,088	\$ 44,399	Capitalized internal-use software development costs
Computer equipment and software	Computer equipment and software	4,426	2,038	Computer equipment and software
Leasehold improvements	Leasehold improvements	2,129	3,070	Leasehold improvements
Furniture, vehicles and office equipment	Furniture, vehicles and office equipment	764	813	Furniture, vehicles and office equipment
	44,407	50,320		
	50,320			
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	(26,823)	(28,945)	
				50,320
				62,122

	\$ 17,584	\$ 21,375	
\$		\$ 21,375	\$ 27,003

Depreciation and amortization expense related to property and equipment was \$4.0 million \$4.9 million, \$4.9 million \$5.4 million and \$5.4 million \$6.5 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively.

The Company capitalized \$5.5 million \$7.3 million, \$7.3 million \$8.2 million and \$8.2 million \$11.1 million in software development costs during the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively. Amortization of capitalized software development costs was \$3.0 million \$4.3 million, \$4.3 million \$5.0 million and \$5.0 million \$5.4 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively.

In November 2022, the Company disposed of \$2.8 million of assets related to its data center, of which the majority were fully-depreciated, and recorded a \$0.2 million gain on the sale in its consolidated statements of operations.

#### Domo, Inc.

#### Notes to Consolidated Financial Statements (Continued)

#### 6. Intangible Assets

Intangible assets consisted of the following (in thousands):

		As of January 31,			
		2022	2023		
		As of January 31,		As of January 31,	
		2023		2023	2024
Intellectual property excluding patents	Intellectual property excluding patents	\$ 2,458	\$ 2,458	Intellectual property excluding patents	\$ 2,458
Patents	Patents	950	950		\$ 2,484
		3,408	3,408		
Patents				950	950
Patents				3,408	3,434
Less accumulated amortization	Less accumulated amortization	(533)	(614)		
		\$ 2,875	\$ 2,794		
		\$		\$ 2,794	\$ 2,740

Amortization expense related to intangible assets was \$0.6 million \$0.5 million, \$0.5 million \$0.1 million and \$0.1 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively. The patents were acquired and are being amortized over a weighted-average remaining useful life of approximately 3.3 years. Intellectual property excluding patents is considered an indefinite-lived asset due to the fact that it is renewable in perpetuity. The patents were acquired and are being amortized over a weighted-average remaining useful life of approximately 4.2 years.

As of January 31, 2023 January 31, 2024, future amortization expense for definite-lived intangible assets is estimated to be as follows (in thousands):

Year Ending January 31,	Year Ending January 31,
2024	\$ 80
2025	
2025	
2025	2025 80
2026	2026 80
2027	2027 75

2028	2028	11
Thereafter		10
		<u>\$336</u>
2029		
	\$	\$
		<u>256</u>

## 7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

		As of January 31,			
		2022	2023		
		As of January 31,			
		2023		2023	As of January 31, 2024
Accrued expenses	Accrued expenses	\$ 13,436	\$ 13,772	Accrued expenses	\$ 13,772
Accrued payroll and benefits		11,494	11,476		
Accrued bonus	Accrued bonus	13,064	6,708	Accrued bonus	6,708
Accrued commissions	Accrued commissions	8,119	5,438	Accrued commissions	5,438
Accrued payroll and benefits				Accrued payroll and benefits	11,476
Accrued payroll taxes				Accrued payroll taxes	2,841
Employee stock purchase plan liability	Employee stock purchase plan liability	3,840	3,071	Employee stock purchase plan liability	3,071
Accrued payroll taxes		7,798	2,841		
Sales and other taxes payable	Sales and other taxes payable	518	1,111	Sales and other taxes payable	1,111
Other accrued liabilities	Other accrued liabilities	1,707	4,889	Other accrued liabilities	4,889
		\$ 59,976	\$ 49,306		
		\$		\$ 49,306	\$ 43,430

Domo, Inc.

## Notes to Consolidated Financial Statements (Continued)

## 8. Leases

The Company leases office space under non-cancelable operating leases with various expiration dates through 2027. These leases require monthly lease payments that may be subject to annual increases throughout the lease term.

Components of lease expense are summarized as follows (in thousands):

Year Ended January 31,			Year Ended January 31,		
2021	2022	2023	2022	2023	2024
Year Ended January 31,			Year Ended January 31,		
2022			2022	2023	2024

Operating lease expense	Operating lease expense	\$ 5,748	\$ 6,451	\$ 7,042			
Short-term lease expense	Short-term lease expense	2,266	1,263	1,274			
Total lease expense	Total lease expense	\$ 8,014	\$ 7,714	\$ 8,316	Total lease expense	\$ 7,714	\$ 8,316
							\$ 7,653

Lease term and discount rate information are summarized as follows:

As of **January 31, 2023**  
**January 31, 2024**

Weighted average remaining lease term (years) **4.0** **3.1**

Weighted average discount rate **10.0%** **10.5%**

Maturities of lease liabilities as of **January 31, 2023** **January 31, 2024** were as follows (in thousands):

Year Ending	Year Ending					
<b>January 31:</b>	<b>January 31:</b>					
2024 <sup>(1)</sup>		\$ 6,599				
2025		5,701				
2025 <sup>(1)</sup>						
2025 <sup>(1)</sup>						
2025 <sup>(1)</sup>						\$ 5,987
2026	2026	5,203	2026			
2027	2027	5,343	2027			
2028	2028	1,797	2028			
Total lease payments						1,797
Total lease payments						
Total lease payments	Total lease payments	24,643				18,408
Less imputed interest	Less imputed interest	(4,467)				
Present value of lease liabilities	Present value of lease liabilities	\$ 20,176	Present value of lease liabilities			
						\$ 15,942

(1) Net of **\$0.6 million** **\$0.2 million** of tenant improvements which are expected to be utilized in fiscal **2024**, **2025**.

Cash paid for operating leases was **\$4.8 million** **\$5.2 million**, **\$5.2 million** **\$6.5 million** and **\$6.5 million** **\$7.1 million** during the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024**, respectively, and was included in net cash used in operating activities in the consolidated statements of cash flows.

In November 2020, The Company has entered into sublease agreements with various expiration dates through 2027. Under these agreements, the Company entered into an agreement expects to lease office space from its current landlord. The lease term commenced on May 1, 2021 and is for a period receive sublease income of approximately six \$6.5 million as of January 31, 2024. Sublease income was \$0.5 million, \$0.4 million and \$1.8 million for the years with rent payments over the term of the lease totaling approximately \$23.8 million. At the lease commencement date, the Company classified the lease as an operating lease ended January 31, 2022, 2023 and recorded a lease liability of \$13.6 million with a corresponding right-of-use asset.

In January 2023, the Company recorded an impairment of \$1.8 million and \$0.4 million to its ROU assets and related leasehold improvements, respectively, due to increased construction costs for one of its leases. The impairment charges are included in the accompanying consolidated statements of operations. The Company estimated the fair value using a discounted cash flows approach reflecting internally developed Level 3 assumptions. **2024**, respectively.

**Domo, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**

**9. Deferred Revenue and Performance Obligations**

**Deferred Revenue**

Significant changes in the Company's deferred revenue balance for the years ended **January 31, 2020** **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024** were as follows (in thousands):

Balance as of <b>January 31, 2020</b> <b>January 31, 2021</b>	\$ <b>109,744</b> <b>132,252</b>
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(106,070) (129,207)
Increase due to billings excluding amounts recognized as revenue during the period	128,578 167,710
Balance as of <b>January 31, 2021</b> <b>January 31, 2022</b>	132,252 170,755
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(129,207) (166,453)
Increase due to billings excluding amounts recognized as revenue during the period	167,710 181,580
Balance as of <b>January 31, 2022</b> <b>January 31, 2023</b>	170,755 185,882
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(166,453) (184,029)
Increase due to billings excluding amounts recognized as revenue during the period	181,580 186,133
Balance as of <b>January 31, 2023</b> <b>January 31, 2024</b>	\$ <b>185,882</b> <b>187,986</b>

**Transaction Price Allocated to Remaining Performance Obligations**

Transaction price allocated to remaining performance obligations represents the remaining amount of revenue the Company expects to recognize from existing non-cancelable contracts, whether billed or unbilled. As of **January 31, 2023** **January 31, 2024**, approximately **\$346.4 million** **\$354.5 million** of revenue was expected to be recognized from remaining performance obligations for subscription contracts. The Company expects to recognize approximately **\$222.1 million** **\$225.0 million** of this amount during the twelve months following **January 31, 2023** **January 31, 2024**, with the balance recognized thereafter. As of **January 31, 2023** **January 31, 2024**, approximately **\$31.8 million** **\$18.8 million** of revenue was expected to be recognized from remaining performance obligations for professional services and other contracts, **\$21.7 million** **\$16.2 million** of which is expected to be recognized during the twelve months following **January 31, 2023** **January 31, 2024**, and the balance recognized thereafter.

**10. Geographic Information**

Revenue by geographic area is determined by the billing address of the customer. The following table sets forth revenue by geographic area (in thousands):

		Year Ended January 31,			Year Ended January 31,		
		2021		2022	2023	2022	
		United	United States	2021	2022	2023	2024
United States	United States	\$ 159,462		\$ 198,040		\$ 241,753	
Japan		22,157		25,046		24,668	
Other		28,561		34,875		42,224	
<b>International</b>							
<b>Total</b>	<b>Total</b>	<b>\$ 210,180</b>		<b>\$ 257,961</b>		<b>\$ 308,645</b>	
Percentage							
Percentage of revenue by geographic area:							
United States	United States	76	%	77	%	78	%
Japan		11	%	10	%	8	%
Other		13	%	13	%	14	%
United States							
United States						77	%
International						23	%
						22	%
						79	%
						21	%

Other than the United States, and Japan, no other individual country exceeded 10% of total revenue for the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023** **2024**. As of **January 31, 2023** **January 31, 2024**, substantially all of the Company's property and equipment was located in the United States.

**Domo, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**

**11. Debt**

**Credit Facility**

The Company has a credit facility that permits up to \$100.0 million in term loan borrowings, all of which had been drawn as of **January 31, 2023** **January 31, 2024**. The credit facility is secured by substantially all of the Company's assets.

In August 2020, the Company entered into an amendment to the credit facility which extended the maturity date for the outstanding loan from October 1, 2022 to April 1, 2025. Per the amendment, the Company is required to comply with a financial covenant requiring the Company to maintain a minimum balance of unrestricted cash and cash equivalents equal to \$10.0 million until the Company's six-month adjusted cash flow is greater than zero. The amendment also revised the maximum debt ratio financial covenant and included an amendment fee of \$5.0 million, which accrues interest at a rate of 9.5% per year. The amendment fee, along with its accrued interest, is to be paid at the earlier of the payment date, maturity date, or the date the loan becomes payable.

**In August 2023, we entered into an amendment to the credit facility primarily to replace the LIBOR reference rate with a term Secured Overnight Financing Rate (Term SOFR) reference rate and make conforming changes throughout the credit agreement. The Company elected to apply the optional expedient under ASU No. 2020-04 related to changes to the reference rate from LIBOR to SOFR. Application of this expedient allowed the Company to consider the amendment to the credit facility as a continuation of the existing contract without having to perform an assessment that would otherwise be required. Additionally, the Company obtained a waiver for defaults on technical non-financial covenants related to collateral.**

The credit facility requires interest-only payments until the maturity date. A portion of the interest that accrues on the outstanding principal of each term loan is payable in cash on a monthly basis, which, portion accrues as of January 31, 2024, accrued at a floating rate equal to the greater of (1) 7% 7.0% and (2) three-month LIBOR Adjusted Term SOFR plus 5.5% per year. Adjusted Term SOFR is defined as the greater of (a) 0.0% and (b) Term SOFR plus 0.26161%. In the event that LIBOR SOFR is unavailable, interest will accrue at a floating rate equal to the greater of (1) 7% and (2) the U.S. prime rate Alternate Base Rate plus 2.75% per year. LIBOR The Alternate Base Rate is expected to be replaced defined as an index the greatest of (a) the Prime Rate (b) Federal Funds Effective Rate plus 0.5% and (c) Adjusted Term SOFR. The Federal Funds Effective rate in financial transactions is defined as the rate published by an alternative benchmark the Federal Reserve System as the overnight rate, in or, if such rate is not so published, the near future. While our loan agreement currently provides average of the quotations for a fallback the day for such transaction received by Administrative Agent from LIBOR to the U.S. prime rate, it is possible that we may amend our loan agreement to provide for a methodology to effect a transition from LIBOR to a new benchmark rate. three Federal funds brokers. As of **January 31, 2023** **January 31, 2024**, the interest rate was approximately 10.3% 11.1%. In addition to the 10.3% 11.1%, a fixed rate equal to 2.5% per year accrues on the outstanding principal of each term loan and is added to the principal amount of the outstanding term loan on a monthly basis. During the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023**, \$2.7 million **2024**, \$2.8 million **2024**, \$2.8 million and **\$2.8 million** \$2.9 million of interest was capitalized, respectively.

The credit facility requires a closing fee of \$7.0 million to be paid on the earliest of (1) the date the term loan is prepaid, (2) the term loan maturity date, which is April 1, 2025, and (3) the date the term loan becomes due and payable. Due to the long-term nature of the closing fee, and the amendment fee described above, these fees were recorded at present value as an increase to other liabilities, noncurrent and an increase to debt issuance costs. These liabilities will be accreted to their full value over the term of the loan, with such accretion recorded as interest expense in other expense, net in the consolidated statements of operations. Debt issuance costs are presented as an offset to the outstanding principal balance of the term loans on the consolidated balance sheets and are being amortized as interest expense in other expense, net in the consolidated statements of operations over the term of the loan using the effective interest rate method.

The balances in long-term debt consisted of the following (in thousands):

		As of January 31,			
		2022	2023		
As of January 31,				As of January 31,	
		2023		2023	2024
Principal	Principal	\$ 110,599	\$ 113,427		
Less: unamortized debt issuance costs	Less: debt issuance costs				
		(6,611)	(4,820)		
Net carrying amount	Net carrying amount	\$ 103,988	\$ 108,607		

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**11. Credit Facility (Continued)**

The \$100.0 million credit facility contains customary conditions to borrowing, events of default and covenants, including covenants that restrict the Company's ability to dispose of assets, make material changes to the nature, control or location of the business, merge with or acquire other entities, incur indebtedness or encumbrances, make distributions to holders of the Company's capital stock, make certain investments or enter into transactions with affiliates. In addition, the Company is required to comply with a financial covenant based on the ratio of outstanding indebtedness to annualized recurring revenue. Under the facility, the maximum ratio is 0.600 on January 31, 2021 and April 30, 2021; 0.575 on July 31, 2021 and October 31, 2021; 0.550 on January 31, 2022 and April 30, 2022; 0.525 on July 31, 2022 and October 31, 2022; and 0.500 on January 31, 2023 through the maturity date. The credit facility defines annualized recurring revenue as four times the Company's aggregate revenue for the immediately preceding quarter (net of recurring discounts and discounts for periods greater than one year) less the annual contract value of any customer contracts pursuant to which the Company was advised during such quarter would not be renewed at the end of the current term plus the annual contract value of existing customer contract increases during such quarter. This covenant is measured quarterly on a three-month trailing basis. Upon the occurrence of an event of default, such as non-compliance with covenants, any outstanding principal, interest and fees become due immediately. The Company was in compliance with the financial covenant terms of the credit facility at January 31, 2022 on January 31, 2023 and January 31, 2024.

The Company incurred interest expense of \$12.6 million \$13.4 million, \$13.4 million \$15.5 million and \$15.5 million \$19.3 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively.

**Stock Warrants**

In connection with the credit facility described above, the Company issued warrants which were exercisable for an aggregate of 125,000 shares of Class B common stock at an exercise price of \$17.8736 per share. These warrants were net exercised in September 2020, resulting in the issuance of 68,508 shares of Class B common stock.

Upon execution of the August 2020 amendment, the Company issued an additional 100,000 fully vested warrants to purchase Class B common stock with an exercise price of \$0.01. These warrants were exercised in May 2021, resulting in the issuance of 100,000 shares of Class B common stock.

Warrants issued in connection with the credit facility were recorded as an increase to additional paid-in capital with a corresponding increase to debt issuance costs.

See Note 13 "Stockholders' Deficit" for further details regarding stock warrants.

**Structured Payables**

In June 2022, the Company entered into a structured payables agreement pursuant to which the counterparty assumes responsibility for payables to designated suppliers. The agreement contains an annual limit of an aggregate of \$60.0 million, with a maximum allowable outstanding principal balance at any time of \$5.0 million. The Company is required to pay interest that accrues at a rate equal to 0.0417% per day after the date on which the Company is required to pay the counterparty with respect to each covered invoice, which interest rate increases to 0.0750% per day at the earlier of 61 days after the respective invoice due date or 121 days after the date of the approved invoice. The Company's obligations are secured by \$6.0 million of the Company's accounts receivable. As of January 31, 2023 January 31, 2024, there were no outstanding obligations related to these structured payables. During the year ended January 31, 2023 January 31, 2024, no interest expense was recognized related to this agreement.

**12. Commitments and Contingencies**

**Litigation**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**12. Commitments and Contingencies (Continued)**

As discussed more fully in Part I, Item 3 (Legal Proceedings), in November 2019, a securities class action complaint was filed by a purported stockholder of the Company against the Company, certain of the Company's current and former officers and directors, and the underwriters of the Company's June 2018 initial public offering alleging violations of securities laws and seeking unspecified damages. The Company believes this lawsuit is without merit and intends to defend the case vigorously. The Company believes a loss related to this matter is reasonably possible, but is unable to estimate a range of loss, if any, that could result were there to be an adverse final decision in this case. As of the date of this report, the Company does not believe it is probable that this case will result in an unfavorable outcome; however, if an unfavorable outcome were to occur in this case, it is possible that the impact could be material to the Company's results of operations in the period(s) in which any such outcome becomes probable and estimable.

The Company is involved in other legal proceedings from time to time arising in the normal course of business. Management believes that the outcome of these proceedings will not have a material impact on the Company's financial condition, results of operations, or liquidity.

**Warranties and Indemnification**

The Company's subscription services are generally warranted to perform materially in accordance with the terms of the applicable customer service order under normal use and circumstances. Additionally, the Company's arrangements generally include provisions for indemnifying customers against liabilities if its subscription services infringe a third party's intellectual property rights. Furthermore, the Company may also incur liabilities if it breaches the security or confidentiality obligations

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**12. Commitments and Contingencies (Continued)**

in its arrangements. To date, the Company has not incurred significant costs and has not accrued a liability in the accompanying consolidated financial statements as a result of these obligations.

The Company has entered into service-level agreements with some of its customers defining levels of uptime reliability and performance and permitting those customers to receive credits for prepaid amounts related to unused subscription services if the Company fails to meet certain of the defined service levels. In very limited instances, the Company allows customers to early terminate their agreements if the Company repeatedly or significantly fails to meet those levels. If the Company repeatedly or significantly fails to meet contracted upon service levels, a contract may require a refund of prepaid unused subscription fees. To date, the Company has not experienced any significant failures to meet defined levels of uptime reliability and performance as set forth in its agreements and, as a result, the Company has not accrued any liabilities related to these agreements in the consolidated financial statements.

**Letter of Credit**

In conjunction with a September 2022 amendment to an existing lease agreement, the Company provided a \$3.7 million letter of credit to secure the Company's obligations to pay the landlord for the cost of improvements in excess of the landlord's contribution. No draws have been made on the letter of credit. The letter of credit ~~expires~~ renewed in September 2023 and ~~contains an option for renewal~~. ~~expires December 2024~~. The amount underlying such letter of credit is reflected as restricted cash under cash, cash equivalents, and restricted cash in the Company's condensed consolidated balance sheets as of ~~January 31, 2023~~ ~~January 31, 2024~~.

**Other Purchase Commitments**

The Company has also entered into certain non-cancelable contractual commitments related to cloud infrastructure services in the ordinary course of business. As of ~~January 31, 2023~~ ~~January 31, 2024~~, the Company had non-cancelable commitments related to these services of ~~\$100.5 million~~ ~~\$75.0 million~~.

**13. Stockholders' Deficit**

**Preferred Stock**

The Company's Board of Directors has the authority, without further action by the Company's stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, and privileges thereof, including voting rights. As of ~~January 31, 2022~~ ~~January 31, 2023~~ and ~~January 31, 2023~~ ~~January 31, 2024~~, no shares of preferred stock were issued and outstanding.

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**13. Stockholders' Deficit (Continued)**

**Common Stock**

The Company has two classes of common stock, Class A and Class B. Each share of Class A common stock is entitled to 40 votes per share and is convertible at any time into one share of Class B common stock. Each share of Class A common stock will convert automatically into one share of Class B common stock upon any transfer, whether or not for value. Each share of Class B common stock is entitled to one vote per share. Holders of Class A common stock and Class B common stock vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or the Company's certificate of incorporation. Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of Class A common stock and Class B common stock are entitled to receive dividends, if any, as may be declared by the Company's board of directors.

At ~~January 31, 2022~~ ~~January 31, 2023~~ and ~~January 31, 2023, 2024~~, there were 3,263,659 shares of Class A common stock authorized. At ~~January 31, 2022~~ and ~~January 31, 2023~~, there were 3,263,659 shares of Class A common stock authorized, issued and outstanding.

At ~~January 31, 2022~~ ~~January 31, 2023~~ and ~~January 31, 2023, 2024~~, there were 500,000,000 shares of Class B common stock authorized. At ~~January 31, 2022~~ ~~January 31, 2023~~ and ~~January 31, 2023, 2024~~ there were ~~29,729,822~~ ~~31,572,826~~ and ~~31,572,826~~ ~~33,655,756~~ shares of Class B common stock issued and outstanding, respectively.

**Domo, Inc.**

## Notes to Consolidated Financial Statements (Continued)

### 13. Stockholders' Deficit (Continued)

#### Class B Common Stock Warrants

In connection with the credit facility and a line of credit signed in July 2016, the Company issued warrants to purchase shares of Class B common stock. As of January 31, 2023 January 31, 2024, there were 3,333 shares of Class B common stock subject to issuance under outstanding warrants, which are exercisable at \$34.35 per share.

### 14. Equity Incentive Plans

In April 2011, the Company established the 2011 Equity Incentive Plan (2011 Plan), which was amended in September 2011 to provide for the issuance of stock options and other stock-based awards. In June 2018, the Company adopted the 2018 Equity Incentive Plan (2018 Plan). The 2018 Plan provides for the grant of incentive and nonstatutory stock options, restricted stock, RSUs, stock appreciation rights, performance units, and performance shares to employees, consultants, and members of the Company's board of directors.

The number of shares available for issuance under the 2018 Plan includes an annual increase on the first day of each fiscal year equal to the least of: (1) 3,500,000 shares; (2) 5% of the outstanding shares of Class A and Class B common stock as of the last day of the immediately preceding fiscal year; and (3) such other amount as the Company's board of directors may determine no later than the last day of the immediately preceding year. During the year ended January 31, 2023 January 31, 2024, the number of shares available for grant under the 2018 Plan was increased by 1,649,674 1,741,824 shares. As of January 31, 2023 January 31, 2024, there were 3,874,073 3,116,044 shares available for grant under the 2018 Plan.

In connection with the IPO, the 2011 Plan was terminated. With the establishment of the 2018 Plan, the Company no longer grants equity-based awards under the 2011 Plan and any shares that expire, terminate, are forfeited or repurchased by the Company, or are withheld by the Company to cover tax withholding obligations, under the 2011 Plan, will become available for future grant under the 2018 Plan.

## Domo, Inc.

## Notes to Consolidated Financial Statements (Continued)

### 14. Equity Incentive Plans (Continued)

The Company recognized stock-based compensation expense related to its equity incentive plans as follows (in thousands):

		Year Ended January 31,					
		2021	2022	2023			
		Year Ended January 31,			Year Ended January 31,		
		2022			2022	2023	2024
Cost of revenue:	Cost of revenue:						
Subscription	Subscription	\$ 1,213	\$ 2,819	\$ 2,676	\$ 2,819	\$ 2,676	\$ 2,810
Professional services and other	Professional services and other	843	1,753	1,822	1,753	1,822	1,735
Sales and marketing	Sales and marketing	10,936	21,241	30,636	21,241	30,636	25,015
Research and development	Research and development	9,095	15,853	24,335	15,853	24,335	19,520
General and administrative	General and administrative	11,218	18,155	23,680	18,155	23,680	14,565
Interest expense	Interest expense	444	705	710			
Total	Total	\$ 33,749	\$ 60,526	\$ 83,859			

#### Stock Options

Stock options typically vest over a four-year period and have a term of ten years from the date of grant. There were no stock options granted during the years ended January 31, 2021 January 31, 2022, 2022, 2023, and 2023, 2024.

**14. Equity Incentive Plans (Continued)**

The following table sets forth the outstanding common stock options and related activity for the years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023**: **2024**:

	Shares Subject to Outstanding Options	Weighted- Average				Shares Subject to Outstanding Options	Weighted- Average Exercise Price per Share	
		Outstanding	Weighted- Average Exercise Price per Share	Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)			
		Options	Price per Share	Term (years)	thousands)			
Outstanding as of January 31, 2020		1,745,415	\$ 23.91	4.6	\$ 5,152			
Exercised	Exercised	(374,049)	21.64					
Exercised								
Forfeited								
Forfeited	Forfeited	(2,112)	27.96					
Expired	Expired	(72,751)	37.53					
Outstanding as of January 31, 2021		1,296,503	23.79	3.7	51,339			
Exercised		(332,137)	16.92					
Forfeited		(1,009)	28.20					
Expired	Expired	(69)	40.02					
Expired								
Outstanding as of January 31, 2022								
Outstanding as of January 31, 2022								
Outstanding as of January 31, 2022	Outstanding as of January 31, 2022	963,288	26.16	2.9	20,166	963,288	26.16	2.9
Exercised	Exercised	(47,389)	18.17					
Expired	Expired	(39,615)	30.48					
Expired								
Expired								
Outstanding as of January 31, 2023	Outstanding as of January 31, 2023	876,284	\$ 26.40	1.9	\$ 59			
Vested and exercisable at January 31, 2023		875,242	\$ 26.39	1.9	\$ 59			
Outstanding as of January 31, 2023								
Outstanding as of January 31, 2023						876,284	26.40	

Exercised			
Expired			
Expired			
Expired			
Outstanding as of January 31, 2024			
Outstanding as of January 31, 2024			
Outstanding as of January 31, 2024			
Vested and exercisable at January 31, 2024	793,314	\$ 26.52	
Vested and exercisable at January 31, 2024	793,314	\$ 26.52	

The aggregate intrinsic value of options exercised was \$10.8 million \$17.3 million, \$17.3 million \$1.5 million and \$1.5 million \$0.0 million for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023 2024, respectively. The intrinsic value represents the excess of the estimated market closing price of the Company's common stock on the date of exercise over the exercise price of each option. The intrinsic value of options as of January 31, 2023 January 31, 2024 is based on the market closing price of the Company's Class B common stock on that date.

As of January 31, 2023 January 31, 2024, there was \$11,000 of unrecognized all outstanding stock options were vested and exercisable and stock-based compensation expense related to all outstanding stock options which is expected to be recognized over a weighted-average period of 0.1 years, has been recognized.

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**14. Equity Incentive Plans (Continued)**

**Restricted Stock Units**

Restricted stock units (RSUs) granted under the Plan primarily vest and settle upon the satisfaction of a service-based condition. The service-based condition for these awards is generally satisfied over three or four years with a cliff vesting period of one or two years and quarterly vesting thereafter. RSUs include performance-based restricted stock units (PSUs), which are subject to a market condition and settle upon the satisfaction of a service-based condition. Disclosures related to RSU activity include the impact of PSUs.

During the year three months ended January 31, 2023, April 30, 2022 the Company granted 71,667 PSUs with both a market and service-based condition. The These awards were subsequently modified and related to the service-based condition, which resulted in a \$1.1 million reversal of stock-based compensation expense during the year ended January 31, 2024. Additionally, 23,889 of these PSUs are eligible were canceled during the year ended January 31, 2024.

**Domo, Inc.**

**Notes to vest in three equal tranches on the one, two, and three year anniversaries of the grant date upon Company's Class B common stock achieving a 30-day volume-weighted average price for 30 consecutive trailing trading days of \$60.00 per share, \$70.00 per share, and \$90.00 per share, respectively. The grant date fair values of the PSUs granted were \$36.07 per share, \$33.98 per share, and \$30.26 per share, respectively, as determined by a Monte Carlo simulation model. Consolidated Financial Statements (Continued)**

**14. Equity Incentive Plans (Continued)**

The following table sets forth the outstanding RSUs and related activity for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023 2024:

	Number of Shares	Weighted-Average Date Fair Value
Outstanding as of January 31, 2020	2,176,805	\$ 23.40
Granted	3,209,165	25.94
Vested	(1,028,734)	21.71
Canceled	(499,075)	23.22

		Number of Shares		Number of Shares		Weighted- Average Grant Date Fair Value	
Outstanding as of January 31, 2021	Outstanding as of January 31, 2021	3,858,161	25.97				
Granted	Granted	2,540,946	77.98				
Vested	Vested	(1,681,544)	25.37				
Canceled	Canceled	(378,944)	40.42				
Outstanding as of January 31, 2022	Outstanding as of January 31, 2022	4,338,619	55.40				
Granted	Granted	2,314,571	39.46				
Vested	Vested	(1,630,656)	51.26				
Canceled	Canceled	(1,128,440)	53.27				
Outstanding as of January 31, 2023	Outstanding as of January 31, 2023	3,894,094	\$ 48.27				
Granted							
Vested							
Canceled							
Outstanding as of January 31, 2024							

As of **January 31, 2023** **January 31, 2024**, there was **\$150.6 million** **\$99.8 million** of unrecognized stock-based compensation expense related to outstanding RSUs which is expected to be recognized over a weighted-average period of **2.4** **2.2** years.

**In March 2022, the Company paid out certain fiscal 2022 bonuses in the form of vested RSUs instead of cash, resulting in the issuance of approximately 90,000 shares of the Company's Class B common stock. The Company recognized \$3.6 million of stock-based compensation related to these bonuses during the year ended January 31, 2023.**

**In April 2022, the Company modified and accelerated the vesting of awards for certain employees, resulting in the issuance of approximately 56,000 shares of the Company's Class B common stock. The Company recognized \$2.6 million of stock-based compensation related to these modifications during the year ended January 31, 2023.**

#### **Employee Stock Purchase Plan**

**Domo, Inc.**

#### **Notes to Consolidated Financial Statements (Continued)**

#### **14. Equity Incentive Plans (Continued)**

In June 2018, the Company's board of directors adopted the ESPP. The number of shares of Class B common stock available for issuance under the ESPP increases on the first day of each fiscal year equal to the least of: (1) 1,050,000 shares of Class B common stock, (2) 1.5% of the outstanding shares of Class A and Class B common stock of the Company on the last day of the immediately preceding fiscal year, and (3) such other amount as the administrator of the ESPP may determine on or before the last day of the immediately preceding year. During the year ended **January 31, 2023** **January 31, 2024**, the number of shares available under the ESPP was increased by **164,967** **522,547** shares. As of **January 31, 2023** **January 31, 2024**, there were **307** **190,551** shares available under the ESPP.

The ESPP generally provides for consecutive overlapping 12-month offering periods comprising two six-month purchase periods. The offering periods are scheduled to start on the first trading day on or after April 1 and October 1 of each year. The ESPP is intended to qualify as a tax-qualified plan under Section 423 of the Internal Revenue Code and permits participants to elect to purchase shares of Class B common stock through payroll deductions of up to 25% of their eligible compensation. Under the ESPP, a participant may purchase a maximum of 300 shares during each purchase period.

Amounts deducted and accumulated by the participant will be used to purchase shares of Class B common stock at the end of each purchase period. The purchase price of the shares will be 85% of the lower of the fair market value of Class B common stock on the first trading day of each offering period or the fair market value of Class B common stock on the applicable exercise date. If the fair market value of a share of Class B common stock on the exercise date of an offering period is less than it was on the first trading day of that offering period, participants automatically will be withdrawn from that offering period following their purchase of shares on the exercise date and will be re-enrolled in a new offering period. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of Class B common stock. Participation ends automatically upon termination of employment.

As of **January 31, 2023** **January 31, 2024**, a total of approximately **345,016** **494,569** shares were issuable to employees based on estimated shares available and contribution elections made under the ESPP. **Shares** **Estimated shares** available were estimated assuming that the plan will be increased by an amount approximating 1.5% of shares outstanding as of January 31, 2023. As of **January 31, 2023** **January 31, 2024**,

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**14. Equity Incentive Plans (Continued)**

total unrecognized stock-based compensation related to the ESPP was **\$1.4 million** **\$0.8 million**, which is expected to be recognized over a weighted-average period of 0.5 years.

The fair value of the purchase rights for the ESPP are estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended January 31,			Year Ended January 31,			2024
	2021	2022	2023	2022	2023	2024	
Expected stock price volatility	Expected stock price volatility	49% - 83%	41% - 82%	60% - 90%	41% - 82%	60% - 90%	74% - 93%
Expected term	Expected term	0.5 - 2.0 years	0.5 - 1.0 year	0.5 - 1.0 year	0.5 - 1.0 year	0.5 - 1.0 year	0.5 - 1.0 year
Risk-free interest rate	Risk-free interest rate	0.11% - 0.23%	0.04% - 0.09%	1.09% - 4.05%	0.04% - 0.09%	1.09% - 4.05%	4.60% - 5.58%
Expected dividend yield	Expected dividend yield	—	—	—	—	—	—

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**15. Income Taxes**

The components of the income tax provision were as follows (in thousands):

	Year Ended January 31,			Year Ended January 31,			2024
	2021	2022	2023	2022	2023	2024	
Current income provision:	Current income provision:						
State	State	32	5	135			
State							
State	Foreign	361	80	586	Foreign	80	586
Foreign	Foreign	393	85	721			884
		85				85	
Deferred income tax provision:	Deferred income tax provision:						
Foreign	Foreign	16	(546)	458			
Foreign							
Foreign					(546)	458	292

Provision for (benefit from) income taxes	Provision for (benefit from) income taxes	\$ 409	\$ (461)	\$ 1,179
Provision for (benefit from) income taxes				
Provision for (benefit from) income taxes			\$ (461)	\$ 1,179

Total income tax expense differed from the amounts computed by applying the U.S. federal income tax rate to income before income tax expense as a result of the following (in thousands):

	Year Ended January 31,			Year Ended January 31,		
	2021 2022 2023			2022 2023 2024		
	Year Ended January 31,			Year Ended January 31,		
	2022			2022	2023	2024
Tax benefit at U.S. federal statutory rate <sup>(1)</sup>	Tax benefit at U.S. federal statutory rate <sup>(1)</sup>	\$ (17,687)	\$ (21,540)	\$ (21,918)		
State income taxes, net of federal tax benefit	State income taxes, net of federal tax benefit	(4,689)	(4,896)	(5,325)		
Non-deductible expenses	Non-deductible expenses	85	157	3,168		
Foreign tax differential	Foreign tax differential	351	(752)	7		
Stock-based compensation	Stock-based compensation	(4,263)	(15,045)	10,730		
Research and development credits	Research and development credits	(2,561)	(2,579)	(1,839)		
Change in valuation allowance	Change in valuation allowance	29,160	44,287	16,260		
Foreign withholding taxes	Foreign withholding taxes	—	—	82		
Other	Other	13	(93)	14		
Provision for (benefit from) income taxes	Provision for (benefit from) income taxes	\$ 409	\$ (461)	\$ 1,179		

(1) The statutory tax rate used in this analysis was 21% for the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024.

Domo, Inc.

Notes to Consolidated Financial Statements (Continued)

## 15. Income Taxes (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities were as follows (in thousands):

		As of January 31,			
		2022	2023		
		As of January 31,		As of January 31,	
Deferred tax assets:	Deferred tax assets:			2023	2024
Net operating loss carryforwards					
Net operating loss carryforwards					
Net operating loss carryforwards					
Stock based compensation	Stock based compensation				
Accruals and other reserves	Accruals and other reserves				
Research and development credit carryforwards	Research and development credit carryforwards				
163(j) interest limitation	163(j) interest limitation				
174 Expense	174 Expense				
Foreign acquisition costs	Foreign acquisition costs				
Lease liability	Lease liability				
Deferred Revenue	Deferred Revenue				
Other	Other				
Gross deferred tax assets	Gross deferred tax assets				
Valuation allowance	Valuation allowance				
Total deferred tax assets, net of valuation allowance	Total deferred tax assets, net of valuation allowance				
Deferred tax liabilities:	Deferred tax liabilities:				
Deferred tax liabilities:	Deferred tax liabilities:				
Contract acquisition costs	Contract acquisition costs				
Contract acquisition costs	Contract acquisition costs				

Contract acquisition costs	Contract acquisition costs	(8,924)	(9,014)
Capitalized software	Capitalized software	(3,645)	(3,893)
Right-of-use assets	Right-of-use assets	(4,010)	(3,751)
Basis difference in intangible assets	Basis difference in intangible assets	(313)	(351)
Other			
Total deferred tax liabilities	Total deferred tax liabilities	(16,892)	(17,009)
Net deferred tax liabilities	Net deferred tax liabilities	\$ (226)	\$ (692)

In assessing whether deferred tax assets should be recognized, the Company considered whether it is more-likely-than-not that some portion or all of the deferred tax assets would be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considered the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. While limited losses may be utilized due to capitalization of research and development expense, the Company determined it was more-likely-than-not that its domestic deferred tax assets would not be realized as of **January 31, 2022** **January 31, 2023** and **2023** **2024** and, accordingly, recorded a full valuation allowance. Net deferred tax liabilities are included in other liabilities, noncurrent on the consolidated balance sheets.

As of **January 31, 2023** **January 31, 2024**, the Company had federal and state NOLs available to offset future taxable income, if any, of **\$1,166.2 million** **\$1,178.3 million** and **\$1,344.7 million** **\$1,352.8 million**, respectively. The federal NOLs will begin to expire in 2032. The state NOLs will expire depending upon the various rules in the states in which the Company operates. Full realization of the NOLs is dependent on generating sufficient taxable income prior to their expiration. The ability to realize the NOLs and other deferred tax assets could also be limited by previous or future changes in ownership in accordance with rules in Internal Revenue Code Sections 382 and 383.

As of **January 31, 2023** **January 31, 2024**, the Company also had unused federal and state research and development tax credits of **\$22.8 million** **\$25.8 million** and **\$8.7 million** **\$9.5 million**, respectively. A small portion of the federal and state credits will expire depending upon the various rules in the states in which the Company operates. As of January 31, 2023, the Company also had foreign tax credits of \$0.4 million which begin to expire in 2024.

#### Domo, Inc.

#### Notes to Consolidated Financial Statements (Continued)

#### 15. Income Taxes (Continued)

rules in the states in which the Company operates. As of January 31, 2024, the Company also had foreign tax credits of \$0.4 million which begin to expire in 2024.

During the fiscal years ended years ended **January 31, 2021** **January 31, 2022**, **2022** **2023** and **2023**, **2024**, the aggregate changes in the total gross amount of unrecognized tax benefits were as follows (in thousands):

		Year Ended January 31,					
		2021	2022	2023			
		Year Ended January 31,			Year Ended January 31,		
		2022			2022	2023	2024
Beginning balance	Beginning balance	\$ 5,430	\$ 6,333	\$ 7,236			
Increase in unrecognized tax benefits taken in prior years	Increase in unrecognized tax benefits taken in prior years	939	914	663			
Decrease in unrecognized tax benefits related to current year		(36)	(11)	(31)			

	\$ 6,333	\$ 7,236	\$ 7,868
(Decrease)			
increase in unrecognized tax benefits related to current year			
	\$		

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is zero due to the valuation allowance. Any tax legislation impacting the taxability of the Company may change the unrecognized tax benefits over the next twelve months.

The Company files U.S. federal, U.S. state, and foreign tax returns and is subject to examination by various taxing authorities for all open tax years. The Company is not currently under audit by the Internal Revenue Service or any other tax authority.

The Company paid income taxes of \$0.8 million, \$0.6 million, \$0.3 million and \$0.3 million during the years ended January 31, 2021 January 31, 2022, 2022 2023 and 2023, 2024, respectively.

#### 16. Net Loss Per Share

The Company computes net loss per share using the two-class method required for multiple classes of common stock and participating securities. The rights, including the liquidation and dividend rights, of the Class A common stock and Class B common stock are substantially identical, other than voting rights. Accordingly, the Class A common stock and Class B common stock share equally in the Company's net losses.

The following table sets forth the calculation of basic and diluted net loss per share during the periods presented (in thousands, except per share amounts):

		Year Ended January 31,					
		2021		2022		2023	
		Class A	Class B	Class A	Class B	Class A	Class B
Year Ended January 31,							
		2022				2022	
		Class A				Class	
Numerator:	Numerator:					A	
Net loss	Net loss	\$ (9,426)	\$ (75,208)	\$ (10,408)	\$ (91,703)	\$ (10,106)	\$ (95,445)
Denominator:	Denominator:						
Weighted-average number of shares used in computing net loss per share, basic and diluted	Weighted-average number of shares used in computing net loss per share, basic and diluted						
		3,264	26,044	3,264	28,757	3,264	30,828
Weighted-average number of shares used in computing net loss per share, basic and diluted							
Weighted-average number of shares used in computing net loss per share, basic and diluted							
Net loss per share, basic and diluted	Net loss per share, basic and diluted	\$ (2.89)	\$ (2.89)	\$ (3.19)	\$ (3.19)	\$ (3.10)	\$ (3.10)

Since the Company was in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share for all periods as the inclusion of all potential common shares outstanding would have been anti-dilutive. The

**Domo, Inc.**

**Notes to Consolidated Financial Statements (Continued)**

**16. Net Loss Per Share (Continued)**

weighted-average impact of potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive was as follows (in thousands):

	Year Ended January 31,			Year Ended January 31,		
	2022		2023	2024		
	Year Ended January 31,					
	2021	2022	2023			
Options to purchase common stock						
Options to purchase common stock						
Options to purchase common stock	Options to purchase common stock	498	751	92		
Restricted stock units	Restricted stock units	1,830	2,193	425		
Employee stock purchase program	Employee stock purchase program	1,037	353	—		
Common stock warrants	Common stock warrants	85	45	—		
	3,450	3,342	517			
	3,342					

**17. Employee Benefit Plan**

The Company has a defined contribution retirement savings plan qualified under Section 401(k) of the Internal Revenue Code (IRC), which is a pretax savings plan covering substantially all employees. Under the plan, employees may contribute up to 50% of their pretax salary, subject to certain IRC limitations. Employees are eligible to participate beginning on the first day of the month following their first 30 days of employment. The Company recorded expenses for contributions to its retirement savings plan of **\$1.6 million** **\$3.9 million**, **\$3.9 million** **\$4.4 million** and **\$4.4 million** **\$4.3 million** during the years ended **January 31, 2021**, **January 31, 2022**, **2022** **2023** and **2023**, **2024**, respectively.

**18. Subsequent Events**

On March 10, 2023, the California Department of Financial Protection and Innovation closed Silicon Valley Bank (SVB) and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. At such time, In February 2024, the Company had approximately \$12.4 million in deposit accounts with SVB, entered into an additional \$18.3 million subject amendment to SVB sweep account arrangements (with amounts held in custodial accounts with third-party the credit facility which extended the maturity date for the outstanding loan from April 1, 2025 to April 1, 2026. The amendment, among other things, replaced the financial institutions), and utilized SVB for its banking operations. On March 12, 2023, covenant based on the U.S. Department ratio of the Treasury, U.S. Federal Reserve, and Company's outstanding indebtedness to annualized recurring revenue with a minimum annualized recurring revenue financial covenant. Additionally, the FDIC announced that depositors of SVB would have access to all of their cash deposits starting March 13, 2023, and on March 13, 2023, the FDIC announced that it transferred all deposits and substantially all assets of SVB to a newly created, full-service FDIC-operated bridge bank, Silicon Valley Bridge Bank, N.A. On March 13, 2023, financial covenant requiring the Company began to execute its plans maintain a minimum balance of unrestricted cash and cash equivalents was increased. The amendment also added a minimum consolidated adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) financial covenant. In conjunction with this amendment, the Company issued 189,036 fully-vested warrants to transfer excess cash deposits at SVB to other financial institutions. The Company does not anticipate any losses purchase Class B common stock with respect to its cash that had been deposited with SVB or is deposited with Silicon Valley Bridge Bank, N.A., which continues to process payments an exercise price of \$0.01 per share, adjusted for the Company stock splits and combinations. These warrants have an expiration date of February 17, 2028.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## Item 9A. Controls and Procedures

### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

### ***Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Rule 13a-15(f) and 15d-15(f) under the Exchange Act. We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation, our management concluded that our internal control over financial reporting was effective as of **January 31, 2023** **January 31, 2024**.

The effectiveness of our internal controls over financial reporting as of **January 31, 2023** **January 31, 2024** has been audited by Ernst and Young LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 of this Annual Report on Form 10-K.

### ***Changes in Internal Control Over Financial Reporting***

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### ***Inherent Limitations on Effectiveness of Disclosure Controls and Procedures***

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## Item 9B. Other Information

### ***None. Securities Trading Plans of Directors and Officers***

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

## Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

## PART III

## Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to our Proxy Statement relating to our **2023** **2024** Annual Meeting of Stockholders. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended **January 31, 2023** **January 31, 2024**.

Our board of directors has adopted a Code of Business Conduct and Ethics, or the Code of Conduct, that applies to all officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The Code of Conduct is available on our website at [www.domo.com/ir](http://www.domo.com/ir) under "Governance". The nominating and corporate governance committee of our board of directors is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for all of our executive officers and directors. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments and waivers of our Code of Conduct that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting that information on our website address specified above.

## Item 11. Executive Compensation

The information required by this item is incorporated by reference to our Proxy Statement relating to our **2023** **2024** Annual Meeting of Stockholders. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended **January 31, 2023** **January 31, 2024**.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to our Proxy Statement relating to our **2023** **2024** Annual Meeting of Stockholders. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended **January 31, 2023** **January 31, 2024**.

## Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to our Proxy Statement relating to our **2023** **2024** Annual Meeting of Stockholders. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended **January 31, 2023** **January 31, 2024**.

#### **Item 14. Principal Accountant Fees and Services**

The information required by this item is incorporated by reference to our Proxy Statement relating to our **2023** **2024** Annual Meeting of Stockholders. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended **January 31, 2023** **January 31, 2024**.

#### **PART IV**

#### **Item 15. Exhibits and Financial Statement Schedules**

The following documents are filed as a part of this Annual Report on Form 10-K:

(a) Financial Statements

The information concerning our financial statements, including the Report of Independent Registered Public Accounting Firm required by this item is incorporated by reference herein to the section of this Annual Report on Form 10-K in Item 8, entitled "Consolidated Financial Statements and Supplementary Data."

(b) Financial Statement Schedules

All schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information required is included in Item 8, entitled "Consolidated Financial Statements and Supplementary Data."

(c) Exhibits

See the Exhibit Index immediately following the signature page of this Annual Report on Form 10-K.

#### **Item 16. Form 10-K Summary**

None.

#### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**DOMO, INC.**

Date: **March 24, 2023** **March 28, 2024**

By: /s/ Joshua G. James

Joshua G. James

*Chief Executive Officer and Director*

*(Principal Executive Officer)*

Date: **March 24, 2023** **March 28, 2024**

By: /s/ David Jolley

David Jolley

*Chief Financial Officer*

*(Principal Financial and Accounting Officer)*

#### **POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Joshua G. James and David Jolley, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file, any and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agents, and each of them, full power and authority to do and perform each and every act and

thing, ratifying and confirming all that said attorney-in-fact and agents or any of them or their and his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Joshua G. James	Chief Executive Officer and Director	March 24, 2023 28, 2024
Joshua G. James	<i>(Principal Executive Officer)</i>	
/s/ David Jolley	Chief Financial Officer	March 24, 2023 28, 2024
David Jolley	<i>(Principal Accounting and Financial Officer)</i>	
/s/ Dan Strong	Director	March 24, 2023 28, 2024
Dan Strong		
/s/ Carine S. Clark	Director	March 24, 2023 28, 2024
Carine S. Clark		
/s/ Renée Soto	Director	March 24, 2023 28, 2024
Renée Soto		
/s/ Daniel Daniel	Director	March 24, 2023 28, 2024
Daniel Daniel		
/s/ Jeff Kearn	Director	March 24, 2023 28, 2024
Jeff Kearn		
/s/ John Pestana	Director	March 24, 2023 28, 2024
John Pestana		

## EXHIBIT INDEX

3.2	3.2	<u>Amended and Restated Bylaws</u>	10-K	001-38553	3.2	April 15, 2019
	3.2					
	3.2					
	4.1					
	4.1					
4.1	4.1	<u>Specimen Common Stock Certificate of the registrant</u>	S-1/A	333-225348	4.1	June 18, 2018
4.2	4.2	<u>Amended and Restated Investor Rights Agreement, dated April 13, 2017, by and among the registrant and the investors and founders named therein</u>	S-1	333-225348	4.2	June 1, 2018
	4.2					
	4.2					
	4.3					
4.3	4.3	<u>Warrant to purchase 50,000 shares of Class B common stock, issued to Silicon Valley Bank on July 18, 2016</u>	S-1	333-225348	4.4	June 1, 2018
4.4	4.4	<u>Form of Amended and Restated Warrant to Purchase Stock, dated as of January 4, 2019</u>	8-K	001-38553	4.1	January 7, 2019
	4.4					
	4.4					
4.5	4.5	<u>Form of Warrant to Purchase Stock, dated as of August 7, 2020</u>	8-K	001-38553	4.1	August 7, 2020
	4.5					
	4.5					
	4.6					
	4.6					



10.7	10.7	<u>Loan and Security Agreement</u> <u>dated as of December 5, 2017, between the registrant, Wilmington Trust National Association and Obsidian Agency Services, Inc.</u>	S-1	333-225348	10.7	June 1, 2018
	10.7					
	10.7					
	10.8					
10.8	10.8	<u>First Amendment to Loan and Security Agreement and Pledge Agreement dated as of April 17, 2018, between the registrant, Wilmington Trust National Association and Obsidian Agency Services, Inc.</u>	S-1	333-225348	10.8	June 1, 2018

10.9	10.9	<u>Third</u> <u>Amendment to</u> <u>Loan and</u> <u>Security</u> <u>Agreement</u> <u>dated as of</u> <u>January 4,</u> <u>2019, by and</u> <u>among Domo,</u> <u>Inc., a</u> <u>Delaware</u> <u>corporation,</u> <u>Domo, Inc., a</u> <u>Utah</u> <u>corporation,</u> <u>the lenders</u> <u>from time to</u> <u>time party</u> <u>thereto,</u> <u>Obsidian</u> <u>Agency</u> <u>Services Inc.,</u> <u>as collateral</u> <u>agent, and</u> <u>Wilmington</u> <u>Trust, National</u> <u>Association, as</u> <u>administrative</u> <u>agent</u>	8-K	001-	10.1	January 38553 7, 2019
	10.9					
	10.9					
	10.10					
	10.10					

10.10	10.10	<u>Fourth Amendment to Loan and Security Agreement, dated as of August 7, 2020, by and among Domo, Inc., a Delaware corporation, Domo, Inc., a Utah corporation, the lenders from time to time party thereto, Obsidian Agency Services Inc., as collateral agent, and Wilmington Trust, National Association, as administrative agent</u>	8-K	001-38553	10.1	August 10, 2020
10.11+	10.11+	<u>Form of Change in Control and Severance Agreement</u>	S-1	333-225348	10.9	June 18, 2018
	10.11+					
	10.11+					
	10.12					
10.12	10.12	<u>Outside Director Compensation Policy</u>	S-1	333-225348	10.10	June 18, 2018
10.13+	10.13+	<u>Aircraft Dry Lease Agreement, dated October 15, 2015, between the registrant and 11 Spud LLC</u>	S-1	333-225348	10.11	June 1, 2018
10.14+	10.14+	<u>Corrected Confirmatory Employment Letter, dated June 17, 2018, between the registrant and Joshua James</u>	8-K	001-38553	10.1	May 14, 2019
	10.13+					

10.13+
10.16+
10.16+
10.16+

10.15+	<u>Corrected</u> 8- 001- 10.2 May 14, <u>Confirmatory</u> K 38553 2019 <u>Employment</u> <u>Letter dated</u> <u>June 15,</u> <u>2018.</u> <u>between the</u> <u>registrant</u> <u>and Bruce</u> <u>Felt</u>
10.16+	<u>Confirmatory</u> S- 333- 10.14 June 18, <u>Employment</u> 1 225348 2018 <u>Letter dated</u> <u>June 16,</u> <u>2018.</u> <u>between the</u> <u>registrant</u> <u>and</u> <u>Catherine</u> <u>Wong</u> <u>Letter</u> 8- 001- 10.1 March 1, <u>Agreement</u> , K 38553 2022 <u>dated as of</u> <u>March 1,</u> <u>2022, by</u> <u>and among</u> <u>the</u> <u>Company,</u> <u>Joshua</u> <u>James,</u> <u>Cocolalla,</u> <u>LLC and</u> <u>Cinnamon</u>
10.17+	10.17+ <u>Birch, LLC</u> <u>Separation</u> 8- 001- 10.2 March 1, and K 38553 2022 <u>Transition</u> <u>Agreement,</u> <u>dated as of</u> <u>March 1,</u> <u>2022, by</u> <u>and between</u> <u>the</u> <u>Company</u> <u>and Joshua</u>
10.18+	<u>James</u>
10.19+	

10.19+		<u>Registration</u> 8- 001- 10.3 March 1, <u>Rights</u> K 38553 2022 <u>Agreement</u> , <u>dated as of</u> <u>March 1,</u> <u>2022, by</u> <u>and between</u> <u>the</u> <u>Company</u> <u>and Joshua</u>
10.19+	10.19+	<u>James</u> <u>Transition</u> 8- 001- 10.1 December <u>Services</u> K 38553 8, 2022 <u>Agreement</u> , <u>dated</u> <u>December 8,</u> <u>2022, by</u> <u>and between</u> <u>the</u> <u>Company</u> <u>and Bruce</u>
10.20+	10.20+	<u>Felt</u> <u>10.20+</u> <u>10.20+</u> <u>10.21+</u> <u>10.21+</u>
		<u>Separation</u> 8- 001- 10.1 January <u>and</u> K 38553 10, 2023 <u>Transition</u> <u>Agreement</u> , <u>dated</u> <u>January 9,</u> <u>2023, by</u> <u>and between</u> <u>the</u> <u>Company</u> <u>and</u> <u>Catherine</u>
10.21+	10.21+	<u>Wong</u> <u>Confirmatory</u> 8- 001- 99.1 February <u>Employment</u> K 38553 1, 2023 <u>Letter, dated</u> <u>as of</u> <u>January 30,</u> <u>2023, by</u> <u>and between</u> <u>the</u> <u>Company</u> <u>and Daren</u>
10.22+	10.22+	<u>Thayne</u> <u>10.22+</u> <u>10.22+</u>
		<u>Subsidiaries</u> S- 333- June 1, <u>of the</u> 1 225348 2018 <u>21.1</u> <u>21.1</u> <u>registrant</u> 21.1
		21.1 21.1

23.1						
23.1	23.1	<u>Consent of Independent Registered Public Accounting Firm</u>	X	<u>Consent of Independent Registered Public Accounting Firm</u>		X
24.1	24.1	<u>Powers of Attorney (contained on signature page)</u>	X	24.1	<u>Powers of Attorney (contained on signature page)</u>	X
31.1	31.1	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X	31.1	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X
31.2	31.2	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X	31.2	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X

32.1*	32.1*	X	32.1*	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>	X
97.1			97.1	<a href="#">Compensation Recovery Policy.</a>	X
101.INS	101.INS	Inline XBRL Instance Document	X 101.INS	Inline XBRL Instance Document	X
101.SCH	101.SCH	Inline XBRL Taxonomy Extension Schema Linkbase Document	X 101.SCH	Inline XBRL Taxonomy Extension Schema Linkbase Document	X
101.CAL	101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X

104	104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X	104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X
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- + Indicates a management contract or compensatory plan.
- \* The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Domo, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

#### Exhibit 4.6

#### DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of **January 31, 2023****January 31, 2024**, we have one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended – our Class B common stock, par value \$0.001 per share. These securities are listed on the Nasdaq Global Market under the symbol "DOMO."

The following description of our Class B common stock is a summary and does not purport to be complete. It is qualified in its entirety by, and should be read in conjunction with, our amended and restated certificate of incorporation, amended and restated bylaws, and applicable Delaware law.

##### Authorized Capital Stock

Our authorized capital stock consists of 513,263,659 shares, of which:

- 3,263,659 shares are designated as Class A common stock, \$0.001 par value per share;
- 500,000,000 shares are designated as Class B common stock, \$0.001 par value per share; and
- 10,000,000 shares are designated as preferred stock, \$0.001 par value per share.

##### Common Stock

###### Voting Rights

We currently have two classes of authorized common stock, Class A common stock and Class B common stock. Each share of Class A common stock is entitled to 40 votes per share. Each share of Class B common stock is entitled to one vote per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our certificate of incorporation.

Delaware law could require holders of Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our certificate of incorporation and bylaws provide that from and after when the outstanding shares of Class A common stock represent less than a majority of the total combined voting power of our Class A common stock and Class B common stock, or the voting threshold date, we will have a classified board of directors consisting of three classes of approximately equal size, each serving staggered three-year terms. Only the directors in one class will be subject to election by a plurality of the votes cast at each annual meeting of stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms. Until the voting threshold date, our directors will be elected annually for one-year terms. Stockholders do not have the ability to cumulate votes for the election of directors.

Holders of our Class A common stock and Class B common stock are not entitled to cumulative voting in the election of directors, which means that the holders of a majority of the voting power of our Class A common stock and Class B common stock, voting together as a single voting class, will be entitled to elect all of the directors standing for election, if they so choose.

Because of our dual class structure, we anticipate that, for the foreseeable future, **Mr. Joshua G. James, our founder and chief executive officer** will continue to be able to control all matters submitted to our stockholders for approval, including the election and removal of directors.

Our certificate of incorporation provides that the number of authorized shares of common stock or any class of common stock may be increased or decreased (but not below the number of shares of common stock then outstanding and, in the case of the Class B common stock, issuable upon conversion of the outstanding Class A common stock) by the affirmative vote of the holders of a majority of the Class A common stock and Class B common stock, voting together as a single class. Until the final conversion of all outstanding shares of Class A common stock pursuant to the terms of the certificate of incorporation, or the final conversion date, any increase in the authorized shares of Class A common stock requires the approval of the holders of a majority of the outstanding shares of Class A common stock.

#### **Conversion**

Each share of Class A common stock will automatically convert into one share of Class B common stock on the final conversion date. Each share of Class A common stock is also convertible at any time at the option of the holder into one share of Class B common stock. In addition, each share of Class A common stock will convert automatically into one share of Class B common stock upon any transfer, whether or not for value, except for certain transfers described in our certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class A common stock continues to hold exclusive voting and dispository power with respect to the shares transferred. In addition, each outstanding share of Class A common stock held by a stockholder who is a natural person, or held by the permitted entities and permitted transferees of such natural person (as described in our certificate of incorporation), will convert automatically into one share of Class B common stock upon the death or disability of such natural person nine months following such death or disability, unless otherwise extended in accordance with our certificate of incorporation.

Once converted into a share of Class B common stock, a converted share of Class A common stock will not be reissued. Following the conversion of all outstanding shares of Class A common stock, no further shares of Class A common stock will be issued.

#### **Dividends**

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our Class A common stock and Class B common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. If a dividend is paid in the form of Class A common stock or Class B common stock, then holders of Class A common stock shall receive Class A common stock and holders of Class B common stock shall receive Class B common stock.

#### **Liquidation**

In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

#### **Rights and Preferences**

Except as described above, holders of Class A common stock and Class B common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to Class A common stock or Class B common stock. The rights, preferences and privileges of the holders of Class A common stock and Class B common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

#### **Fully Paid and Nonassessable**

All of our outstanding shares of common stock are fully paid and nonassessable.

#### **Preferred Stock**

Our board of directors has the authority, without further action by the stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of Class A common stock or Class B common stock. The issuance of preferred stock could adversely affect the voting power of holders of Class A common stock and Class B common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing change in our control or other corporate action.

#### **Registration Rights**

Certain holders of our Class A common stock and Class B common stock, or their transferees, have Mr. James has the right to require us to register the offer and sale of their the shares which we of Class A common stock and Class B common stock held by him or his affiliates. We refer to such rights as registration rights.

##### **Demand Registration Rights**

BlackRock Advisors, LLC or any of its affiliates or the holders of at least a majority of the shares having demand registration rights have Mr. James has the right to demand that we use best efforts to file a registration statement for the registration of the offer and sale of at least such number of shares with anticipated offering proceeds in excess of \$20.0 million. We are only obligated to file up to two registration statements in connection with the exercise of demand registration rights. These registration rights are subject to specified conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances and our ability to defer the filing of a registration statement with respect to an exercise of such demand registration rights for up to 90 days under certain circumstances.

##### **Form S-3 Registration Rights**

At any time after we are qualified to file a registration statement on Form S-3, a stockholder with registration rights Mr. James shall have the right to demand that we file a registration statement on Form S-3 so long as the aggregate number of shares to be offered and sold under such registration statement on Form S-3 is at least \$5.0 million. These investor registration rights are subject to specified conditions and limitations, including our ability to defer the filing of a registration statement with respect to an exercise of such Form S-3 registration rights for up to 90 days under certain circumstances.

##### **Piggyback Registration Rights**

If we propose to register the offer and sale of any of our securities under the Securities Act either for our own account or for the account of other stockholders, a stockholder with registration rights Mr. James will have the right, subject to certain exceptions, to include their shares of common stock in the registration statement. These registration rights are subject to specified conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration statement under certain circumstances, but not below 25% of the total number of shares covered by the registration statement. circumstances.

##### **Expenses of Registration**

We will pay all expenses relating to any demand registrations, Form S-3 registrations registration of shares for Mr. James, and piggyback registrations, other than Mr. James will be responsible for paying all selling expenses, including underwriting discounts and selling commissions.

##### **Termination**

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Exhibit 4.6

##### **Termination**

The registration rights terminate upon the earlier as of (1) the date that is three years after the closing of our initial public offering and (2) as to a given holder of registration rights, when such holder of registration rights can sell all of such holder's registrable securities in a three month-period pursuant to Rule 144 promulgated under the Securities Act. March 1, 2027.

#### **Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws**

##### **Delaware Law**

We are subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders or by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

***Certificate of Incorporation and Bylaws***

Our certificate of incorporation and our bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the

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**Exhibit 4.6**

following:

- *Dual-Class Stock.* As described above in “—Common Stock—Voting Rights,” our certificate of incorporation provides for a dual-class common stock structure, which provides **Joshua Mr. James our founder, former chief executive officer and former chairman**, and his affiliates with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.
- *Classified Board of Directors.* Our certificate of incorporation and bylaws provide that, from and after the time that the Class A common stock no longer represents a majority of the combined voting power of our Class A common stock and Class B common stock, or the voting threshold date, our board of directors will be classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors.
- *Stockholder Action; Special Meeting of Stockholders.* Our certificate of incorporation provides that, until the voting threshold date, our stockholders will be able to take action by written consent for any matter. Our bylaws further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our chief executive officer or, until the voting threshold date, holders of at least 50% of the combined voting power of our Class A common stock and Class B common stock, thus limiting the ability of a stockholder to call a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.
- *Advance Notice Requirements for Stockholder Proposals and Director Nominations.* Our bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- *No Cumulative Voting.* The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our certificate of incorporation does not provide for cumulative voting.
- *Amendment of Charter and Bylaws Provisions.* Prior to the voting threshold date, any amendment of our certificate of incorporation will require approval by holders of at least a majority of the voting power of our then outstanding capital stock. From and after the voting threshold date, certain amendments to our certificate of incorporation will require the approval of two-thirds of the outstanding voting power of our common stock. Our bylaws provide that, following the voting threshold date, approval of stockholders holding two-thirds of our outstanding voting power voting as a single class is required for stockholders to amend or adopt any provision of our bylaws.
- *Issuance of Undesignated Preferred Stock.* Our board of directors has the authority, without further action by our stockholders, to issue up to 10,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or other means.

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Exhibit 4.6

#### Exclusive Forum

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, **stockholders, officers, or other employees to us or our stockholders**, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, (4) any action to interpret, apply, enforce, or (4) determine the validity of our certificate of incorporation or bylaws (as either may be amended from time to time), or (5) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Any person or entity purchasing, holding, or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. This provision shall be enforceable by any party to a complaint covered by this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Our bylaws also provide that the federal district courts of the United States will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, against any person in connection with any offering of our securities, including, without limitation and for the avoidance of doubt, any auditor, underwriter, expert, control person or other defendant.

## Transfer Agent and Registrar

The transfer agent and registrar for our common stock is [American Stock Transfer & Equiniti Trust Company, LLC](#). The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, New York 11219.

**Exhibit 10.5**

## DOMO, INC.

### 2018 EMPLOYEE STOCK PURCHASE PLAN As amended September 18, 2020

**1. Purpose.** The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a component that is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code (the "423 Component") and a component that is not intended to qualify as an "employee stock purchase plan" under Section 423 of the Code (the "Non-423 Component"). The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes the grant of an option to purchase shares of Common Stock under the Non-423 Component that does not qualify as an "employee stock purchase plan" under Section 423 of the Code; an option granted under the Non-423 Component will provide for substantially the same benefits as an option granted under the 423 Component, except that a Non-423 Component option may include features necessary to comply with applicable non-U.S. laws pursuant to rules, procedures or sub-plans adopted by the Administrator. Except as otherwise provided herein or by the Administrator, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

**2. Definitions.**

- a. **"Administrator"** means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.
- b. **"Affiliate"** means any entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.
- c. **"Applicable Laws"** means the requirements relating to the administration of equity- based awards, including but not limited to the related issuance of shares of Common Stock, under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where options are, or will be, granted under the Plan.
- d. **"Board"** means the Board of Directors of the Company.
- e. **"Change in Control"** means the occurrence of any of the following events:
  - i. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event shall not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or
  - ii. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by

**Exhibit 10.5**

Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

- iii. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

- f. "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.
- g. "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.
- h. "Common Stock" means the Class B common stock of the Company.
- i. "Company" means Domo, Inc., a Delaware corporation, or any successor thereto.
- j. "Compensation" means an Eligible Employee's base straight time gross earnings, payments for overtime, and shift premium, but exclusive of payments for commissions, incentive compensation, equity compensation, bonuses and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.
- k. "Contributions" means the payroll deductions and other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

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## Exhibit 10.5

- l. "Designated Company" means any Subsidiary or Affiliate that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component shall not be a Designated Company under the Non-423 Component.
- m. "Director" means a member of the Board.

- n. **"Eligible Employee"** means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under Applicable Laws) for purposes of any separate Offering or for Participants in the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws with respect to the Participant's participation in the Plan. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (for each Offering under the 423 Component, on a uniform and nondiscriminatory basis or as otherwise permitted by U.S. Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering under the 423 Component in an identical manner to all highly compensated individuals of the Employer whose Employees are participating in that Offering. Each exclusion shall be applied with respect to an Offering under the 423 Component in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii). Such exclusions may be applied with respect to an Offering under the Non- 423 Component without regard to the limitations of U.S. Treasury Regulation Section 1.423-2.
- o. **"Employer"** means the employer of the applicable Eligible Employee(s).
- p. **"Enrollment Date"** means the first Trading Day of each Offering Period.
- q. **"Exchange Act"** means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.
- r. **"Exercise Date"** means the first Trading Day on or after April 1 and October 1 of each Purchase Period. Notwithstanding the foregoing, the first Exercise Date under the Plan will be the first Trading Day on or after April 1, 2019. Notwithstanding the foregoing, in the event that an Offering Period is terminated prior to its expiration pursuant to Section 19, the Administrator, in its sole discretion, may determine that such Offering Period will terminate without options being exercised on the Exercise Date(s) that otherwise would have occurred during such Offering Period.
- s. **"Fair Market Value"** means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

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**Exhibit 10.5**

- i. If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market of The NASDAQ Stock Market or the New York Stock Exchange, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;
- ii. If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;
- iii. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator; or
- iv. For purposes of the Enrollment Date of the first Offering Period under the Plan, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock (the "Registration Statement").

- t. **"Fiscal Year"** means the fiscal year of the Company.
- u. **"New Exercise Date"** means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

- v. **"Offering"** means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).
- w. **"Offering Periods"** means the overlapping, consecutive periods during which an option granted pursuant to the Plan may be exercised, (i) commencing on the first Trading Day on or after April 1 and October 1 of each year and terminating on the first Trading Day on or after April 1 and October 1, approximately (A) twenty-four (24) months later for such periods that begin prior to the first trading day on or after October 1, 2020, or (B) twelve (12) months later for such periods that begin on or after the first trading day on or after October 1, 2020; provided, however, that the first Offering Period under the Plan will commence with the first Trading Day on or after the date on which the Securities and Exchange Commission declares the Company's Registration Statement effective and will end on the first Trading Day on or after October 1, 2020, and provided, further, that the second Offering Period under the Plan will commence on the first Trading Day on or after April 1, 2019, subject to Section 29. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 19.
- x. **"Parent"** means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.
- y. **"Participant"** means an Eligible Employee that participates in the Plan.
- z. **"Plan"** means this Domo, Inc. 2018 Employee Stock Purchase Plan.

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**Exhibit 10.5**

- aa. **"Purchase Period"** means the period during an Offering Period and during which shares of Common Stock may be purchased on a Participant's behalf in accordance with the terms of the Plan. Unless the Administrator provides otherwise, Purchase Periods will be the approximately six (6) month period commencing after one Exercise Date and ending with the next Exercise Date, except that the first Purchase Period of any Offering Period will commence on the Enrollment Date and end with the next Exercise Date.
- ab. **"Purchase Price"** means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Laws, regulation or stock exchange rule) or pursuant to Section 19.
- ac. **"Registration Date"** means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.
- ad. **"Section 409A"** means Section 409A of the Code and the regulations and guidance thereunder, as may be amended or modified from time to time.
- ae. **"Subsidiary"** means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.
- af. **"Trading Day"** means a day that the primary stock exchange upon which the Common Stock is listed, is open for trading.
- ag. **"U.S. Treasury Regulations"** means the Treasury Regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

3. **Eligibility.**

- a. **First Offering Period.** Any individual who is an Eligible Employee immediately prior to the first Offering Period automatically will be enrolled in the first Offering Period.
- b. **Subsequent Offering Periods.** Any Eligible Employee on a given Enrollment Date subsequent to the first Offering Period will be eligible to participate in the Plan, subject to the requirements of Section 5.

c. **Non-U.S. Employees.** Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, an Eligible Employee may be excluded from participation in the Plan or an Offering if the Administrator has determined that participation of such Eligible Employee is not advisable or practicable.

d. **Limitations.** Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the

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## Exhibit 10.5

Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars (\$25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. **Offering Periods.** The Plan will be implemented by consecutive, overlapping Offering Periods with a new Offering Period commencing on the first Trading Day on or after April 1 and October 1 each year, or on such other date as the Administrator will determine; provided, however, that the first Offering Period

under the Plan will commence with the first Trading Day on or after the Registration Date and end on the first Trading Day on or after October 1, 2020, and provided, further, that the second Offering Period under the Plan will commence on the first Trading Day on or after April 1, 2019, subject to Section 29. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided, however, that no Offering Period may last more than twenty-seven (27) months.

### 5. Participation.

a. **First Offering Period.** An Eligible Employee will be entitled to continue to participate in the first Offering Period pursuant to Section 3(a) only if such individual submits a subscription agreement authorizing Contributions in a form determined by the Administrator (which may be similar to the form attached hereto as Exhibit A) to the Company's designated plan administrator (i) no earlier than the effective date of the Form S-8 registration statement with respect to the issuance of Common Stock under this Plan and (ii) with respect to the first Offering Period, no later than ten (10) business days following the effective date of such Form S-8 registration statement or such other date as the Administrator may determine (the "Enrollment Window"). An Eligible Employee's failure to submit the subscription agreement during the Enrollment Window will result in the automatic termination of such individual's participation in the first Offering Period.

b. **Subsequent Offering Periods.** An Eligible Employee may participate in the Plan pursuant to Section 3(b) by (i) submitting to the Company's stock administration office (or its designee), a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator, in either case, on or before a date determined by the Administrator prior to an applicable Enrollment Date.

### 6. Contributions.

a. At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount not exceeding fifteen percent (15%), or for Offering Periods beginning on or after the first trading day on or after October 1, 2020, not exceeding twenty-five percent (25%), of the Compensation, which he or she receives on each pay day during the Offering Period; provided, however, that should a pay day occur on an Exercise Date, a Participant will have any Contributions made on such day applied to his or her account under the then-current Purchase Period or Offering Period. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

b. In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day on or prior to the last Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10

hereof; provided, however, that for the first Offering Period, payroll deductions will commence on the first pay day on or following the end of the Enrollment Window.

- c. All Contributions made for a Participant will be credited to his or her account under the Plan and Contributions will be made in whole percentages of his or her Compensation only. A Participant may not make any additional payments into such account.
- d. A Participant may discontinue his or her participation in the Plan as provided under Section 10. Until and unless determined otherwise by the Administrator, in its sole discretion, during any Purchase Period, a Participant may not increase the rate of his or her Contributions and may only decrease the rate of his or her Contributions (including to zero percent (0%)) one (1) time, in accordance with the procedures set forth in this subsection (d). In addition, until and unless determined otherwise by the Administrator, in its sole discretion, during any Offering Period, a Participant may increase or decrease the rate of his or her Contributions (as a whole percent to a rate between zero percent (0%) and the maximum percentage specified in subsection (a) above), which Contribution rate adjustment will become effective upon the commencement of the next Purchase Period (or, if there are no remaining Purchase Periods to begin during such Offering Period, the next Offering Period) and remain in effect for subsequent Purchase Periods and Offering Periods and except as set forth in the immediately preceding sentence, any such adjustment will not affect the Contribution rate for any ongoing Purchase Period. A Participant may make a Contribution rate adjustment pursuant to this subsection (b) by (i) properly completing and submitting to the Company's stock administration office (or its designee), a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator, in either case, on or before a date determined by the Administrator prior to (x) the scheduled beginning of the first Purchase Period to be affected or (y) an applicable Exercise Date, as applicable. If a Participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Purchase Period and Offering Period and future Purchase Periods and Offering Periods (unless the Participant's participation is terminated as provided in Sections 10 or 11). The Administrator may, in its sole discretion, limit or amend the nature and/or number of Contribution rate changes (including to permit, prohibit and/or limit increases and/or decreases to rate changes) that may be made by Participants during any Purchase Period or Offering Period, and may establish such other conditions or limitations as it deems appropriate for Plan administration. Any change in Contribution rate made pursuant to this Section 6(d) will be effective as of the first full payroll period following five (5) business days after the date on which the change is made by the Participant (unless the Administrator, in its sole discretion, elects to process a given change in Contribution rate earlier).
- e. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(d) (which generally limit participation in an Offering Period pursuant to certain Applicable Laws), a Participant's Contributions may be decreased to zero percent (0%) by the Administrator at any time during an Offering Period (or a Purchase Period, as applicable). Subject to Section 423(b)(8) of the Code and Section 3(d) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Offering Period (or Purchase Period, as applicable) scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.
- f. Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Participants to participate in the Plan via cash contributions instead of payroll deductions if (i) payroll deductions are not permitted or advisable under Applicable Laws, (ii) the Administrator determines that cash contributions are permissible for Participants participating in the 423 Component and/or (iii) the Participants are participating in the Non-423 Component.
- g. At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or at any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common

Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to the sale or early disposition of Common Stock by the

Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or use any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than 2,000 shares of Common Stock, or during any Purchase Period in an Offering Period that begins on or after the first trading day on or after October 1, 2020, more than 300 shares of Common Stock (subject to any adjustment pursuant to Section 18) and provided further that such purchase will be subject to the limitations set forth in Sections 3(d) and 13 and in the subscription agreement. The Eligible Employee may accept the grant of such option (i) with respect to the first Offering Period by submitting a properly completed subscription agreement in accordance with the requirements of Section 5 on or before the last day of the Enrollment Window, and (ii) with respect to any subsequent Offering Period under the Plan, by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period or Offering Period, as applicable. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

- a. Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, as applicable, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares of Common Stock hereunder is exercisable only by him or her.
- b. If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 19. The Company may make a pro rata allocation of the shares of Common Stock available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence.

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notwithstanding any authorization of additional shares of Common Stock for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Dates.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or with a trustee or designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker, trustee or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions or other dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

- a. A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the

Administrator. The Administrator may set forth a deadline of when a withdrawal must occur to be effective prior to a given Exercise Date in accordance with policies it may approve from time to time. All of the Participant's Contributions credited to his or her account will be paid to such Participant as soon as administratively practicable after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

b. A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. **Termination of Employment.** Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant, or, in the case of his or her death, to the person or persons entitled thereto, and such Participant's option will be automatically terminated. Unless determined otherwise by the Administrator in a manner that, with respect to an Offering under the 423 Component, is permitted by, and compliant with, Section 423 of the Code, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company shall not be treated as terminated under the Plan; however, if a Participant transfers from an Offering under the 423 Component to the Non-423 Component, the exercise of the option will be qualified under the 423 Component only to the extent it complies with Section 423 of the Code; further, no Participant shall be deemed to switch from an Offering under the Non-423 Component to an Offering under the 423 Component or vice versa unless (and then only to the extent) such switch would not cause the 423 Component or any option thereunder to fail to comply with Section 423 of the Code.

12. **Interest.** No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Laws, as determined by the Company, and if so required by the laws of a particular jurisdiction, shall, with respect to Offerings under the 423 Component, apply to all Participants in the relevant Offering, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. **Stock.**

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**Exhibit 10.5**

14. **Administration.** The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to delegate ministerial duties to any of the Company's employees, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary or advisable for the administration of the Plan (including, without limitation, to adopt such procedures, sub-plans, and appendices to the enrollment agreement as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans and appendices may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan or appendix, the provisions of this Plan shall govern the operation of such sub-plan or appendix). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering under the 423 Component, or if the terms would not qualify under the 423 Component, in the Non-423 Component, in either case unless such designation would cause the 423 Component to violate the requirements of Section 423 of the Code. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. **Transferability.** Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will or the laws of descent and distribution) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

16. **Use of Funds.** The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings or for Participants in the Non-423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party, provided that, if such segregation or deposit with

an independent third party is required by Applicable Laws, it will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to such shares.

17. **Reports.** Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

18. **Adjustments, Dissolution, Liquidation, Merger or Change in Control.**

a. **Adjustments.** In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to

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prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share, the class and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

b. **Dissolution or Liquidation.** In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

c. **Merger or Change in Control.** In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period shall end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

18. **Amendment or Termination.**

a. The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 18). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

b. Without stockholder consent and without limiting Section 19(a), the Administrator will be entitled to change the Offering Periods and any Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange rate applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

c. In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including,

but not limited to:

- i. amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

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**Exhibit 10.5**

- ii. altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;
- iii. shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;
- iv. reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and
- v. reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

20. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

22. Section 409A. The Plan is intended to be exempt from the application of Section 409A, and, to the extent not exempt, is intended to comply with Section 409A and any ambiguities herein will be interpreted to so be exempt from, or comply with, Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Section 409A. Notwithstanding the foregoing, the Company and any of its Parent or Subsidiaries shall have no obligation to reimburse, indemnify, or hold harmless a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Section 409A.

23. Term of Plan. The Plan will become effective upon the later to occur of (a) its adoption by the Board or (b) the business day immediately prior to the Registration Date. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 19.

24. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

25. Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Utah (except its choice-of-law provisions).

26. **No Right to Employment.** Participation in the Plan by a Participant shall not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate, as applicable. Furthermore, the Company or a Subsidiary or Affiliate may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

27. **Severability.** If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

28. **Compliance with Applicable Laws.** The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

29. **Automatic Transfer to Low Price Offering Period.** To the extent permitted by Applicable Laws, if the Fair Market Value of the Common Stock on any Exercise Date in an Offering Period is lower than the Fair Market Value of the Common Stock on the Enrollment Date of such Offering Period, then all Participants in such Offering Period will be automatically withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period as of the first day thereof.

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#### **EXHIBIT A**

**DOMO, INC.**

#### **2018 EMPLOYEE STOCK PURCHASE PLAN SUBSCRIPTION AGREEMENT**

Original Application Offering Date:

Change in Payroll Deduction Rate

1.  I hereby elects to participate in the Domo, Inc. 2018 Employee Stock Purchase Plan (the "Plan") and subscribes to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Plan. Any capitalized terms not specifically defined in this Subscription Agreement will have the meaning ascribed to them under the Plan.
2. I hereby authorize and consent to payroll deductions from each paycheck in the amount of % of my Compensation on each payday (from 0% to 15%, or for Offering Periods beginning on or after the first trading day on or after October 1, 2020, from 0% to 25%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.) I understand that only my first, one election to decrease the rate of my payroll deductions may be applied with respect to an ongoing Purchase Period in accordance with the terms of the Plan, and any subsequent election to decrease the rate of my payroll deductions during the same Purchase Period, and any election to increase the rate of my payroll deductions during any Purchase Period, will not be applied to the ongoing Purchase Period.
3. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan. I further understand that if I am outside of the U.S., my payroll deductions will be converted to U.S. dollars at an exchange rate selected by the Company on the purchase date.
4. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan.

5. Shares of Common Stock purchased for me under the Plan should be issued in the name(s) of (Eligible Employee or Eligible Employee and spouse only).

6. If I am a U.S. taxpayer, I understand that if I dispose of any shares received by me pursuant to the Plan within two (2) years after the Offering Date (the first day of the Offering Period during which I purchased such shares) or one (1) year after the Exercise Date, I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price that I paid for the shares. I hereby agree to notify the Company in writing within thirty (30) days after the date of any disposition of my shares and I will make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock. The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares at any time after the expiration of the two (2)-year and one (1)-year holding periods, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (a) the excess of the fair market value of the shares at the time of such disposition over the purchase price which I paid for the shares, or (b) 15% of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.
7. For employees that may be subject to tax in non U.S. jurisdictions, I acknowledge and agree that, regardless of any action taken by the Company or any Designated Company with respect to any or all income tax, social security, social insurances, National Insurance Contributions, payroll tax, fringe benefit, or other tax-related items related to my participation in the Plan and legally applicable to me including, without limitation, in connection with the grant of such options, the purchase or sale of shares of Common Stock acquired under the Plan and/or the receipt of any dividends on such shares ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Company or a Designated Company. Furthermore, I acknowledge that the Company and/or any Designated Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the options under the Plan and (b) do not commit to and are under no obligation to structure the terms of the grant of options or any aspect of my participation in the Plan to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if I have become subject to tax in more than one jurisdiction between the date of my enrollment and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the purchase of shares of Common Stock under the Plan or any other relevant taxable or tax withholding event, as applicable, I agree to make adequate arrangements satisfactory to the Company and/or the applicable Designated Company to satisfy all Tax-Related Items. In this regard, I authorize the Company and/or the applicable Designated Company, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding from my wages or Compensation paid to me by the Company and/or the applicable Designated Company; or (b) withholding from proceeds of the sale of the shares of Common Stock purchased under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization). Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable maximum withholding rates, in which case I will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent.

Finally, I agree to pay to the Company or the applicable Designated Company any amount of Tax-Related Items that the Company or the applicable Designated Company may be required to withhold as a result of my participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase shares of Common Stock under the Plan on my behalf and/or refuse to issue or deliver the shares or the proceeds of the sale of shares if I fail to comply with my obligations in connection with the Tax-Related Items.

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8. By electing to participate in the Plan, I acknowledge, understand and agree that:
  - a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent provided for in the Plan;
  - b. all decisions with respect to future grants under the Plan, if applicable, will be at the sole discretion of the Company;
  - c. the grant of options under the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, or any Designated Company, and shall not interfere with the ability of the Company or any Designated Company, as applicable, to terminate my employment (if any);
  - d. I am voluntarily participating in the Plan;
  - e. the options granted under the Plan and the shares of Common Stock underlying such options, and the income and value of same, are not intended to replace any pension rights or compensation;

- f. the options granted under the Plan and the shares of Common Stock underlying such options, and the income and value of same, are not part of my normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;
- g. the future value of the shares of Common Stock offered under the Plan is unknown, indeterminable and cannot be predicted with certainty;
- h. the shares of Common Stock that I acquire under the Plan may increase or decrease in value, even below the Purchase Price;
- i. no claim or entitlement to compensation or damages shall arise from the forfeiture of options granted to me under the Plan as a result of the termination of my status as an Eligible Employee (for any reason whatsoever, and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any) and, in consideration of the grant of options under the Plan to which I am otherwise not entitled, I irrevocably agree never to institute a claim against the Company, or any Designated Company, waive my ability, if any, to bring such claim, and release the Company, and any Designated Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, I shall be deemed irrevocably to have agreed to not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; and
- j. in the event of the termination of my status as an Eligible Employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the Plan and any options granted to me under the Plan, if any, will terminate effective as of the date that I am no longer actively employed by the Company or one of its Designated Companies and, in any event, will not be extended by any notice period mandated under the employment laws in the jurisdiction in which I am employed or the terms of my employment agreement, if any (e.g., active employment would not include a period of "garden leave" or similar period pursuant to the employment laws in the jurisdiction in which I am employed or the terms of my employment agreement, if any); the Company shall have the exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the Plan (including whether I may still be considered to be actively employed while on a leave of absence).

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**Exhibit 10.5**

9. I understand that the Company and/or any Designated Company may collect, where permissible under applicable law certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all options granted under the Plan or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. I understand that Company may transfer my Data to the United States, which is not considered by the European Commission to have data protection laws equivalent to the laws in my country. I understand that the Company will transfer my Data to its designated broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different, including less stringent, data privacy laws than the European Commission or my jurisdiction does not consider to be equivalent to the protections in my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or career with the Company or any Designated Company will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me options under the Plan or other equity awards, or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

If I am an employee outside the U.S., I understand that in accordance with applicable law, I have the right to access, and to request a copy of, the Data held about me. I also understand that I have the right to discontinue the collection, processing, or use of my Data, or supplement, correct, or request deletion of my Data. To exercise my rights, I may contact my local human resources representative.

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described herein and any other Plan materials by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing my participation in the Plan. I understand that my consent will be sought and obtained for any processing or transfer of my data for any purpose other than as described in the enrollment form and any other plan materials.

10. If I have received the Subscription Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, subject to applicable laws.
11. The provisions of the Subscription Agreement and these appendices are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
12. Notwithstanding any provisions in this Subscription Agreement, I understand that if I am working or resident in a country other than the United States, my participation in the Plan shall also be subject to the additional terms and conditions set forth on Appendix A and any special terms and conditions for my country set forth on Appendix A. Moreover, if I relocate to one of the countries included in Appendix A, the special terms and conditions for such country will apply to me to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative

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**Exhibit 10.5**

reasons. Appendix A constitutes part of this Subscription Agreement and the provisions of this Subscription Agreement govern each Appendix (to the extent not superseded or supplemented by the terms and conditions set forth in the applicable Appendix).

13. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

Employee's Social Security Number  
(for U.S.-based employees):

Employee's Address:

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated:

Signature of Employee

**EXHIBIT B**

**DOMO, INC.**

**2018 EMPLOYEE STOCK PURCHASE PLAN NOTICE OF WITHDRAWAL**

The undersigned Participant in the Offering Period of the Domo, Inc. 2018 Employee Stock Purchase Plan that began on , (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be terminated automatically. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement. Capitalized terms not otherwise defined herein will have the same meanings as such terms have under the Plan.

Name and Address of Participant:

Signature:

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**Exhibit 10.5**

Date:

Exhibit 23.1

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement on Form S-8 (No. 333-225978) pertaining to the 2018 Equity Incentive Plan, 2018 Employee Stock Purchase Plan and 2011 Equity Incentive Plan of Domo, Inc.,
2. Registration Statement on Form S-8 (No. 333-230861) pertaining to the 2018 Equity Incentive Plan and 2018 Employee Stock Purchase Plan of Domo, Inc.,
3. Registration Statement on Form S-8 (No. 333-237647) pertaining to the 2018 Equity Incentive Plan and 2018 Employee Stock Purchase Plan of Domo, Inc.,
4. Registration Statement on Form S-8 (No. 333-254944) pertaining to the 2018 Equity incentive Plan of Domo, Inc.; and,
5. Registration Statement on Form S-8 (No. 333-263776) pertaining to the 2018 Equity Incentive Plan and 2018 Employee Stock Purchase Plan of Domo, Inc., and
6. Registration Statement on Form S-8 (No. 333-270887) pertaining to the 2018 Equity Incentive Plan and 2018 Employee Stock Purchase Plan of Domo, Inc.;

of our reports dated **March 24, 2023** **March 28, 2024**, with respect to the consolidated financial statements of Domo, Inc. and the effectiveness of internal control over financial reporting of Domo, Inc. included in this Annual Report (Form 10-K) of Domo, Inc. for the year ended **January 31, 2023** **January 31, 2024**.

/s/ Ernst & Young LLP

Salt Lake City, Utah

March 24, 2023 28, 2024

Exhibit 31.1

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joshua G. James, certify that:

1. I have reviewed this Annual Report on Form 10-K of Domo, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 24, 2023 March 28, 2024

/s/ Joshua G. James  
Joshua G. James  
Chief Executive Officer  
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Jolley, certify that:

1. I have reviewed this Annual Report on Form 10-K of Domo, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 24, 2023** **March 28, 2024**

/s/ David Jolley  
David Jolley  
Chief Financial Officer  
(Principal Accounting and Financial Officer)

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the filing of the Annual Report on Form 10-K for the fiscal year ended **January 31, 2023** **January 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report") by Domo, Inc. (the "Company"), Joshua G. James, as the Chief Executive Officer of the Company, and David Jolley, as the Chief Financial Officer of the Company, each hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **March 24, 2023** **March 28, 2024**

/s/ Joshua G. James  
Joshua G. James  
Chief Executive Officer (Principal Executive Officer)

/s/ David Jolley  
David Jolley  
Chief Financial Officer (Principal Accounting and Financial Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Domo, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

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Exhibit 97.1

## Domo, Inc.

### COMPENSATION RECOVERY POLICY

As adopted on November 28, 2023

Domo, Inc. (the "Company") is committed to strong corporate governance and compliance with all applicable rules and regulations as adopted by the Securities and Exchange Commission. As part of this commitment, the Company's Board of Directors (the "Board") has adopted this Compensation Recovery Policy (the "Policy"). The Policy is intended to further the Company's pay-for-performance philosophy and to comply with applicable laws by providing rules relating to the reasonably prompt recovery of certain compensation received by Covered Executives in the event of an Accounting Restatement. The application of the Policy to Covered Executives is not discretionary, except to the limited extent provided below, and applies without regard to whether a Covered Executive was at fault. Capitalized terms used in the Policy are defined below, and the definitions have substantive impact on its application so reviewing them carefully is important to your understanding.

The Policy is designed to comply with, and will be interpreted in a manner consistent with, Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act"), with Exchange Act Rule 10D-1 and with the listing standards of the national securities exchange (the "Exchange") on which the securities of the Company are listed, including any official interpretive guidance.

#### Persons Covered by the Policy

The Policy is binding and enforceable against all "Covered Executives." A Covered Executive is each individual who is designated as an "officer" by the Board in accordance with Exchange Act Rule 16a-1(f) (a "Section 16 Officer"). The Committee may (but is not obligated to) request or require a Covered Executive to sign and return to the Company an acknowledgement that such Covered Executive will be bound by the terms and comply with the Policy, in the form included herein as Exhibit A. The Policy is binding on each Covered Executive whether or not the Covered Executive signs and/or returns any acknowledgment.

#### Administration of the Policy

The Compensation Committee (the "Committee") of the Board has the full delegated authority of the Board to administer the Policy. The Committee is authorized to interpret and construe the Policy and to make all determinations necessary, appropriate, or advisable for the administration of the Policy. In addition, if determined in the discretion of the Board, the Policy also may be administered by the independent members of the Board or another committee of the Board made up of independent members of the Board, in which case all references to the Committee will be deemed to refer to such independent members of the Board or the other Board committee. All determinations of the Committee will be final and binding and will be given the maximum deference permitted by law.

#### Accounting Restatements Requiring Application of the Policy

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material

Exhibit 97.1

misstatement if the error were corrected in the current period or left uncorrected in the current period (an **“Accounting Restatement”**), then the Committee must determine the Excess Compensation, if any, that must be recovered. The Company’s obligation to recover Excess Compensation is not dependent on if or when restated financial statements are filed.

#### Compensation Covered by the Policy

The Policy applies to certain **Incentive-Based Compensation** (certain terms used in this Section are defined below) that is **Received** on or after October 2, 2023 (the **“Effective Date”**), during the **Covered Period** while the Company has a class of securities listed on a national securities exchange. Such Incentive-Based Compensation is considered **“Clawback Eligible Incentive-Based Compensation”** if the Incentive-Based Compensation is Received by a person after such person became a Section 16 Officer and the person served as a Section 16 Officer at any time during the performance period for the Incentive-Based Compensation. **“Excess Compensation”** means the amount of Clawback Eligible Incentive-Based Compensation that exceeds the amount of Clawback Eligible Incentive-Based Compensation that otherwise would have been Received had such Clawback Eligible Incentive-Based Compensation been determined based on the restated amounts. Excess Compensation must be computed without regard to any taxes paid and is referred to in the listings standards as **“erroneously awarded compensation”**.

To determine the amount of Excess Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and the Company must maintain documentation of the determination of that reasonable estimate and provide that documentation to the Exchange.

**“Incentive-Based Compensation”** means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. The following items of compensation are not Incentive-Based Compensation under the Policy: salaries, bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a bonus pool that is determined by satisfying a Financial Reporting Measure, bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period, non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures, and equity awards for which the grant is not contingent upon achieving any Financial Reporting Measure performance goal and vesting is contingent solely upon completion of a specified employment period (e.g., time-based vesting equity awards) and/or attaining one or more non-Financial Reporting Measures. For the avoidance of doubt, no compensation that is potentially subject to recovery under the Policy will be earned until the Company’s right to recover under the Policy has lapsed.

**“Financial Reporting Measures”** are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

Incentive-Based Compensation is **“Received”** under the Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment, vesting, settlement or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, the Policy does not apply to Incentive-Based Compensation for which the Financial Reporting Measure is attained prior to the Effective Date.

Exhibit 97.1

Incentive-Based Compensation is **“Received”** under the Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment, vesting, settlement or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, the Policy does not apply to Incentive-Based Compensation for which the Financial Reporting Measure is attained prior to the Effective Date.

**“Covered Period”** means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date. In addition, Covered Period can include certain transition periods resulting from a change in the Company’s fiscal year.

**“Accounting Restatement Determination Date”** means the earliest to occur of: (a) the date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is

required to prepare an Accounting Restatement; and (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

#### **Repayment of Excess Compensation**

The Company must recover Excess Compensation reasonably promptly and Covered Executives are required to repay Excess Compensation to the Company. Subject to applicable law, the Company may recover Excess Compensation by requiring the Covered Executive to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Committee determines to be appropriate (these determinations do not need to be identical as to each Covered Executive). These means include (but are not limited to):

- a. requiring reimbursement of cash Incentive-Based Compensation previously paid;
- b. seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation or vest based on the achievement of performance goals;
- c. offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company or any affiliate of the Company to the Covered Executive, including (but not limited to) payments of severance that might otherwise be due in connection with a Covered Executive's termination of employment and without regard to whether such amounts are Incentive-Based Compensation;
- d. cancelling outstanding vested or unvested equity awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation; and/or
- e. taking any other remedial and recovery action permitted by law, as determined by the Committee.

The repayment of Excess Compensation must be made by a Covered Executive notwithstanding any Covered Executive's belief (whether or not legitimate) that the Excess Compensation had been previously earned under applicable law and therefore is not subject to clawback.

In addition to its rights to recovery under the Policy, the Company or any affiliate of the Company may take any legal actions it determines appropriate to enforce a Covered Executive's obligations to the Company or to discipline a Covered Executive. Failure of a Covered Executive to comply with their obligations under the Policy may result in (without limitation) termination of that Covered Executive's employment, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role. The decision to take any actions described in the preceding sentence will not be subject to the approval of the Committee and can be made by the Board, any committee of the Board, or any duly authorized

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**Exhibit 97.1**

officer of the Company or of any applicable affiliate of the Company. For avoidance of doubt, any decisions of the Company or the Covered Executive's employer to discipline a Covered Executive or terminate the employment of a Covered Executive are independent of determinations under this Policy. For example, if a Covered Executive was involved in activities that led to an Accounting Restatement, the Company's decision as to whether to not to terminate such Covered Executive's employment would be made under its employment arrangements with such Covered Executive and the requirement to apply this no-fault and non-discretionary clawback policy will not be determinative of whether any such termination is for cause, although failure to comply with the Policy might be something that could result in a termination for cause depending on the terms of such arrangements.

#### **Limited Exceptions to the Policy**

The Company must recover the Excess Compensation in accordance with the Policy except to the limited extent that any of the conditions set forth below is met, and the Committee determines that recovery of the Excess Compensation would be impracticable:

- a. The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before reaching this conclusion, the Company must make a reasonable attempt to recover such Excess Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or
- b. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the legal requirements as such; the applicable rules are set forth in Internal Revenue Code §§ 401(a)(13) and § 411(a) and regulations thereunder.

#### **Other Important Information in the Policy**

The Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer, as well as any other applicable laws, regulatory requirements, rules, or pursuant to the terms of any existing Company policy or agreement providing for the recovery of compensation.

Notwithstanding the terms of any of the Company's organizational documents (including, but not limited to, the Company's bylaws), any corporate policy or any contract (including, but not limited to, any indemnification agreement), neither the Company nor any affiliate of the Company will indemnify or provide advancement for any Covered Executive against any loss of Excess Compensation. Neither the Company nor any affiliate of the Company will pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event that the Company is required to recover Excess Compensation pursuant to the Policy from a Covered Executive who is no longer an employee, the Company will be entitled to seek recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement that individual may have signed.

The Committee or Board may review and modify the Policy from time to time.

If any provision of the Policy or the application of any such provision to any Covered Executive is adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of the Policy or the application of such provision to another Covered Executive, and the invalid, illegal or unenforceable provisions will be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

The Policy will terminate and no longer be enforceable when the Company ceases to be listed issuer within the meaning of Section 10D of the Exchange Act.

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Exhibit 97.1

#### Exhibit A

##### ACKNOWLEDGEMENT

- a. I acknowledge that I have received and read the Compensation Recovery Policy (the "Policy") of Domo, Inc. (the "Company").
- b. I understand and acknowledge that the Policy applies to me, and all of my beneficiaries, heirs, executors, administrators or other legal representatives and that the Company's right to recovery in order to comply with applicable law will apply, regardless of the terms of any release of claims or separation agreement I have signed or will sign in the future.
- c. I agree to be bound by and to comply with the Policy and understand that determinations of the Committee (as such term is used in the Policy) will be final and binding and will be given the maximum deference permitted by law.
- d. I understand and agree that my current indemnification rights, whether in an individual agreement or the Company's organizational documents, exclude the right to be indemnified for amounts required to be recovered under the Policy.
- e. I understand that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company and any affiliate of the Company as well as any other appropriate discipline.
- f. I understand that neither the Policy, nor the application of the Policy to me, gives rise to a resignation for good reason (or similar concept) by me under any applicable employment agreement or arrangement.
- g. I acknowledge that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the Chief Legal Officer.
- h. I acknowledge that neither this Acknowledgement nor the Policy is meant to constitute an employment contract.

Please review, sign and return this form to the Chief Legal Officer.

##### Covered Executive

(print name)

(signature)

(date)



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