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, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number 001-42434

ServiceTitan, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**26-0331862** **(I.R.S. Employer Identification No.)**
800 N. Brand Blvd. **Suite 100** **Glendale, California** **(Address of principal executive offices)**	**91203** **(Zip Code)**

Registrant's telephone number, including area code: (855) 899-0970

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 A Common Stock, par value $0.001 per share	TTAN	The Nasdaq Stock Market LLC

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 file reports pursuant to Section 13 or 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 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 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. ☒

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 ☒

The aggregate market value of the shares of common stock held by non-affiliates of the registrant, based on the closing price of the registrant's shares of common stock on The Nasdaq Global Market on July 31, 2025 (the last business day of the registrant's second fiscal quarter), was approximately $6,046.6 million.

As of March 16, 2026, 82,610,069 shares of the registrant's Class A common stock were outstanding, 12,651,154 shares of the registrant's Class B common stock, par value $0.001 per share, were outstanding, and no shares of the registrant's Class C common stock, par value $0.001 per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the registrant's 2026 annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year ended January 31, 2026, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the year ended January 31, 2026 (this "Annual Report") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risks and uncertainties. Forward-looking statements include all statements other than statements of historical fact contained in this Annual Report, and generally relate to future events or our future financial or operating performance. Words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential" "predict," "project," "should," "target," or "will," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements contained in this Annual Report include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, our ability to determine reserves and our ability to achieve and maintain future profitability;
- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs;
- the demand for our platform or for similar solutions in general;
- our ability to attract and retain customers;
- our ability to develop new products and bring them to market in a timely manner and make enhancements to our platform;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- any impact of changes in current laws or regulations, or implementation of new laws or regulations;
- our ability to manage and insure risk associated with our business;
- our ability to successfully acquire and integrate companies and assets;
- our expectations regarding new and emerging trades;
- our ability to develop and protect our brand;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties;
- our expectations regarding the size of our addressable and serviceable markets, spend in those markets and our ability to penetrate those markets;
- our expectations regarding the amount of our customers' gross transaction volume ("GTV"), which represents the sum of total dollars invoiced by our customers through our platform in a given period and is intended to be a proxy for the total revenue our customers generate, that we can recognize as revenue;
- our ability to maintain, protect and enhance our intellectual property;
- industry trends, in particular the rate of adoption of trades-specific and end-to-end technologies and digitization of the trades;
- our ability to anticipate technological and industry developments and our ability to enhance our platform or develop new products to respond to such developments;
- our ability to drive growth and efficiency by incorporating artificial intelligence ("AI") and machine learning solutions into our platform and operations;
- our ability to scale our systems and operations as we grow, including through organic and inorganic growth;

- our reliance on key personnel and our ability to attract, maintain and retain management and skilled personnel;
- our expectations regarding present and future litigation;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to taxation and privacy and data protection;
- our ability to maintain the security and availability of our platform and protect against data breaches and other security incidents;
- the increased expenses associated with being a public company; and
- our ability to avoid any findings of material weaknesses or significant deficiencies in the future.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on management's current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects, based on information available to us at the time such statements are made. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including those described in the "*Risk Factors Summary*" section below and under Part II, Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," within this Annual Report, as well as those risks and uncertainties set forth from time to time in our reports and other documents filed with the Securities and Exchange Commission (the "SEC").

Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy or completeness. Moreover, new risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law or the listing rules of The Nasdaq Stock Market LLC. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "*Risk Factors*" contained within this Annual Report. These risks could materially and adversely impact our business, financial condition and results of operations, which could cause the trading price of our Class A common stock to decline and could result in a loss of all or part of your investment. Additional risks, beyond those summarized below or discussed elsewhere in this Annual Report, may apply to our business, activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate. These risks include, but are not limited to, the following:

- We have experienced rapid growth in recent periods, and such growth may not be indicative of our future growth. If we fail to properly manage future growth, our business, financial condition, results of operations and prospects could be materially adversely affected.
- We have a history of losses and may not be able to achieve or sustain profitability in the future.
- If we fail to manage our growth effectively, our brand and reputation, business, financial condition and results of operations could be adversely affected.
- If we fail to effectively develop and commercialize new products, enhance and improve our platform, expand the number of trades we support, respond to changes in trades business demands or preferences or adapt to changes in trade industry practices, processes and technological advances, we may not remain competitive.
- Our operations can be seasonal, and the results of our operations can vary from quarter to quarter and year-over-year, so our financial performance in certain financial quarters or years may not be indicative of, or comparable to, our financial performance in subsequent financial quarters or years.
- Factors that adversely affect the trades industry, including industry consolidation, the increased prevalence of marketplaces for contractors, supply chain issues and labor shortages, could also adversely affect the demand for our platform and, as a result, our business, financial condition and results of operations.
- We engage our team members in various ways, including direct hires, through professional employer organizations and as independent contractors. As a result of these methods of engagement, we face certain challenges and risks that can affect our business, results of operations and financial condition.
- The impact of economic conditions, including the resulting effect on consumer spending and on our customers' finances and operations, may adversely affect our business, financial condition and results of operations.
- The market for software designed to serve the trades is evolving, and our future success depends on the growth of the trades industry and our ability to adapt, keep pace and respond effectively to evolving markets.
- We face competition from both established and new companies offering services similar to ours, and many of our potential customers have developed, or could develop, proprietary solutions, all of which may have a negative effect on our ability to add new customers, retain existing customers and/or grow our business.
- We may be unsuccessful in making, integrating and maintaining acquisitions, including past acquisitions.
- We have incorporated and are incorporating traditional AI, machine learning and generative AI ("GenAI") into some of our products. This technology is new and developing and may present operational and reputational risks or result in liability or harm to our reputation, business, results of operations or customers.
- Any failure to offer high quality support for our customers, including throughout the implementation process, may harm our relationships with our customers and, consequently, our business.

- Our ability to increase our customer base and achieve broader market acceptance of our platform will depend on our ability to develop and expand our sales and marketing capabilities.
- A majority of our customers are small- and medium-sized businesses, which can be more difficult and costly to retain than large businesses and may increase the impact of economic fluctuations on us.
- We rely on software and services licensed from other third parties. Defects in or the loss of software or services from third parties could increase our costs and adversely affect the quality of our service.
- If we or our third-party service providers experience a cybersecurity breach or other incident, including any breach or incident that allows, or is perceived to allow, unauthorized access to our platform or our Sensitive Information, our reputation and brand, business, financial condition and results of operations could be adversely affected.
- We cannot guarantee that our internal control over financial reporting will continue to be effective or that we will not experience material weaknesses in the future, which could result in an adverse opinion from our independent registered public accounting firm regarding the effectiveness of our internal control, affect the reliability of our financial statements, and have other adverse consequences.
- The multi-class structure of our common stock has the effect of concentrating voting power with Ara Mahdessian and Vahe Kuzoyan (our "Co-Founders"), which will limit your ability to influence the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our amended and restated certificate of incorporation and amended and restated bylaws and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction. Future issuances of our Class C common stock, if any, will not dilute the voting power of our Co-Founders, but will dilute their economic interest, which could cause their interests to conflict with your interests. Further, the issuance of shares of Class C common stock, whether to our Co-Founders or to other stockholders, could prolong the duration of our Co-Founders' voting power.

PART I

Item 1. Business.

ServiceTitan is the operating system that powers the trades.

We are modernizing a large and technologically underserved industry—an industry commonly referred to as the "trades." The trades consist of the collection of field service activities required to install, maintain, and service the infrastructure and systems of residences and commercial buildings. Tradespeople—like your local plumber, roofer, landscaper, HVAC technician and others who are employed in the trades—are immensely skilled and extensively trained. They are the essential, unsung heroes who work tirelessly to ensure that our needs are met where we live or work, ready at a moment's notice to leave their families in the middle of the night to go across town to help others.

ServiceTitan was born in the trades and built for the trades. Our founders, Ara Mahdessian and Vahe Kuzoyan, are the sons of trades business owners and founded ServiceTitan to provide tradespeople, like their parents, with technology that is purpose-built to help trades businesses thrive. Our software provides an end-to-end, cloud-based software platform that connects, manages and automates a wide array of business workflows such as advertising, job scheduling and management, dispatching, generating estimates and invoices, payment processing and more. Tradespeople spend their days interfacing with the ServiceTitan platform across what we believe to be the five most business-critical functions, or the "core centers of gravity," inside a trades business: CRM (customer relationship management, including sales enablement, marketing automation and customer service), FSM (field service management, including scheduling and dispatching), ERP (enterprise resource planning, including inventory), HCM (human capital management, including compensation and payroll integration) and FinTech (including payments and third-party consumer financing). By offering interoperable capabilities in all five centers of gravity, we continuously capture comprehensive data insights across key workflows in a trades business.

ServiceTitan is focused on the success of our customers. We believe that our customers' success leads to our success, and our broad platform, close customer proximity and deep connection with the industry enable us to improve our customers' business outcomes. We believe we have the largest proprietary data asset in our industry, which means we can see and learn from an industry-specific dataset; and we are the system of record for our customers, solving end-to-end workflows. Because of these factors, we are fundamentally able to turn insights into action, a foundation that is accelerated by our growing AI capabilities and that we believe positions us to create the agentic operating system for the trades. This has helped and, we believe, will continue to help our customers grow and further professionalize their businesses, positioning them to accelerate revenue, drive operational efficiency and deliver a superior end-customer service experience.

Industry Background

Access to clean water, consistent power, heated and ventilated air, an environment free from pest infestations, and a roof overhead are just some of the basic requirements of the modern home and business. We take these standards of living and comforts for granted until something goes wrong—a water pipe bursts, the heat goes out in the dead of winter or the power goes down in the middle of the workday. It is in these moments when tradespeople come to the rescue and we remember how much we depend on the trades.

The Trades Are Large, Durable and Rapidly Professionalizing

The trades are a cornerstone of our global economy and one of the largest employment categories for the U.S. workforce. They attract considerable spending on homes, businesses and other properties.

Historically, the trades consisted of smaller, often family-owned entrepreneurial businesses with limited operational and geographical footprints. In recent years, more businesses are seeking to integrate modern technologies into their operations. Furthering this paradigm shift is the influx of professional operators, including private equity owners, who are investing in and consolidating trades businesses, standardizing the operations of their portfolio companies, implementing best practices and new software functionality, and accelerating the digital shift with a focus on scaling and improving efficiency. At the same time, end customers increasingly demand seamless digital experiences that have become commonplace in other industries.

The Trades Require an Industry-Centric Approach

Trades businesses are complex in nature, servicing many types of jobs across complex workflows in distributed locations. Despite the size and criticality of the trades and the specialized skills of tradespeople, technology solutions have generally not evolved to address their needs. Thus, many trades have had to rely on a variety of inadequate and often disconnected tools to manage their workflows. We believe that to adequately serve the trades, a software solution must be purpose-built for the nuanced dynamics of the trades, including the following:

- ***Distributed Workforce with Dynamic Workflows***. Trade workflows are often fluid and geographically distributed as technicians, dispatchers, customer support representatives, salespeople, and owners may all be in separate and changing locations throughout the day but require immediate collaborative capabilities. Each job requires these distinct and separated constituents to frequently and dynamically interact with one another in real time to address an end customer's job requirements.
- ***Individual Trades Have Similar but Distinct Characteristics***. The industry consists of a wide array of trades that service different needs of households and businesses. Though each trade has similar operational challenges and business goals, there are often many unique workflows and specifications that require configurations based on the nuances of a particular trade and/or end customer.
- ***Technology Adoption Requires Business Transformation***. Often there are structural inefficiencies in trades businesses' historical operational workflows. However, these processes have existed for generations, and trades businesses may be apprehensive to invest in technology solutions that risk significantly disrupting their established norms. Since trades businesses tend to devote their resources to serving their customers, they often lack the large IT organizations required to stitch together narrow solutions, build software products in-house, or customize horizontal technology to fit their distinct workflows.

Given the distinct characteristics and challenges of the trades, the need for a software platform built specifically for and trusted by this industry is critical.

The ServiceTitan Approach

The trades deserve a modern platform to deliver superior performance and automation from the back-office to field technicians to end customers. ServiceTitan was born to heed this calling. Our differentiated approach to drive success for our customers is built on the following cornerstones:

- ***Our Software is Trades-Specific, End-to-End, and Extensible Across Trade Verticals***. We have built what we believe to be the first and only comprehensive cloud-based software solution designed specifically for the diverse spectrum of trades businesses, fully integrating across all critical operational functions (CRM, FSM, ERP, HCM and FinTech). Rather than targeting specific functional areas as is traditional in enterprise software, we target our entire customer—a trades business—and have purpose-built our platform to cover their needs and workflows end-to-end.
- ***We Are Experts in the Trades.*** We are emphatically focused on understanding the evolving challenges and workflows of trades stakeholders through continuously engaging with customers and observing how they use our products. We also employ industry experts, such as former contractors, former association leaders and other subject matter experts, and work closely with customers and industry partners, including large distributors, OEMs and industry associations, to maintain a constant pulse of the trades.
- ***We Leverage Our Data Assets and AI to Drive Customer ROI***. ServiceTitan lives and breathes the trades and, in turn, the trades live and breathe ServiceTitan. Trades businesses spend their days using our platform and processing key workflows through us. Our unique position across the trades ecosystem provides us with the distinct ability to collect data across all workflows and all users, which we anonymize, aggregate, and analyze to glean insights and productize further improvements for our customers, and in turn provides data to our AI engines, to automate customer tasks and drive additional insight-based actions. We not only embed AI-driven features and insights within existing products, but we have launched a suite of innovative, purpose-built, add-on AI products designed specifically for the trades. In addition, in fiscal 2026, we introduced Atlas, an agentic AI layer that represents the next evolution of our Titan Intelligence AI engine. We believe we have the three necessary ingredients to harness the power of

AI to further drive value for our customers: (1) massive and growing proprietary data assets; (2) similar customer profiles with common workflows; and (3) an end-to-end platform that allows us and our customers to put insights into action.

Components of Our Platform

ServiceTitan was built to be the operating system that powers the trades. We designed our platform to comprehensively address key workflows for trades businesses including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, sales, payments, inventory and payroll integration. Our customers access our platform through a web browser if in the office and through a mobile application if in the field (primarily technicians). Given the vertical-specific nature of the trades, we tailor certain product offerings to address specific needs of each trade.

Our platform offers key benefits through three main offerings: Core, FinTech and Pro products. Our entry point to a typical customer's business is through our Core product offering, which offers a base-level functionality across all key workflows, including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, job costing, sales, inventory and payroll integration. To supplement our Core product and provide an even higher level of functionality, we offer our comprehensive portfolio of Pro products, which provide value-additive capabilities, as well as our FinTech products, which include payment processing and third-party financing solutions. As our customers adopt more of our platform's additive products and features, we have the opportunity to further accelerate the growth of their business, drive operational efficiencies and deliver a superior end-customer experience. In addition, in fiscal 2026, we began a pilot of Max, which packages our most advanced functionality and AI features with expert guidance to unlock AI automation.

Our platform is also highly extensible because our application programming interfaces ("APIs") and developer tools allow our customers to integrate our products with their systems and certain third-party applications, further extending and embedding our platform into the broader trades ecosystem. Our partners and system integrators regularly engage with our platform to create value-add extensions that help serve our customers in an even more complete and flexible manner.

Through our platform, our customers are able to generate leads, book jobs, dispatch technicians, track performance, and take payments, among other capabilities more fully described below. For additional information regarding the seasonality and other trends impacting our platform and business, refer to Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Lead Generation

Lead Tracking

A single customer can have thousands of online leads from a variety of sources, including ads, Yelp and Google sponsorships, which makes knowing which lead sources are producing inbound calls critical to maximizing our customers' sales and marketing ROI. ServiceTitan's lead tracking feature assigns a unique phone number to each marketing campaign that helps map leads to revenue-generating jobs and provides a customer visibility into the effectiveness of each marketing dollar.

Memberships, Service Agreements and Contracts

Our platform allows our customers to effortlessly create new maintenance memberships and equipment-based contracts that are customizable to apply discounts or offer upgrades for additional services. Our customers are also notified when end customers' memberships are expiring and are provided a summary of the membership information to ensure they have the right data when following up on renewals Additionally, we offer our business customers the flexibility to provide services using service agreements. This feature offers customers consistent and predictable revenue-generating opportunities to generate work.

Marketing Pro

To complement our standard lead tracking feature, Marketing Pro offers AI-powered automated email marketing, direct mail marketing services, reputation management, ads measurement and optimization and Audience Builder.

Convex

Convex Labs, Inc. is a sales and marketing platform built specifically for trades businesses focused on serving commercial buildings that enables such trades businesses to identify new opportunities and expand existing relationships with a comprehensive view of commercial properties, contact, business and permit information.

Job Booking

Call Booking and Recording

Our Call Booking and Recording feature automatically populates end-customer information as calls come in, making appointment booking an informed and effortless process. We use our data-driven insights to show customer service representatives key property details and customer history. ServiceTitan routes an end customer's call through a call recording system and attaches the recording to the related job, allowing a business owner to regularly review calls for quality assurance.

Google Local Service Ads Integration

Our Google Local Service Ads Integration feature enables a prospective end customer to view availability and book directly with our customers with the click of a button using Google search.

Phones Pro

Phones Pro is a Voice over Internet Protocol phone system that allows customers to route calls through the ServiceTitan platform. This allows our customers to immediately know which customer service representative is taking the call, enabling in-depth reporting on key performance indicators such as call abandonment rates and average call duration. Phones Pro also allows our customers to receive call transcripts and automated alerts for escalation.

We also use AI in our Second Chance Leads feature to analyze interactions that failed to result in booked appointments and are worth pursuing a second attempt.

Contact Center Pro

Contact Center Pro is an omnichannel, multi-location, AI-powered cloud contact center solution built specifically for the trades to provide better customer service, book more jobs, increase revenue, boost contact center productivity and streamline costs. The Universal Inbox in Contact Center Pro allows customer service agents to access inbound and outbound communications across multiple channels and businesses as well as critical contextual information and key workflows from a single, easy-to-use user interface.

Scheduling Pro

Scheduling Pro allows end customers to book work orders directly through the dispatch board at any time, resulting in less friction for end customers who would otherwise be in queue, and increased orders for our customers even during periods when sales representatives are busy or after-hours. This feature helps our customers capture revenue that may otherwise be lost.

Virtual Agents

Paired with the underlying functionality of our platform, our Virtual Agents utilize AI to automatically handle overflow and after-hours calls to book, reschedule and confirm appointments. This feature further helps our customers capture revenue that may otherwise be lost.

Dispatching Technician

Customer Notifications

End customers receive automated text notifications when their job is booked and the technician is on the way, along with the technician's picture and a link to the technician's GPS location. Moreover, end customers can directly communicate with the technician through a two-way chat feature and receive real-time updates.

Scheduling & Dispatching

Our Scheduling & Dispatching dashboard provides information about a technician's schedule, current capacity and skill set, and an overview of booked appointments, recurring jobs and non-job events. With this critical information, dispatchers can efficiently schedule next jobs and respond to urgent requests and emergencies, all the while mapping the right technician to the job. Our platform also uses GPS systems to get real-time information on technician routes to find the most efficient routes and help businesses stay responsive.

Dispatch Pro

Dispatch Pro incorporates AI in our standard dispatch solutions to provide analyses that help customers make smarter business decisions. This AI-driven feature constantly improves the product algorithm to learn from technicians' historical data (like total sales, average tickets, sold memberships, probability of generating leads, technician reassignment and more) to choose the best-matched technician for a job, while also optimizing technician routes. A key feature of Dispatch Pro is its ability to predict job values and outcomes, enabling customers to make data-driven decisions to optimize technician assignment for each job, which in turn helps our customers yield higher return on investment.

Fleet Pro

Fleet Pro is a comprehensive, proactive fleet management solution that helps managers efficiently manage their fleet, save money and maximize ROI on fleet spend. This feature pulls data from GPS and AI-assisted smart cameras connected to the ServiceTitan network to provide managers complete visibility into technicians' vehicle use, including idle times, helping prevent inflated wages and identify lost billing opportunities.

Performing Job

Custom Forms

Custom Forms ensures that our customers are collecting relevant information from their end customer to understand the job request, provide estimates and identify sales velocity opportunities. This feature also serves as quality control by mandating staff to follow predefined best practices across all verticals, such as safety checklists and opportunity review forms. Using the information collected, our platform identifies the appropriate language required in contracts, allowing our customers to focus on execution and client satisfaction.

Job Costing and Project Management

For projects that go beyond a single call or single day, understanding profitability in real time is critical. Our Job Costing and Project Management functionality helps our customers understand how to manage and track all their projects (whether at one or multiple locations) in real time using the Budget vs. Actual table features through step-by-step workflows, providing visibility into the phases of work a project goes through, percent expended and variances at an itemized level, and more.

Our Job Estimating product allows customers to provide real-time estimates and proposals and significantly improve time to close sales.

Property Intelligence and Custom Proposals

Our PropertyIntel product allows our customers to collect, connect and visualize essential landscaping data to service more jobs in less time using features such as high-resolution aerial imagery for property measurement, precision measuring tools, automated time and cost estimates and autonomous mower and drone integrations.

Once equipped with this landscaping data, our customers can use our Custom Proposals feature to design competitive bids and win jobs. Together with our Core product functionality, PropertyIntel's capabilities allow customers to identify superior enhancement opportunities, target marketing efforts to specific property needs, increase service effectiveness and achieve greater levels of profitability.

Conduit Tech

Conduit Tech, LLC is an HVAC design and sales platform that leverages next-generation Light Detection and Ranging (LiDAR) technology to build permit-ready load calculations and drive customer engagement. Conduit's platform allows technicians to create 3D models, load calculations and visualizations onsite.

Reporting

Our customers can track performance by creating personalized key performance indicators or using our AI-powered benchmarked industry metrics and best practices that are generated by leveraging our most successful customers and analyzing anonymized customer data (Benchmark Insights).

Pricebook

Our platform allows customers to promptly offer a variety of pricing options to the end customer through a customizable pricebook that can be pre-loaded with pictures, videos, warranties and other information for each item. With our standard Pricebook feature, customers can track material and labor costs including bonuses and commissions for each item and make appropriate pricing adjustments, all the while getting real-time insights into their profit margins.

Pricebook Pro

Pricebook Pro offers capabilities that extend from pricing to estimates to inventory to accounting. Powered by AI, Pricebook Pro supplements our standard Pricebook product with value-additive features.

Field Pro

FieldPro, the next evolution of Sales Pro, pairs an AI-powered field technician coaching solution with AI-powered pre-job briefs and equipment recognition to drive increases in close rates, ticket sizes and revenue. By automatically recording, transcribing and analyzing on-site interactions directly within existing technician workflows, Field Pro provides a complete virtual "ridealong" solution that surfaces personalized coaching and learning opportunities to both managers and technicians in a social, engaging, peer-to-peer learning environment. Additionally, Field Pro includes exclusive curated content created by ServiceTitan in partnership with industry leaders and experts so contractors of all types and sizes can learn from the best in the industry, and also provides in-field troubleshooting guides and diagnostics.

Taking Payment

Payment Processing

Our platform offers integrated payment processing of credit cards, bank transfers (ACH) and checks via third parties, allowing technicians to process payments through customer portals or at the job for a seamless customer experience.

Consumer Financing

Using our Consumer Financing features, our customers can rapidly and efficiently connect end customers with third-party financing options to pay for the costs incurred in connection with the work performed. Through our platform, an end customer can even view their monthly payment, which is particularly important as trades businesses often perform critical, non-discretionary and expensive jobs such as replacing an HVAC or water heating system.

Back Office Operations

Accounting

Our platform provides a suite of accounting capabilities (for example, timekeeping, payroll, accounts receivable, accounts payable, collections and multi-party billing). We also provide AI-powered accounting assistance to automate personalized responses and job summarization. This reduces the time spent on print views and increases revenue by generating print templates aligned with customer specifications.

Our accounting features also offer flexibility to work across various accounting platforms (including QuickBooks and Sage Intacct) and address our customers' varying invoicing needs (ranging from single-party same-day invoices to multi-party, progress billing to insurance claims) in ways that make sense for businesses.

Commercial Billing

Our billing feature allows trades businesses to improve operational efficiency and billing accuracy by automating billing processes. Further, as our platform has access to key details of projects, including initial estimates and labor and materials costs, we also provide progress billing capabilities, which prove to be helpful as projects are often paid over time.

Procurement and Inventory Management

Our software allows customers to swiftly replenish stock and manage inventory stored in trucks and warehouses across multiple geographic locations. Additionally, customers can make transfers and track in-process orders on a real-time basis through our Inventory Mobile App. These procurement and inventory management capabilities improve overall end-customer experience by ensuring accurate data entry and efficiently managing stock to avoid delays.

Other Components of Our Platform

TitanAdvisor

We built TitanAdvisor to utilize data-driven insights from across our platform to identify and recommend features not yet implemented by a customer. TitanAdvisor recommends targeted features and products to help our customers achieve their top priorities, whether it be to accelerate growth or increase operational efficiency, and provides a step-by-step guide to implement the feature recommendations.

Atlas

Atlas, an advanced AI sidekick that represents the next evolution of Titan Intelligence, our AI engine, is woven into components of our Core and Pro product offerings and is integrated into our FinTech solutions. Atlas uses a rich set of AI, machine learning and analytics-powered tools that include the latest GenAI capabilities to harness ServiceTitan data and fuel industry insights, trends, features, products, recommendations, and data-driven strategies for the trades. Contractors can interact directly with Atlas in our platform, typing or speaking in plain English. Atlas is designed to, over time, have the capabilities to automatically handle many of the tasks and decisions a business owner or team member could make, and to automatically surface insights that could help our customers further accelerate their businesses.

Our Growth Opportunities and Strategies

Our customers' success is our first priority. We believe the following growth opportunities and strategies will deliver value to our customers and, in turn, to ServiceTitan.

- ***Increase GTV on Our Platform***. We expand GTV on our platform by enabling our customers to grow their GTV and by serving additional customers, either in trades and markets we operate in today or those we may expand into in the future.
  - ***Growing with Our Customers***. As our customers grow their businesses while using our platform, they often hire and add more users to their existing subscription and also complete more transactions through our platform, which both drive more revenue for ServiceTitan. We have developed deep partnerships with these customers that have made our platform the market standard in these trades and, as our customers scale further, they may look to expand into additional trades we already serve, which they can leverage our platform to do.
  - ***Increasing GTV By Serving Additional Customers in Existing Trades and Markets***. Increasing our GTV also depends on our ability to serve additional customers in existing trades and markets. As our platform has deepened and expanded in features, we have been able to serve larger customers. The trades industry is also experiencing an influx of professional operators, including private equity owners, who are investing in and consolidating trades businesses, in many cases on our platform. Because of these dynamics, we focus on increasing GTV on our platform, rather than new customer count.
  - ***Increasing GTV By Entering New Trades and Markets***. We believe there is a significant opportunity to expand to new trades and markets. We intend to continue investing in our platform to address the needs of additional trades. We have expanded into new trades using a proven playbook by harnessing common features applicable across the industry, while identifying and building key additional features specific to each trade and end market. We believe our track record and strategy of building features that directly address key pain points for our stakeholders across a growing number of trades will continue to differentiate us and help expand our customer base across a growing addressable market. As we expand to new trades, our best practice playbooks will continue to provide a blueprint for our customers to expand into additional trades. We also believe that there is a significant opportunity to strategically expand the usage of our platform outside of the United States and Canada over time based on the current needs of different regions.

- ***Retaining and Expanding Existing Customer Relationships***. Our customers deploy our platform end-to-end across their entire organization, meaning the ServiceTitan platform powers their workflows and is the primary interface used by their employees. We are deeply embedded as the operating system that powers our customers' businesses, and we had a gross dollar retention rate[1] of over 95% for each of the fiscal years 2026, 2025 and 2024, respectively. As we continue to demonstrate the high ROI of our products to our customers, we may sell more add-on products to them and increase our share of wallet, which we measure as the portion of our customers' GTV that we earn. We orient our activities around what is best for our customers, not only because it is the right thing to do, but also because we believe it drives our growth and financial success.
  - ***Driving Adoption of Add-on or Bundled Products***. As our customers realize the positive impact of using our platform, grow and further professionalize, they often adopt additional ServiceTitan features, such as our FinTech and Pro products. This increased adoption not only drives our revenue through adoption of existing add-on products, but also gives us insight into how customers engage with our platform and what additional add-on products or bundles might be helpful for us to

[1] To calculate our gross dollar retention rate as of a given quarter, we first calculate prior period annualized billings. We then identify the value of annualized billings from any customers whose billings were zero in the current period (excluding the impact of credits), which we refer to as churn. We then divide (a) the prior period annualized billings minus churn by (b) the prior period annualized billings to calculate the gross dollar retention rate.

innovate. We then leverage our end-to-end expertise and extensive data assets to tailor additional new features that can remedy the inefficiencies identified in our customer workflows and to strengthen our existing capabilities by embedding features that can drive value and make the platform even more powerful. We also believe that the power of new AI solutions, paired with the existing end-to-end nature of our platform, further expands our opportunity to bundle add-on products that can drive significant additional value for our customers, and further increase our share of wallet.

- ***Building New Add-on Products***. We have a history of building and launching add-on products where we see the opportunity to create significant positive impact for our customers. This impact comes from identifying a pain point our customers are experiencing and building a product that, when integrated with our end-to-end Core product, provides what we believe is an outsized value creation that is differentiated compared to other off-the-shelf vendors. Additionally, we have and may continue to consider opportunities for acquisitions or other strategic transactions that advance our product roadmap more efficiently than building functionality ourselves through research and development.

Our Customers

We serve customers ranging from family-owned businesses with a few employees to large enterprises with a national footprint, some of which are an aggregation of multiple customers through a franchise network or other common buying partners. These aggregated customers employ thousands of employees, directly or through their franchise network, and generate over $1 billion in annual GTV. The key decision maker for our customers is typically the business owner. For some of our larger customers it is common for the business owner to employ executives such as a chief information officer to manage and upgrade critical IT systems or a general manager to oversee business operations. The general manager is typically also a key influencer in buying decisions.

We define a customer as a parent organization, which may have multiple locations, brands or subsidiaries, that has been billed in the prior three months, and of those customers we define “Active Customers” as customers with over $10,000 of annualized billings. As of January 31, 2026, we had approximately 10,800 Active Customers representing over 97% of our annualized billings for fiscal 2026.

Our platform helps customers accelerate revenue growth, increase overall productivity by unifying and, in some cases, automating fragmented business processes, deliver a seamless customer service experience and provide operational visibility and insights to business owners. A differentiated employee experience is both a core value proposition of our software and a unique tailwind to customer adoption.

Competition

The market for technology and business process solutions catering to the needs of the trades is in its early phases of development and technology adoption, with many trades businesses still relying on a combination of rudimentary workflows. Where incumbent technology has been adopted, it has generally had a limited impact because it typically lacks a singular, purpose-built platform that integrates a comprehensive set of mission-critical workflows throughout the project lifecycle and fails to empower a distributed and mobile workforce.

We compete directly or indirectly with software vendors offering point-specific tools for specific elements of trade workflows, horizontal solutions for generic functionalities, legacy on-premise field service management applications and narrow bundled solutions for down-market trades businesses. Examples of these software vendors include Salesforce, SAP, FieldEdge, Workwave, ServiceTrade, AccuLynx, BuildOps, HouseCall Pro, JobNimbus and Jobber. We expect competition to increase as other established and emerging companies enter our market, consumer platforms potentially build products to serve our customers, customer requirements evolve, and new products and technologies are introduced, including those expedited by advancements in AI and those that address additional point solutions.

We believe that we compete favorably across key industry selection criteria, including our cloud-based platform connectivity, ease of deployment and integration, user experience, industry expertise, product breadth, customer support, proven success record, mobile capabilities, and innovation capacity, including the ability to develop and implement industry-specific AI solutions. However, we could face significant risks to our business, financial condition and results of operations as a result of competition. For additional information, see the section titled "*Risk Factors—Risks Related to Our Business and Operations—We face competition from both established and new companies offering services similar to ours, and many of our potential customers have developed, or could develop, proprietary solutions, all of which may have a negative effect on our ability to add new customers, retain existing customers and/or grow our business*."

Sales and Marketing

Our go-to-market strategy leverages our industry expertise to effectively and authentically communicate our platform's proven ability to address the trades' unique workflows and challenges with business owners and key executives across both small and midsize and enterprise segments. We acquire customers through digital marketing, outbound direct marketing, significant word-of-mouth referrals, and partnerships with industry associations, original equipment manufacturers, and distributors. We primarily sell subscriptions to our Core product through our direct sales team, who conduct most sales virtually to accelerate onboarding. For larger enterprise prospects, our dedicated, geographically-distributed team targets key decision makers both in-person and virtually. Complementing new customer acquisition, our specialized FinTech and Pro product sales teams introduce additional products at the optimal times for each customer, using our insights from TitanAdvisor Scores to recommend solutions to address our customers' evolving needs.

Customer Success

Our customer experience teams support customers through their entire customer lifecycle, from initial onboarding to ongoing success and support. Our customer success organization consists of Implementation, Customer Success Management, Support and Professional Services, with dedicated support from operations and enablement teams.

Our implementation and Professional Services teams assist each of our customers with onboarding and configuration, including data and accounting migrations, telecom setup and custom reporting, to ensure they are successful at go-live and beyond. Customers that subscribe to our Pro products are also assigned a resource to assist in optimization of those features. After initial onboarding, each customer is assigned a Customer Success Manager ("CSM"), who works closely with our customers to assist them in fully utilizing ServiceTitan in the most effective way possible using tools such as TitanAdvisor to help guide customers to improve product adoption and utilization, which closely correlates to better customer business outcomes such as revenue and efficiency. Additionally, our customers also have access to our large knowledge base, webinars and a broader community of customers and power users, many of whom are certified through our Certified Administrators program, which help raise the level of knowledge, expertise, adoption rate and continuous improvement in the use of our products.

We offer customer support via chat, phone and email, and have integrated AI solutions to enhance the customer experience. Our Customer Support teams aligned by specialized areas to provide dedicated knowledge and address customer needs quickly and effectively. As we continue to evolve the customer experience, we expect that CSMs will increasingly focus on the ongoing customer relationship, driving retention and product expansion.

Seasonality

Our business can be seasonal. For example, demand for our customers' services tends to increase during seasonally hot summer months across a variety of trades including landscaping, pool, pest, HVAC and roofing. For more information, see the section titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations—Seasonality and Other Fluctuations*."

Research and Development

Our research and development team consists of product, platform and infrastructure and site reliability engineering, product management, AI and data science, user experience and design, technical program management, content and enablement as well as product and information security. We invest substantial resources in research and development to enhance our platform's functionalities and expand the products and services we offer. We employ in-house industry experts (former tradespeople, former association leaders and others) to ensure we understand the trades and address the needs of the industry through product innovation and customer success. We continually review and incorporate suggestions, feedback and new use cases from our broad customer base and engaged community into our platform and invest substantial resources to improve our platform by incorporating this feedback. We believe these investments will help us maintain our competitive position. We also analyze the data flowing through our platform to understand opportunities for driving further efficiencies and productizing improvements for our customers. Additionally, we devote considerable attention and resources to what we refer to as "customer trust," which entails providing a continuously secure, performant and stable platform in keeping with SaaS industry standards.

Intellectual Property

Our success depends in part upon our ability to safeguard our core technology and other intellectual property protection for our technology, inventions, improvements, proprietary rights and other assets. We seek to accomplish that objective by establishing intellectual property rights in and protecting those assets through a combination of patent, trademark and copyright law, trade secret, protection, license agreements, confidentiality procedures, employee invention assignment agreements, non-disclosure agreements with third parties and other contractual measures. As of January 31, 2026, we held 16 issued U.S. patents, four issued foreign patents, and nine U.S. patent applications. Our issued patents in the U.S. will expire between 2036 and 2045. In addition, as of January 31, 2026, we owned 15 registered trademarks in the United States, nine pending trademark applications in the United States, and 20 registered trademarks in various non-U.S. jurisdictions. We also have registered domain names for websites that we use in our business. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented or challenged. For additional information, see the section titled "*Risk Factors—Risks Related to Our Intellectual Property*."

Government Regulation

We are subject to various federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve AI, data privacy, security and protection, intellectual property, telecommunications, telemarketing, import and export controls, consumer protection, employment and labor, workplace safety, anti-bribery, immigration, federal securities, tax and other subjects. Additional laws and regulations relating to these areas, particularly AI, likely will be passed in the future, and these or existing laws and regulations may be interpreted or enforced in new or expanded manners, each of which could result in significant limitations on ways we operate our business. There is a risk that certain regulations could become applicable to us as we expand the functionality of and products offered through our platform. New and evolving laws and regulations, and changes in their enforcement and interpretation, may require changes to our platform, products or business practices, and may significantly increase our compliance costs and otherwise adversely affect our business and results of operations. As our business expands to include additional products or service additional trades businesses, and our operations continue to expand internationally, our compliance requirements and costs may increase and we may be subject to increased regulatory scrutiny. See the section titled "*Risk Factors—Risks Related to Legal and Regulatory Environment—Our business is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping and frequently changing rules, regulations and legal interpretations could adversely affect our business*" for additional information about the laws and regulations we are subject to and the risks to our business associated with such laws and regulations.

Our People

As of January 31, 2026, we had a total of 3,414 Titans across the United States, Canada, Armenia and other international locations. Our Titans are engaged through direct employment and professional employer organizations ("PEOs"). In addition, we engage a limited number of independent contractors in certain jurisdictions. We also utilize third-party service providers in certain jurisdictions and functions; individuals providing services under these arrangements are employed by the applicable service provider.

In locations where we have not established a legal entity, we contract with the PEO to serve as the 'Employer of Record.' Individuals are employed by the PEO, but provide services to us under our day-to-day direction. In certain jurisdictions, the PEO facilitates our engagement with self-employed individuals who maintain their independent contractor status while accessing PEO services.

The majority of our employees are based in the United States, where our executive team and most of our engineering, product managers, sales and marketing, customer success and general and administrative personnel are located. Our Titans in Armenia and our other international locations primarily consist of engineers and customer success personnel.

None of our employees are represented by a labor union or covered by a collective bargaining agreement with respect to their employment with us. We have not experienced any work stoppages and we consider our relations with our employees to be strong. We have invested substantial time and resources in building our team. We are highly dependent on our management and high-quality employees and it is crucial that we continue to attract and retain top talent.

Available Information

Our website is www.servicetitan.com. The information contained on our website is not included as a part of, or incorporated by reference into, this Annual Report on Form 10-K. Other than an investor’s own internet access charges, we make available free of charge through our investor relations website (investors.servicetitan.com) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we have electronically filed such material with, or furnished such material to, the SEC.

Item 1A. Risk Factors.

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this Annual Report. If any of the risks actually occur, our business, financial condition, results of operations and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

The following summarizes factors that could have a material adverse effect on the Company's business, reputation, results of operations, financial condition and stock price. The Company may not be able to accurately predict, control or mitigate these risks. Statements in this section are based on the Company's beliefs and opinions regarding matters that could materially adversely affect the Company in the future and are not representations as to whether such matters have or have not occurred previously. The risks and uncertainties described below are not exhaustive and should not be considered a complete statement of all potential risks or uncertainties that the Company faces or may face in the future.

Risks Related to Our Business and Industry

We have experienced rapid growth in recent periods, and such growth may not be indicative of our future growth. If we fail to properly manage future growth, our business, financial condition, results of operations and prospects could be materially adversely affected.

We have experienced rapid growth in recent periods; however, our recent revenue growth rate and financial performance should not be considered indicative of our future performance. Our revenue was $961.0 million and $771.9 million for fiscal 2026 and fiscal 2025, respectively, representing a year-over-year increase of 24% in aggregate. Our overall revenue growth depends on a number of factors, including our ability to:

- attract new customers or retain existing customers;
- sell our suite of value-added products, including our Pro product offerings, to our existing customers or earn referral fees from our payment processing and consumer financing partners as part of our FinTech offerings;
- continue to improve the functionality of and develop new products, including AI-powered products, for our platform for the trades we serve;
- enhance our platform with new features and functionality, including AI-powered ones, and develop new products and serve trades businesses in trades we do not yet serve;
- provide our customers, their technicians, employees and other staff with the onboarding experience and ongoing level of support that they require;
- invest financial and operational resources to support future growth in our contractor, partner and other third-party relationships;
- expand our operations domestically and internationally;
- partner with third-party financial services and technology providers that are reliable and meet the needs of the trades we serve or intend to serve;
- retain and motivate existing personnel, and attract, integrate and retain new personnel;
- successfully identify, acquire and integrate businesses, products or technologies that we believe could complement or expand our platform;
- effectively plan for and model future growth; and
- compete with other providers of software for the trades.

You should not rely on our revenue or key business metrics for any previous quarterly or annual period as any indication of our revenue, revenue growth, key business metrics or key business metrics growth in future periods.

We expect our revenue growth rate to continue to fluctuate over the short term, and even if our revenue continues to increase, our revenue growth rate may decline in future periods as the size of our business grows and we achieve higher market adoption rates. Our opportunity for future growth also depends on other factors generally outside of our control, including changes in our customers' budgetary constraints, end-customer use of the trades we serve, regulatory and macroeconomic conditions, business practices within the trades, increased competition and consolidation of businesses within the trades. We also expect to continue to make investments in the development and expansion of our business, which may not result in increased revenue. Further, our revenue growth rate may experience increased volatility due to global societal and economic disruption. If we do not effectively address these risks and maintain revenue growth, the value of our capital stock could be adversely affected.

We have a history of losses and may not be able to achieve or sustain profitability in the future.

We have incurred net losses in each year since our inception, and we may not be able to achieve or maintain profitability in the future. We incurred net losses of $159.9 million and $239.1 million in fiscal 2026 and fiscal 2025, respectively and we had an accumulated deficit of $1.3 billion as of January 31, 2026. Generally, we expect our costs will increase over time and our losses to continue as we expect to invest significant additional funds towards growing our business and continue to adjust to operating as a public company.

In addition, we plan to continue to manage our business towards the achievement of long-term growth that we believe will positively impact long-term stockholder value, and we have expended, and expect to continue to expend, substantial financial and other resources on product development, including new and innovative core and AI functionality, products and services to address our customers' evolving business needs, new products for adjacent markets and additional trade verticals, and improved customer experience across our targeted trade verticals; our technology infrastructure, including systems architecture, management tools, scalability, availability, performance and security, as well as disaster recovery measures; our sales, marketing and customer success organizations; our onboarding and support organizations; acquisitions or strategic investments; expansion efforts, including geographic, market and new industry expansion; and general administration, including legal and accounting expenses as well as the increased operating expenses due to being a public company. These efforts may be more costly than we expect, may not result in increased revenue or growth in our business, and may cause significant fluctuations in our results of operations from period to period. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could negatively impact our gross margins and prevent us from achieving or maintaining profitability or positive cash flows on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition and results of operations could be adversely affected. Moreover, although we believe our investments in our business are consistent with our strategic objective to achieve long-term growth, these decisions may not be consistent with the short-term expectations of some investors, and if we are ultimately unable to achieve profitability at the level anticipated by industry or financial analysts and our stockholders, the trading price of our Class A common stock could decline.

If we fail to manage our growth effectively, our brand and reputation, business, financial condition and results of operations could be adversely affected.

We have experienced strong growth in our employee headcount, our revenue, our reach across trades, the number of customers we serve and the number of transactions we process on our platform, and we expect to continue to experience growth in the future. For example, our full-time employee headcount increased from 840 as of January 31, 2020 to 3,414 as of January 31, 2026, with employees added over that period both at our headquarters in Glendale, California and in a number of locations across the United States and internationally. Further, our revenue has increased significantly over prior fiscal periods. In addition, we have and may continue to pursue acquisitions to expand our business and operations. This rapid growth and organizational change have placed, and may continue to place, significant demands on our management and our operational and financial resources and could challenge our ability to develop and improve our operational, financial and management controls; enhance our reporting systems and procedures; recruit, train and retain highly skilled personnel; and maintain customer satisfaction.

Our ability to manage our growth effectively and to integrate new employees, technologies, geographies and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to effectively integrate, develop and motivate a large number of new employees, while maintaining the beneficial aspects of our culture.

As we serve a growing number of customers and facilitate a growing number of transactions on our platform, we must continue to improve and expand our IT and financial infrastructure, operating and administrative systems and relationships with various partners and other third parties. We have established research and development hubs and we rely on engineering contractors in international markets, and we may open additional offices in the future both in the United States and abroad. Because we employ personnel internationally, we are subject to additional risks customarily associated with foreign operations, such as labor and employment related risks, export compliance risks, risks related to political or regional instability and national security risks. These disruptions, and the outbreak of war in the area generally, from time to time have adversely affected, and could in the future affect, our business, financial condition and results of operations.

In addition, our organizational structure is becoming more complex as we improve our operational, financial and management controls as well as our reporting systems and procedures. We will require significant capital expenditures and our calculated allocation of valuable management resources to grow and change in these areas without undermining the corporate culture of rapid innovation, teamwork and attention to customer success that has been central to our growth so far. If we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our solutions may suffer, which could negatively affect our brand and reputation and our ability to retain and attract customers, which could adversely affect our business, financial condition and results of operations.

Our results of operations are likely to fluctuate from period to period, which could cause the market price of our Class A common stock to decline.

Our results of operations may vary significantly from period to period, which could adversely affect our business, financial condition and results of operations and cause the market price of our Class A common stock to decline. As a result, you should not rely upon our historical results of operations as indicators of future performance. We expect that our results of operations will vary as a result of a number of factors, many of which are outside of our control and may be difficult to predict, including:

- our ability to increase the number of new customers and expand our existing customers' use of our platform and services;
- our ability to retain existing customers;
- the growth of our existing and future customers and the expansion of their businesses;
- the amount and timing of operating expenses related to maintaining and expanding our business, operations and infrastructure, including acquiring new and maintaining existing customers;
- the timing and success of new products or platform features introduced by us or our competitors;
- our ability to keep pace with technological advances and changes in practices and processes across the trades;
- the budgeting cycles and purchasing practices of trades businesses;
- general economic conditions and unrest due to geopolitical conflicts, in both domestic and foreign markets;
- changes in spending on home and commercial services, including as a result of economic trends, natural or man-made catastrophes and pandemics generally;
- the number or volume of transactions processed on our platform;
- changes in trades businesses or partner requirements or market needs;
- changes in the way we organize and compensate our employees;

- whether the industry for software for the trades, or our customers' adoption of AI, develop more slowly than we expect;
- our ability to successfully expand our business geographically and across the trades;
- the timing and length of our sales cycles;
- our ability to attract, develop, motivate and retain management and other skilled personnel;
- the amount and timing of operating costs and capital expenditures related to the expansion of our business, or incorporating AI solutions into our business operations;
- changes in the competitive landscape of our market, including consolidation among competitors or trades businesses;
- changes in our pricing policies or those of our competitors;
- insolvency or credit difficulties affecting our customers' ability to purchase or pay for our platform;
- significant cybersecurity breaches or other incidents impacting, technical difficulties with, or interruptions to, the use of our platform;
- unusual expenses such as litigation or other dispute-related settlement payments or outcomes;
- future accounting pronouncements or changes in our accounting policies or practices; and
- changes in governmental or other regulations, including state and federal laws that affect our business and operations.

The variability and unpredictability of our results of operations could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other results of operations for a particular period. If we fail to meet or exceed such expectations, the market price of our Class A common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

If we fail to effectively develop and commercialize new products, enhance and improve our platform, expand the number of trades we support, respond to changes in trades business demands or preferences or adapt to changes in trade industry practices, processes and technological advances, we may not remain competitive.

Our ability to grow our customer base and increase revenue from customers will depend heavily on our ability to develop new products and enhance and improve our platform in order to meet the increasing needs of trades businesses across the trades we serve and intend to serve, respond to changes in customer demands and preferences, adapt to changes in trade industry practices, processes and technology and interoperate across an increasing range of devices, operating systems and third-party applications. Our customers may demand products and capabilities that our current platform does not have, or that our current platform cannot support, and we may need to invest significantly in research and development to build these products and capabilities. In addition, the trades businesses we serve experience their own rapid technological changes and evolving industry practices.

Any new product or platform enhancements we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implement new technologies before we are able to implement them, those competitors may be able to provide more effective products and services than ours at lower prices. Competitors may also develop and introduce new products or entirely new technologies to replace our existing platform, which could make our platform obsolete or adversely affect our business. New products or platform enhancements may initially suffer from performance and quality issues that may negatively impact our ability to market and sell such products to new and existing customers. Additionally, we may experience difficulties with software development, design or marketing that could delay or prevent our development, introduction or implementation of new products, features or capabilities. Furthermore, as we incorporate AI functionality into our platform and products, our customers may be reluctant to adopt AI-powered solutions, especially agentic workflows, or adopt them more slowly than we expect. We have in the past experienced delays in our internally planned release dates of new products, features and capabilities, and there can be no assurance that new products, features or capabilities will be released according to schedule. If our research and development investments do not accurately anticipate customer demand, if we fail to realize the benefits of these investments by not achieving market acceptance, or our new products or platform enhancements suffer from performance or quality issues or are delayed, our business, financial condition and results of operations could be adversely affected.

We have incorporated and may continue to incorporate traditional artificial intelligence ("AI"), machine learning and generative AI ("GenAI") solutions into our platform, offerings, services, and features, including those based on large language models ("LLMs"), and these applications may become more important to our operations or to our future growth over time. We expect to rely on AI solutions to help drive future growth and operational efficiencies in our business, but there can be no assurance that we will realize the desired or anticipated benefits from AI or at all. We may also fail to properly implement or market our AI solutions. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations.

Our operations can be seasonal, and the results of our operations can vary from quarter to quarter and year-over-year, so our financial performance in certain financial quarters or years may not be indicative of, or comparable to, our financial performance in subsequent financial quarters or years.

Our financial results and cash needs may vary greatly from quarter to quarter and year to year depending on, among other things, the business performance of our customers, the seasonality inherent in some of our customers' businesses (*e.g.*, air conditioning demand peaking in summer months), extreme weather patterns (*e.g.*, cold spikes causing increased demand for furnace and other home repairs), general economic conditions and the timing of holidays and other seasonal events.

Because our results may vary significantly from quarter to quarter and year to year, our financial results for one quarter or year cannot necessarily be compared to another quarter or year and may not be indicative of our future financial performance in subsequent quarters or years. As we serve larger customers and as we enter different trade verticals, the sales cycle may increase the variation of our results from quarter to quarter and year to year.

Factors that adversely affect the trades industry, including industry consolidation, the increased prevalence of marketplaces for contractors, supply chain issues, tariffs on imported goods and labor shortages, could also adversely affect the demand for our platform and, as a result, our business, financial condition and results of operations.

We derive substantially all of our revenue from sales to trades businesses in the United States and Canada and transactions processed by such businesses. As a result, macroeconomic factors that negatively impact the trades industry, including industry consolidation, increased consumer reliance on online marketplaces connecting consumers to contractors, supply chain challenges, labor shortages and a lack of demand by consumers for the services provided by the trades, could also adversely affect our business, financial condition and results of operations.

Consolidation of trades businesses into larger industry participants within the trades has accelerated in recent years, and this trend could continue. We have in the past suffered, and may continue to suffer, reductions in subscriptions or non-renewal of customer subscriptions due to industry consolidation. We may not be able to expand sales of our subscriptions, Pro and FinTech products to existing or new customers enough to counteract any negative impact of industry consolidation on our business. From time to time, we form beneficial relationships with industry participants who have or are intending to consolidate trade businesses. However, we may not always be able to form such relationships, and such participants may compete with us. New companies that result from such consolidation may decide to develop their own internal solutions or work with alternative providers. As these companies consolidate, competition to provide solutions and services will become more intense and establishing relationships with large industry participants will become more important. Additionally, these industry participants may also try to use their market power to negotiate price reductions for our products. If consolidation of our larger customers occurs, these consolidated companies may represent a larger percentage of business for us and, as a result, we are likely to rely more significantly on revenue from such consolidated companies to continue to achieve growth.

Trades businesses are also experiencing supply chain challenges, including shortages of equipment, manufactured goods and supplies, which negatively affect their ability to accept and perform certain jobs. Additionally, sharply rising prices of gasoline and other fleet management costs may affect the profitability of routes for technicians in the field, especially those involving large amounts of driving. Tariffs or other trade protection measures, and uncertainty relating to such tariffs and trade protection measures, may also negatively impact trades businesses. In particular, the U.S. government has in the past and may in the future impose, reimpose, increase, or pause tariffs, and countries subject to such tariffs have and, in the future may, impose reciprocal tariffs or impose other protectionist or retaliatory trade measures in response. Such trade protection measures could increase the cost of raw materials, manufactured goods and supplies used in various trade verticals, or render these supplies increasingly difficult or impossible to procure, which may adversely affect the profitability of trades businesses. When such supply chain shortages and issues arise, or when costs increase due to tariffs or other trade protection measures, our customers may reduce their spending, which could result in decreased demand for our platform, as well as a decrease in the number or volume of transactions processed on our platform.

Moreover, trades businesses have experienced labor shortages as a result of an aging labor force and difficulty attracting new workers into the trades. These labor shortages can prevent trades businesses from accepting new jobs, limiting their businesses and reducing their revenues. The pricing of our subscription platform is partially based on the number of technicians employed by each of our customers, and any reduction in the skilled labor force hampers the growth of our customers and may negatively impact our revenues. Accordingly, our ability to efficiently provide our platform to trades businesses and to grow or maintain our customer base, and, as a result, our business, financial condition and results of operations, could be adversely affected by these and other factors that adversely affect the trades generally.

We have a limited operating history at our current scale in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we are not successful.

We have rapidly grown our business. For example, we first launched our platform in 2012, and our revenue grew from $120.7 million in fiscal 2020 to $961.0 million in fiscal 2026. We are expanding our sales focus to include large businesses, commercial services and construction customers, and expect to continue to explore new trades. We have also substantially increased our headcount, invested in expanding our direct sales force and customer support teams and otherwise enhanced and developed new solutions. Accordingly, we have a limited history of operations at our current scale, and our ability to forecast our future results of operations and to plan for future growth is more limited than that of companies with longer operating histories and subject to a number of uncertainties. These risks and uncertainties include our ability to:

- accurately forecast our revenue and plan our operating expenses;
- expand our sales team and develop an efficient sales, marketing, customer success and onboarding program that effectively addresses the needs of the customers in the trades that we serve or intend to serve;
- develop a scalable, efficient and reliable high-performance technology infrastructure;
- deploy new products and solutions that address the needs of the trades that we currently serve or intend to serve;
- hire, integrate and retain world-class talent;
- continue to partner with third-party financial services and technology providers that are reliable and meet the needs of the trades that we serve or intend to serve;
- successfully compete with other companies that currently offer, or may in the future offer, software and solutions to trades businesses in the trades;
- increase revenue from our platform;
- avoid interruptions or disruptions in our services or slower than expected load times for our services;
- store, protect, use and otherwise process Personal Information in compliance with governmental regulation, contractual obligations and other legal obligations related to data protection, privacy and cybersecurity;

- successfully expand our business across the trades;
- predict and respond to general economic and market conditions, including those caused by pandemics such as the COVID-19 pandemic, political or social unrest or macroeconomic factors such as rising inflation, trade protection measures, increased interest rates and lower consumer confidence and/or spending;
- successfully expand our geographic reach;
- defend ourselves against litigation, regulatory, intellectual property, data protection, privacy, cybersecurity or other claims; and
- manage a global workforce, including our growing team based in Armenia.

If we fail to address the risks, including those associated with the challenges listed above as well as those described elsewhere in this section titled "*Risk Factors*," and difficulties that we face, our business, financial condition and results of operations could be adversely affected. Further, because we operate in a rapidly evolving market and have limited experience preparing financial forecasts, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history at our current scale or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

We engage our team members in various ways, including direct hires, through professional employer organizations and as independent contractors. As a result of these methods of engagement, we face certain challenges and risks that can affect our business, results of operations, and financial condition.

In the locations where we directly hire our employees, we must ensure compliance with the applicable local laws governing team members in those jurisdictions, including local employment and tax laws. In the locations where we utilize professional employer organizations ("PEOs"), we contract with the PEO for it to serve as "Employer of Record" for those team members engaged through the PEO in each applicable location. Under this model, team members are employed by the PEO but provide services to ServiceTitan. We also engage team members through a PEO self-employed model in certain jurisdictions where we contract with the PEO, which in turn contracts with individual team members as independent contractors. In all locations where we utilize PEOs, we rely on those PEOs to comply with local employment laws and regulations and to ensure our ownership of the intellectual property developed by the team members. We also issue equity to a substantial portion of our team members, including team members engaged through PEOs and to independent contractors, and must ensure we remain compliant with securities laws of the applicable jurisdiction where such team members are located.

In some cases, we utilize independent contractors. When we utilize a PEO or independent contractors, we face risks related to compliance with local laws and regulations. Additionally, the agreements executed between PEOs and our team members or between us and team members engaged under the independent contractor model, may not be enforceable depending on the local laws because of the indirect relationship created through these engagement models. Accordingly, if any element of our engagement of team members through PEOs, or of our relationship with independent contractors, is found not to comply with laws or regulations, our business, financial condition and results of operations could be materially and adversely affected. Furthermore, litigation related to our model of engaging team members, if instituted against us, could result in substantial costs and divert our management's attention and resources from our business.

The impact of economic conditions, including the resulting effect on consumer spending and on our customers' finances and operations, may adversely affect our business, financial condition and results of operations.

Negative global and regional economic conditions, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, inflation, rising interest rates, bank failures, international trade relations, geopolitical instability and uncertainty, and resulting heightened risk of cyberattacks, intellectual property theft, and a reduction in information technology spending regardless of macroeconomic conditions could have adverse impacts on our business, results of operations and financial condition, including longer sales cycles, lower prices for our products and services, reduced sales and slower or declining growth.

The trades are impacted by economic slowdowns, tightening of economic policies, tariffs or other trade protection measures that increase the cost of or decrease the availability of imported goods, including trade disputes, fluctuations in interest rates, which can increase borrowing costs, and other actions that affect material and equipment pricing and availability, such as higher inflation. Unfavorable or deteriorating market conditions, reductions in maintenance spend by commercial property owners or residential customers, the unavailability or increased cost of specific materials or supplies, reductions in the availability of business financing, government action which prevents or hinders the rendering of on-premise services or similar circumstances could have an adverse impact on our business. Our revenue may decrease because trades businesses may generally choose to delay or decide against purchases of software or information systems in times of unfavorable economic conditions, because workforce challenges or governmental policies prevent sufficient labor or impact the cost of labor required to meet demand, or because fewer transactions are processed on our platform, resulting in reduced fees to us. Furthermore, if the trades industry experiences a decrease in overall economic activity, the amount our customers are willing to pay for our products, or our ability to collect payments from our customers, could be reduced. Contractors may also work on fewer jobs, which would result in a reduction in transactions processed over our platform. To the extent we do not effectively address these risks and challenges, our business, financial condition and results of operations could be adversely affected.

In addition, in the event of a general economic downturn or sudden disruption in business conditions, consumer and small business confidence, spending levels, access to credit and interest rates could be adversely affected, which could result in consumers delaying or foregoing purchasing primary or vacation residences, or purchasing smaller homes that may require lower-value home services, businesses foregoing investment or businesses or consumers delaying, foregoing or changing the scope of potential home or business projects. Decreased spend on home and commercial services could result in fewer transactions being processed over our platform, which could cause our revenue to decrease, and could also result in less income for our customers, hampering their ability to pay for our platform. These effects could adversely affect our business, financial condition and results of operations.

Our business is sensitive to events and trends that impact spend across the trades, including natural disasters, pandemics and climate change.

We have historically been, and will continue to be, sensitive to events and trends, including pandemics, natural disasters, extreme weather events and climate change, that result in changes in demand for trades businesses. For example, hotter temperatures caused in part by climate change have led to surges in demand during the summer for our customers' HVAC repair services. Weather events and natural disasters can also have drastic impacts on our customers and technical infrastructure and network systems. If we do not adequately prepare our systems and organization, other similar events or trends could cause a surge in activity for our customers and lead to system failures and delays in customer support, among other effects, which could harm our brand, reputation and our business, financial condition and results of operations.

Pandemics, natural disasters, political crises and other unexpected events could also have a direct negative impact on our own operations. Our corporate headquarters are located in California, a region known for seismic activity and that has recently experienced severe fires, and our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster, such as a fire, mudslide, flood or significant power outage. In addition, depending on the geographic location of the event, a natural disaster, or a series of smaller weather events caused by climate change, could cause performance problems with our technology infrastructure and operations, which could adversely affect our business, financial condition and results of operations.

Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, or outbreaks of pandemic diseases, we may be unable to continue our operations and may experience system interruptions, which could impede our ability to serve technicians when they are needed most. Acts of terrorism and other geopolitical unrest, including in or near Armenia, Macedonia and Poland, where certain of our employees and engineering contractors are located, could also cause disruptions in our business or the business of our contractors, partners, vendors, or the economy as a whole. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate, and could generally adversely affect our brand, reputation, business, financial condition and results of operations.

The market for software designed to serve the trades is evolving, and our future success depends on the growth of the trades industry and our ability to adapt, keep pace and respond effectively to evolving markets.

Widespread acceptance and use of technology by the trades in general, and our platform in particular, is critical to our future growth and success. While we believe that our platform addresses a significant market opportunity, the market may develop more slowly than we expect. If the market for software designed to serve the trades does not develop further or develops more slowly than we expect, our business, financial condition and results of operations could be adversely affected. Demand for management software by trades businesses in general, and our platform in particular, is affected by a number of factors, many of which are beyond our control. Some of these potential factors include:

- general awareness of the availability of software designed to serve the trades;
- ease of implementation of our platform by trades businesses, and our ability to decrease time-to-value for our customers;
- availability, functionality and pricing of platforms and products that compete with ours;
- changes in industry practices or methods that may or may not be addressed by our platform;
- ease of adoption and use of our platform, including AI-powered features and agentic workflows;
- the reliability, performance or perceived performance of our platform, including interruptions to the use of our platform and products;
- the development and awareness of our brand; and
- privacy, data protection, or cybersecurity breaches or incidents impacting our platform or products.

If we are unable to successfully address these potential factors, our business, financial condition, results of operations and prospects could be adversely affected.

We face competition from both established and new companies offering services similar to ours, and many of our potential customers have developed, or could develop, proprietary solutions, all of which may have a negative effect on our ability to add new customers, retain existing customers and/or grow our business.

Our industry is highly competitive, and as we expand to serve additional industries and trades, we will compete against a growing number of companies and solutions specific to those industries and trades. We compete either directly or indirectly with software vendors offering point-specific tools for specific elements of trade workflows, horizontal solutions for generic functionalities, legacy on-premise field service management applications, and narrow bundled solutions for down-market trades businesses. Examples of these software vendors include Salesforce, SAP, FieldEdge, Workwave, ServiceTrade, AccuLynx, BuildOps, HouseCall Pro, JobNimbus and Jobber. The larger enterprises with whom we currently compete, or with whom we may compete in the future, have significant financial, technical, marketing and other resources, and they are able to devote meaningful resources to the development, promotion, sale and support of their solutions and services. Some existing solutions also have extensive installed customer bases and broad customer relationships, together with longer operating histories and greater name recognition than we have. Moreover, certain trade verticals we explore may already be served by well-established companies, presenting a potential challenge in establishing a foothold within those markets.

Additionally, our competitors may make substantial investments in AI, machine learning and GenAI capabilities that may allow them to replicate key aspects of our platform more quickly and cost-effectively than previously possible. While we have made, and expect to continue to make, significant investments to integrate AI, including GenAI, into our platform, AI technologies are rapidly evolving and there can be no guarantee that our platform will remain competitive as new AI technologies are developed, adopted, and integrated into software solutions. We may also face greater competition from non-specialist solutions relying on generic LLMs, GenAI and general-purpose agents to address a broad range of business needs. As we attempt to sell our platform to new and existing customers, we must convince them that our solutions are superior to other solutions available to their organizations, including generic LLMs, software created using natural language prompts and GenAI (referred to as vibe coding) and other emerging technologies.

These competitors may be better able to undertake more extensive marketing campaigns and/or offer their solutions and services at a discount to ours. Their increased deployment of AI technologies may also enable them to reduce costs while improving service quality and other capabilities. To the extent any of our competitors have existing relationships with potential customers, customers may be unwilling or unable to purchase our subscriptions because of those existing relationships and this may limit our ability to successfully compete in certain markets or trades. Additionally, new entrants to the market are focused on fast and automated implementation of their solutions, and while their products do not have our complete product sets, they provide minimum functionality that small businesses may believe to be sufficient, especially if such businesses are willing to sacrifice functionality for speed of deployment. Furthermore, advancements in, and the broad availability of, AI have lowered barriers to entry and accelerated the development and speed to market of new or competing products. If we are unable to compete with these existing or potential competitors and/or their products, particularly as they enhance their offerings through AI, the demand for our platform, our customer counts, and the revenue we generate could decline, and our business, financial condition and results of operations could be adversely affected.

We have incorporated and are incorporating traditional AI, machine learning and GenAI into our platform. This technology is new and developing and may present operational and reputational risks or result in liability or harm to our reputation, business, results of operations or customers.

We have incorporated a number of AI features into our platform and believe that providing AI tools and insights will become increasingly important to the value that our solutions and services deliver to our customers. As with many developing technologies, LLMs in particular are a new and emerging technology that is in its early stages of commercial use and presents a number of inherent risks and challenges that could affect further development, adoption, and use, and therefore our business. Due to the evolving nature of the algorithms and technology underpinning LLMs, there is a risk that our AI solutions could produce inaccurate or misleading content or other discriminatory or unexpected results or behaviors (e.g., LLM hallucinatory behavior that can generate irrelevant, nonsensical or factually incorrect results). Further, the content, analyses or recommendations generated by our LLMs could produce information or other content that infringes, misappropriates or violates the intellectual property rights of others. As we integrate agentic workflows into our platform, the actions that are taken by AI-powered agents could be incorrect or unintended, resulting in negative impacts for both us and our customers. In addition, increasing use of AI creates opportunities for the potential loss or misuse of Personal Information and other data that forms part of any data set, including any of our proprietary data assets derived from our customers' use of our platform, that was collected, used, stored, or transferred to build our AI solutions. If our access to such data sets were materially impaired, we may also be unable to further build, train and offer our AI solutions. The occurrence of any of the foregoing could harm our reputation, business or customers and could result in additional lawsuits and regulatory investigations.

Moreover, our employees, third-party service providers, strategic partners, and other contractors or consultants may input inappropriate or confidential information into an AI system (in particular a system that is managed, owned or controlled by a third-party), thereby compromising our business operations, which may cause business operation disruptions, could divert the attention of management and key information technology resources, and possibly lead to security breaches, or the unauthorized access to or loss of our confidential information or other business data.

In addition, the use of AI involves significant technical complexity and requires specialized expertise. This specialized expertise can be difficult and costly to obtain given the increasing industry focus on AI development and competition for talent. As a result, it could be expensive for us to maintain and advance our AI developments. We may not apply AI advancements quickly or well enough to our solutions or services to serve our customers, or we may not be able to extract the efficiencies for which AI presents an opportunity. While the use of AI presents opportunities, our failure to adequately leverage such opportunities may erode our competitive advantage, and harm our business and results of operations. Further, our AI solutions rely on third-party proprietary machine learning algorithms and LLMs provided by third parties, such as Microsoft and OpenAI. If we are unable to continue to use such third-party assets, or if such third-party assets become expensive, burdensome, or inefficient for us to use, we may be unable to continue to provide our AI solutions which could harm our business and results of operations. We also face significant competition from other companies with respect to utilizing AI technologies. To the extent AI technology development and utilization from our competitors proves to be successful, or more successful than our approach, demand for our platform, and thus our business, could be adversely affected. If we cannot develop, offer, or deploy new AI technologies as effectively or quickly as our competitors, or if we cannot access the infrastructure needed to continue our development, our results of operations, relationships with customers and partners, and growth could be materially and adversely affected.

Additionally, the use of AI applications may result in future cybersecurity incidents that implicate the Personal Information of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could lead to litigation or other proceedings and liability, and may adversely affect our reputation, business and results of operations.

If any of our vendors, service providers, employees or contractors use any AI solutions in connection with our business or the services they provide to us, it may lead to the inadvertent disclosure of our confidential information, or that of our customers, into publicly available third-party training data sets, which may impact our ability to realize the benefit of, or adequately maintain, protect and enforce our intellectual property or confidential information, harming our customers and our competitive position and business. Our ability to mitigate risks associated with disclosure of our confidential information, including in connection with AI solutions, will depend on our implementation, maintenance, monitoring and enforcement of appropriate technical and administrative safeguards, policies and procedures governing the use of AI in our business.

Additionally, any content created by using LLMs may not be subject to copyright protection, which may adversely affect our intellectual property rights in, or ability to commercialize or use, the content. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other concerns, the outcome of any one of which may, among other things, require us to limit the ways in which we use AI in our business and may affect our ability to develop our AI solutions and features. While AI-related lawsuits to date have generally focused on the AI service providers themselves, our use of any output produced by a LLM may expose us to claims, increasing our risks of liability. For example, the output produced by LLMs may include information subject to certain rights of publicity or privacy laws or constitute an unauthorized derivative work of the copyrighted material used in training the underlying AI model, any of which could also create a risk of liability for us, or adversely affect our customers and our business or operations. To the extent that we do not have sufficient rights to use the data or other material or content used in or produced by the GenAI tools used in our business, or if we experience cybersecurity incidents in connection with our use of AI, it could adversely affect our reputation and expose us to legal liability or regulatory risk, including with respect to third-party intellectual property, privacy, publicity, contractual or other rights.

Further, social and ethical issues relating to the use of new and evolving technologies such as AI in our offerings, may result in reputational harm and liability, and may cause us to incur additional research and development costs to resolve such issues. AI presents emerging ethical issues and if we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience brand or reputational harm, competitive harm, or legal liability. Failure to address AI ethics issues by us or others in our industry could undermine public confidence in AI and slow adoption of AI in our products and services.

Moreover, the regulatory framework for AI (and machine learning technology) is rapidly evolving, and it is possible that new laws and regulations will be adopted in the United States and in non-U.S. jurisdictions, or that existing laws and regulations may be amended or interpreted in ways that would affect the operation of our business, including the way in which we use AI and machine learning technology. The scope and direction of orders, policies, rules and regulations related to AI and machine learning at the federal level in the United States in the near future is uncertain. In January 2025, President Trump issued an Executive Order that, among other things, requires certain agencies to develop and submit to the President action plans to “sustain and enhance America’s global AI dominance,” and to specifically review all rulemaking taken pursuant to rescinded executive orders issued under prior administrations and, if possible, rescind any such rulemaking to the extent it is inconsistent with, or presents a barrier to, the Trump Administration's new executive order. Thus, the Trump Administration may continue to rescind other existing federal orders and/or administrative policies relating to AI technologies or may implement new executive orders and/or other rulemaking relating to AI technologies in the future. Any such changes at the federal level could require us to expend significant resources to modify our platform, products, services, or operations to ensure compliance or remain competitive. Meanwhile, various U.S. states have enacted laws that regulate the use of AI, including several laws enacted in California in 2024 and 2025 that provide consumers with certain protections around companies' use of AI, such as by requiring companies to disclose certain uses of GenAI, Colorado's Artificial Intelligence Act, which will require developers and deployers of "high-risk" AI systems to implement certain safeguards against algorithmic discrimination, and Utah's Artificial Intelligence Policy Act, which establishes disclosure requirements and accountability measures for the use of GenAI in certain consumer interactions. The California Privacy Protection Agency also recently finalized regulations under the California Consumer Privacy Act, as amended by the California Privacy Rights Act of 2018 (collectively, the "CCPA"), regarding the use of automated decision-making and providing disclosures to consumers regarding such use. Implementation standards and enforcement practice are likely to remain uncertain for the foreseeable future, and we cannot determine the impact future laws, regulations, standards, or perception of their requirements may have on our platform and our business. In addition, on May 21, 2024, the European Union approved the EU Artificial Intelligence Act (the "EU AI Act"), which establishes a comprehensive, risk-based governance framework for AI in the EU market. Although we are not currently subject to the EU AI Act, we may become subject to it in the future, which may affect our use of AI technologies and our ability to provide, improve or commercialize our platform, and could adversely affect our business, operations and financial condition.

It is possible that further new laws and regulations will be adopted in the United States and in other non-U.S. jurisdictions, or that existing laws and regulations, including competition, antitrust, data privacy and consumer protection laws, may be interpreted or enforced in ways that would limit our ability to use AI technologies for our business, or require us to change the way we use AI technologies. We may not always be able to anticipate how to respond to these new or updated laws or regulations, and our ability to provide AI-driven insights and products may also be constrained by current or future regulatory requirements in the United States or in non-U.S. jurisdictions, which could restrict or impose burdensome and costly requirements on our ability to leverage data in innovative ways and negatively affect the performance of our products, services, and business and the way in which we use AI technologies. Further, the cost to comply with such laws or regulations, or decisions or guidance interpreting existing laws, including the redesign of our platform to achieve compliance, could be significant and could increase our operating expenses, which could adversely affect our business, financial condition and results of operations. In addition, if we fail or are perceived to fail to comply with these laws and regulations, we may face lawsuits (including class actions), investigations, enforcement actions, negative reputational impacts, and other penalties that materially impact our business.

If the estimates and assumptions we have used to calculate the size of our addressable market opportunity are inaccurate, our future growth rate may be limited.

We have estimated the size of our addressable market opportunity based on data published by third parties and on internally generated data and assumptions. While we believe our market size information is generally reliable, such information is inherently imprecise, and relies on our and third parties' projections, assumptions and estimates within our target market, which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this Annual Report. If such third-party or internally generated data proves to be inaccurate or we make errors in our projections, assumptions or estimates based on that data, including how current customer data and trends may apply to potential future customers and the number and type of potential customers, our addressable market opportunity or our future growth rate may be less than we currently estimate. In addition, these inaccuracies or errors may cause us to divert resources from more valuable alternative projects and harm our business. The variables that go into the calculation of our market opportunity are subject to change over time, including the amount of customer GTV that we can recognize as revenue, and there is no guarantee that any particular number or percentage of addressable end customers or companies covered by our addressable target market opportunity estimates will purchase our platform at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance and perceived value associated with our platform and those of our competitors. Even if our addressable market meets our size estimates, our business could fail to grow at similar rates, if at all, or we could capture a percentage of customer GTV as revenue that is less than we currently expect. Accordingly, the information regarding the size of our addressable market opportunity included in the documents we file or furnish with the Securities and Exchange Commission (the "SEC"), should not be taken as indicative of our future growth.

We may be unsuccessful in making, integrating and maintaining acquisitions, including past acquisitions.

We have in the past sought, and may in the future seek, to acquire or invest in businesses, joint ventures and platform technologies that we believe could complement or expand our platform, enhance our technology or otherwise offer growth opportunities. We also may enter into strategic relationships with other businesses to expand our platform, which could involve investments in other companies. Any acquisition, investment or strategic transaction, including past acquisitions may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, offerings, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, their offerings are not easily adapted to work with our platform, their systems and operations are difficult to integrate or we have difficulty retaining their customers. Acquisitions, including integration efforts, may also disrupt our business, require significant resources, divert significant management attention and impose legal and regulatory burdens to the extent such transactions expand our geographic footprint.

Negotiating these transactions can be time-consuming, difficult and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond our control. Even if announced, we may not complete a transaction. The benefits of an acquisition or strategic transaction, including past acquisitions may also take considerable time to develop, and we cannot be certain that any particular transaction will produce the intended benefits. Further, acquisitions could result in potential dilutive issuances of equity securities, use of significant cash balances, incurrence of debt (and increased interest expense), contingent liabilities or amortization expenses related to intangible assets or write-offs of goodwill and intangible assets. If we are unable to successfully identify, complete and integrate our acquisitions and strategic transactions, we may not realize the expected benefits of such transactions or become exposed to additional liabilities, and our business, financial condition and results of operations may be harmed.

Our business depends on a strong brand, and if we are not able to maintain and enhance our brand and reputation, our ability to maintain and expand our customer base will be impaired, and our business, financial condition and results of operations may be adversely affected.

We believe that the ServiceTitan brand identity and awareness is critical to our sales and marketing efforts. We also believe that maintaining and enhancing the ServiceTitan brand is critical to maintaining and expanding our customer base and, in particular, conveying to customers that our platform offers capabilities that address the needs of the trades across a wide array of verticals. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive.

In addition, any unfavorable publicity about our company or our management, including about the quality, stability and reliability of our platform, changes to our platform, our privacy, data protection and cybersecurity practices, litigation, employee relations, regulatory enforcement and other actions involving us, as well as the perception of us and our platform by our customers and end customers, even if inaccurate, could cause a loss of confidence in us and adversely affect our brand. Such negative publicity also could have an adverse effect on the size and engagement of our customer base and could result in decreased revenue, which could have an adverse effect on our business, financial condition and results of operations.

We depend on our management team and other highly skilled personnel, and we may fail to attract, retain, motivate or integrate highly skilled personnel, which could adversely affect our business, financial condition and results of operations.

Our future success is substantially dependent on our ability to attract, retain and motivate the members of our management team and other key personnel throughout our organization. In particular, we are highly dependent on the services of Ara Mahdessian, our co-founder and Chief Executive Officer, and Vahe Kuzoyan, our co-founder and President (together, the "Co-Founders"), each of whom is critical to our ability to achieve our vision and strategic priorities. We rely on our management team in the areas of operations, security, research and development, sales and marketing, support and general and administrative functions. Our employees, including our executive officers, work for us on an "at-will" basis, which means they may terminate their employment with us at any time. If Mr. Mahdessian or Mr. Kuzoyan or one or more of our key personnel or members of our management team resigns or otherwise ceases to provide us with their services, this could impair our ability to execute our growth strategy, have a negative impact on our business, financial condition and results of operations, and cause employee morale problems and the loss of key personnel or members of our management or clients.

Our future success also depends, in part, on our ability to continue to attract and retain highly skilled personnel. Competition for these personnel is intense, and the industry in which we operate is generally characterized by significant competition for skilled personnel as well as high employee attrition. We may not be successful in attracting, retaining, training or motivating qualified personnel to fulfill our current or future needs. Additionally, the former employers of our new employees may attempt to assert that our new employees have breached their legal obligations, which may be time-consuming, distracting to management and may divert our resources. Our culture and brand help us attract and retain highly skilled personnel in a competitive environment. We have in the past been, and may in the future be, subject to employment law-related claims and disputes. Any negative publicity resulting from such claims or disputes could adversely affect our ability to attract and retain skilled personnel, harm our brand and otherwise require us to use or divert financial and management resources.

Current and potential personnel also often consider the value of equity awards they receive in connection with their employment, and to the extent the perceived value of our equity awards declines, our ability to attract and retain highly skilled personnel may be harmed.

If we fail to attract and integrate new personnel or retain and motivate our current personnel, our business, financial condition and results of operations could be adversely affected.

If we cannot create and maintain a successful company culture as we grow, our success and our business may be harmed.

We believe our current corporate culture fosters innovation, teamwork, passion and focus on execution and has contributed to our success. As we grow and develop our infrastructure, including as a public company, and expand our operations both geographically and across the trades, we may find it difficult to maintain our corporate culture and/or successfully adapt our corporate culture to ongoing changes. Any failure to preserve our culture and/or successfully adapt our culture to changing conditions could harm our future success, including our ability to recruit and retain qualified personnel, innovate and operate effectively, and execute on our business strategies. If we experience any of these risks in connection with future growth, it could impair our ability to attract new customers and retain existing customers and expand their use of our platform, all of which could adversely affect our business, financial condition and results of operations.

Risks Related to Our Customers and Revenue Model

Any failure to offer high quality support for our customers, including throughout the implementation process, may harm our relationships with our customers and, consequently, our business.

Our customers depend on our customer experience teams to provide implementation, training and support services. We have previously experienced declines in our net promoter score and if we do not provide effective onboarding services or ongoing support, customers may not receive the full benefits of our platform, may delay or forgo future expansion of their use of our platform or may seek to terminate their agreements with us. Our reputation with prospective or current customers or the trades industry could also be damaged. The number of our customers has grown significantly and due to the complexity of our product, they often heavily rely on our customer success and our customer experience teams, even for routine matters, which has put additional pressure on our customer success teams. If we experience increased customer demand for support, we may face increased costs that may harm our results of operations. As a result, if we are unable to provide efficient, high-quality customer support services, if we need to hire additional support resources, or if there is a market perception that we do not maintain high- quality customer support, our business, financial condition and results of operations could be adversely affected.

Our ability to increase our customer base and achieve broader market acceptance of our platform will depend on our ability to develop and expand our sales and marketing capabilities.

Sales of subscriptions to access our platform will depend to a significant extent on our ability to expand our sales and marketing capabilities, including adapting to new trades verticals such as commercial services and specialty trades subcontractors. It is difficult to predict customer demand, customer retention, the size and growth rate of the trades industry, the entry of competitive products or the success of existing competitive products. Our sales efforts involve educating prospective customers about the uses and benefits of our Core and add-on products. We expect that we will continue to need intensive sales efforts to educate prospective customers about the uses and benefits of our platform, and we may have difficulty convincing prospective customers of the value of adopting our platform. Identifying, recruiting and training qualified sales representatives is time-consuming and resource- intensive, and they may not be fully-trained and productive for a significant amount of time following their hiring, if ever. In addition, the cost to acquire customers is high due to these considerable sales and marketing efforts.

We also dedicate significant resources to marketing programs, including telemarketing, branded events and digital advertising through services such as Google AdWords. The effectiveness and cost of our online advertising has varied over time, and may vary in the future, due to competition for key search terms, changes in search engine use, changes in the search algorithms used by major search engines and laws, regulations and other obligations relating to privacy or data protection that affect online advertising. These efforts will require us to invest significant financial and other resources. We rely on a variety of direct marketing techniques, including telemarketing, email marketing and direct mail. Our marketing activities, and the marketing activities of our customers, are regulated under laws such as the Telephone Consumer Protection Act, the Telemarketing Sales Rule, and any state equivalents, and various other federal and state laws regarding marketing and solicitation, as well as general data protection laws, including the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM"), and various state privacy laws, including the CCPA, and other recently passed state laws, that govern these activities and impose significant restrictions on us and our customers. Any violations or perceptions of violations of these laws and regulations may harm our business, financial condition and results of operations. Additionally, any changes to the above-mentioned laws, or any applicable privacy, data protection and cybersecurity laws, their interpretation, or enforcement of such laws by the government or private parties that further restrict the way we interact with our potential customers or generate leads could adversely affect our ability to attract customers and could harm our business, reputation and brand, financial condition and results of operations. For additional information, see "*—Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology—The collection, processing, storage, use, and disclosure of personal information are governed by a rapidly evolving framework of privacy, data protection, cybersecurity, data transfers or other laws or regulations worldwide and limit the use and adoption of our services and adversely affect our business*."

Our business will be harmed if our efforts do not generate a correspondingly significant increase in revenue. Even if we are successful in convincing prospective customers of the value of our platform, they may decide not to purchase a subscription for a variety of reasons, some of which are out of our control. We spend substantial time and resources on our sales efforts without any assurance that our efforts will result in a sale. The failure of our efforts to secure sales after investing resources in a lengthy sales process could adversely affect our business, financial condition and results of operations.

In the future, we may implement changes to our pricing model. However, there is a possibility that these modifications may not achieve the intended effectiveness, potentially posing challenges in sustaining customer satisfaction, retention and overall revenue generation. Failure to achieve the desired outcomes could adversely affect our business, financial condition and results of operations.

A majority of our customers are small- and medium-sized businesses, which can be more difficult and costly to retain than large businesses and may increase the impact of economic fluctuations on us.

Due in part to industry consolidation, our largest customers are growing rapidly. However, a majority of our customers are small- and medium-sized businesses ("SMBs"), and we expect they will continue to comprise a large portion of our customer base for the foreseeable future. We define SMBs in the context of our customer base as customers that have fewer than 1,000 employees. Selling to and retaining SMBs can be more difficult than retaining large businesses, as SMBs often have higher rates of business failure and more limited resources. SMBs may not have sufficient office resources or may be constrained by other factors, such as seasonality, which makes it difficult for them to dedicate resources to the implementation, onboarding and training necessary to obtain the full benefits of our platform. SMBs are also typically more susceptible to the adverse effects of economic fluctuations. Adverse changes in the economic environment, or business failures of our SMB customers, may have a greater impact on us than on our competitors who do not focus on SMBs to the extent that we do.

Risks Related to Reliance on Third Parties

We rely on software and services licensed from other third parties. Defects in or the loss of software or services from third parties could increase our costs and adversely affect the quality of our service.

We rely upon certain partners, vendors and other service providers to provide software employed by our platform or customers using our platform, including to enable cloud-based phones and GPS, payments, and manage customer payroll, and it is possible that such third-party software or services may not be reliable or easy to replace. Disruptions to the services and functionality provided by the partners and vendors upon which we rely to provide our platform and related services could cause service interruptions, and widespread outages could disrupt our services to our customers, which could adversely affect our business. Furthermore, we may in the future have disputes with certain of our partners, vendors and other service providers. If, in connection with such a dispute, a partner, vendor or service provider terminates its relationship with us or otherwise limits the provision of their software, services or data to us, the availability or usage of our platform could be disrupted. If the partners, vendors and other service providers we rely upon cease to provide access to the software, services or data that we and our customers and consumers use, whether in connection with disputes or otherwise, do not provide access to such software and/or data on terms that we believe to be attractive or reasonable, or do not provide us with the most current version of such software, we may be required to seek comparable software and/or data from other sources, which may be more expensive or inferior, or may not be available at all, or may disrupt our services to our customers, any of which could adversely affect our business.

Our customers' experience and satisfaction depend upon the interoperability of our platform across devices, operating systems and third-party applications that we do not control.

An important feature of our platform is its broad interoperability with a range of devices, web browsers, operating systems and third-party applications. We have integrations with a variety of vendors. As part of our integrations with certain vendors, we have had to make concessions limiting our ability to engage with such vendor's competitors, which could potentially impact our customer experience and our ability to interoperate with other third-party applications. Our Application Programming Interfaces ("APIs"), enable customers to connect other third-party software, applications, partner services and data to our platform. Accordingly, we are dependent on the accessibility of our platform across web browsers, operating systems and the third-party applications that we often do not control. Third-party applications, products and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors may be able to disrupt the operations or compatibility of our platform with their applications that some of our customers may rely upon. If our platform has integration or operability failures with these operating systems or third-party applications, customers may not adopt our platform or our APIs and related functionality may not be useful to customers, which could adversely affect our business, financial conditions, or results of operations. Additionally, as our platform evolves, we expect the types and levels of competition we face to increase. Should any of our competitors or third-party services on our platform modify their technologies, standards or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to our competitors' products or services, our platform, business, financial condition and results of operations could be adversely affected.

We rely on third-party data centers, such as Azure, to host and operate our platform, and any disruption of or interference with our use of these facilities may negatively affect our ability to maintain the performance and reliability of our platform, which could cause our business to suffer.

Our customers depend on the continuous availability of our platform. We currently host our platform and serve our customers primarily using Microsoft Azure ("Azure"). Consequently, we may be subject to service disruptions, as well as failures to provide adequate support, for reasons that are outside of our control, including:

- the performance and availability of Azure and other third-party providers of cloud infrastructure services with the necessary speed, data capacity and security for providing reliable services;
- decisions by Azure and other owners and operators of the data centers where our cloud infrastructure is deployed to terminate our subscriptions, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy or prioritize the traffic of other parties;
- physical break-ins, acts of war or terrorism, human error or interference, including by disgruntled employees, former employees or customers and other catastrophic events; and
- cyberattacks, including denial of service attacks, targeted at us, our data centers or the infrastructure of the Internet.

The adverse effects of any service interruptions on our reputation, results of operations and financial condition may be disproportionately heightened due to the nature of our business and the fact that our customers have a low tolerance for interruptions of any duration.

To meet the performance and other requirements of our customers, we intend to continue to make significant investments to increase capacity and to develop and implement new technologies in our cloud infrastructure operations. Any renegotiation or renewal of our agreement with Azure, or a new agreement with another provider of cloud-based services, may be on terms that are significantly less favorable to us than our current agreement. Additionally, these new technologies, which include databases, application and server optimizations, network strategies and automation, are often advanced, complex, new and untested, and we may not be successful in developing or implementing these technologies. It takes a significant amount of time to plan, develop and test improvements to our technologies and cloud infrastructure, and we may not be able to accurately forecast demand or predict the results we will realize from such improvements. To the extent that we do not effectively scale our infrastructure to meet the needs of our growing customer base and maintain performance as our customers expand their use of our platform, or if our cloud-based server costs were to increase, our business, financial condition, results of operations and prospects could be adversely affected.

We rely primarily on third-party insurance policies to insure our operations-related risks. If our insurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able to mitigate the risks facing our business, which could adversely affect our business, financial condition and results of operations.

We procure third-party insurance policies to cover various operations-related risks including employment practices liability, workers' compensation, business interruptions, cybersecurity and data breaches, crime, directors' and officers' liability, occupational accident liability for customers and general business liabilities. For certain types of operations-related risks or future risks related to our new and evolving services, we may not be able to, or may choose not to, acquire insurance. In addition, we may not obtain enough insurance to adequately mitigate such operations-related risks or risks related to our new and evolving services, and we may have to pay high premiums, self-insured retentions or deductibles for the coverage we do obtain. Additionally, if any of our insurance providers becomes insolvent, they would be unable to pay any operations-related claims that we make. Further, some of our agreements with vendors require that we procure certain types of insurance, and if we are unable to obtain and maintain such insurance, we would be in violation of the terms of these vendor agreements.

If the amount of one or more operations-related claims were to exceed our applicable aggregate coverage limits, we would bear the excess, in addition to amounts already incurred in connection with deductibles or self-insured retentions. Insurance providers have raised premiums and deductibles for many businesses and may do so in the future. As a result, our insurance and claims expense could increase, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced. Our business, financial condition and results of operations could be adversely affected if (i) the cost per claim, premiums or the number of claims significantly exceeds our historical experience and coverage limits, (ii) we experience a claim in excess of our coverage limits, (iii) our insurance providers fail to pay on our insurance claims, (iv) we experience a claim for which coverage is not provided or (v) the number of claims under our deductibles or self-insured retentions differs from historical averages.

We are subject to payment processing risk.

We rely on third-party payment processors to collect subscription fees and other usage-based revenue from our customers. Under our commercial agreements, such payment processors may terminate the relationship with advanced notice. If one of our payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would be required to find alternative payment processors and may not be able to secure similar terms or replace such payment processors in an acceptable time frame. An inability to charge our customers or collect revenue for an extended period could affect our cash flows and impair our business, financial condition and results of operations.

While we do not process any payments for our customers' end customers, we do have complex relationships with third-party processors where we generate revenue through referral agreements and as an independent sales organization ("ISO") through our FinTech offerings to customers. A significant portion of payments by the end customers are made by credit card or debit card using these third-party payment services to which our customers have a direct contractual relationship. If one of these third- party processors terminates its relationship with us or refuses to renew its partnership with us on commercially reasonable terms, or the software and services provided by our payment processors does not meet our customer's expectations, we may be required to find an alternative payment processor or consider offering new payment options and products ourselves that may be subject to additional regulations and risks. None of our agreements with payment processors are exclusive; however, our agreements with certain payment processors limit our ability to induce existing customers to migrate to alternative payment processors, which could potentially impact our customers' experience or satisfaction with our services. We are also subject to a number of other laws and regulations relating to the financial solutions we offer, including with respect to money laundering, privacy and cybersecurity. If we fail to, or are alleged to fail to, comply with applicable regulations, we may be subject to claims and litigation, regulatory investigations and proceedings, civil or criminal penalties, fines or higher transaction fees and may lose the ability to offer financial solutions to customers, which could make our platform less convenient and attractive to trades businesses. We also rely on data provided by third parties for financial statement reporting, and there could be inaccuracies and other errors in such data. If any of these events were to occur, our business, financial condition and results of operations could be adversely affected.

In addition, we are subject to the Payment Card Industry Data Security Standard ("PCI DSS"). The PCI DSS is a specific set of comprehensive security standards required by credit card brands for enhancing payment account data security, including, but not limited to, requirements for security management, policies, procedures, network architecture and software design, certification requirements, which could change or be reinterpreted to make it difficult or impossible for us to comply. Our third-party payment processors require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit us from providing certain services to some customers, be costly to implement, or difficult to follow. If we fail to comply with these rules or regulations, we may be subject to fines and higher transaction fees and lose our ability to offer payment solutions to customers. Compliance does not guarantee a completely secure environment and notwithstanding the results of a compliance assessment there can be no assurance that payment card brands will not request further compliance assessments or set forth additional requirements to maintain access to credit card processing services. Compliance is an ongoing effort and the requirements evolve as new threats are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), or if our data security systems are breached or compromised, we may be liable for card-issuing banks' costs, subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers, process electronic funds transfers or facilitate other types of online payments. We have also agreed to indemnify our third-party payment processors for violating payment card networks rules. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology

If we or our third-party service providers experience a cybersecurity breach or other incident, including any breach or incident that allows, or is perceived to allow, unauthorized access to our platform or our Sensitive Information, our reputation and brand, business, financial condition and results of operations could be adversely affected.

We rely on our own, and our third-party service providers', platforms, computer systems, hardware, software, technology infrastructure and online sites and networks for both internal and external operations that are critical to our business (collectively, "IT Systems"). We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services, including but not limited to cloud computing services. Because we make extensive use of third-party suppliers and service providers, such as cloud services that support our internal and customer-facing operations, disruptions to or unauthorized access to third-party IT Systems can materially impact our operations and financial results. If we experience difficulties in implementing new or upgraded information systems or experience significant system failures, or if we are unable to successfully modify our information systems to respond to changes in our business needs, our ability to run our business could be adversely affected. It is also possible that our competitors could develop better platforms than ours, which could adversely affect obtaining and retaining our customers. Any of these or other systems-related problems could, in turn, adversely affect our business, reputation and brand, results of operations and financial condition.

We may rely on third parties when deploying, servicing or otherwise operating our IT Systems, and in doing so, expose them and therefore us to security risks outside of our direct control. Specifically, certain third parties who create applications that integrate with our platform may receive, store or otherwise process our and our customers' information, including confidential, sensitive, personal information and other information about individuals, our customers, employees, contractors and business partners, including email addresses, physical addresses, phone numbers, Social Security numbers, credit card data and personally identifiable information, as well as trade secrets and other proprietary business information (collectively, "Sensitive Information"). Our third- party service providers may fail to adequately secure their or our IT Systems or our Sensitive Information. Our third-party service providers' IT Systems have been, and may in the future be, breached or contain exploitable defects or "bugs" that could result in a breach of or disruption to our or our third-party service providers' IT Systems and other cybersecurity risks discussed below. Our ability to monitor our service providers' security is limited, and, in any event, third parties may be able to circumvent those security measures. Moreover, techniques used to obtain unauthorized access to systems and networks, as discussed in more detail below, change frequently and may not be known until launched against us or our third-party service providers. These risks also are heightened when service providers work remotely. Moreover, we have acquired and may continue to acquire companies with cybersecurity vulnerabilities and/or unsophisticated security measures, which exposes us to cybersecurity, operational, and financial risks, some of which may be significant.

The use of our platform involves the transmission, storage and processing of Sensitive Information. The secure processing, maintenance, transmission and storage of our Sensitive Information is critical to us, and we devote significant resources to protecting this information. Additionally, remote working arrangements at our company, and many of our third-party providers, increases cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. The unprecedented scale of remote work may require additional personnel and resources, which nevertheless cannot be guaranteed to fully safeguard all IT Systems and information upon which we rely.

We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Systems and Sensitive Information, including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering/phishing (including on our customers and end customers), malware (including ransomware attacks), malfeasance by insiders, human or technological error, or other techniques used to obtain unauthorized access, disable or degrade services or sabotage systems, and as a result of malicious code embedded in open-source software, or misconfigurations, "bugs" or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT systems, products or services. Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools—including AI—that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or cybersecurity breaches or other incidents, or to avoid a material adverse impact to our IT Systems, Sensitive Information or business. In this fast-changing threat environment, our efforts may not be sufficient to identify all gaps, threats and vulnerabilities or prevent a cybersecurity breach or other incident. If we or our third-party service providers fail to respond appropriately to any identified gaps, threats or vulnerabilities, including by providing adequate funding and prioritizing strategic initiatives, or if we or our third-party service providers fail to adequately identify the gaps, threats or vulnerabilities, we face greater risk of a security incident. Notwithstanding our efforts, we and our third-party service providers have failed to and may in the future fail to detect cybersecurity breaches or other incidents, including breaches or incidents that may compromise our Confidential Information, and may face difficulties or delays in identifying any such breaches or incidents. Such breaches or incidents have resulted in and may in the future result in theft, loss, damage, or unavailability of, or unauthorized access to or use, disclosure, modification or other processing of, Sensitive Information, loss of access to data or systems or cause other business delays or disruptions.

Third parties may attempt to compromise our employees and their access into internal IT Systems to gain access to accounts, our Sensitive Information or our IT Systems. Employee error, malfeasance or other errors could result in an actual or perceived cybersecurity breach or other incident. This risk may be heightened as we transition to an increasingly distributed workforce. In addition, our employees, customers or end customers may also be subject to cyberattacks (including social engineering/phishing) or otherwise disclose or lose control of their passwords, or use the same or similar passwords on third parties' systems, which could lead to unauthorized access to their accounts on our platform.

Any unauthorized or inadvertent access to, or an actual or perceived cybersecurity breach or other incident impacting, our IT Systems or those of our third-party service providers, could result in an actual or perceived loss or unavailability of, unauthorized access to, or unauthorized use, disclosure, modification or other processing of, our Sensitive Information, regulatory investigations and other proceedings, orders and other obligations, claims, demands and litigation, indemnity obligations, damages, penalties, fines and other costs in connection with actual and alleged contractual breaches, violations of applicable laws and regulations and other liabilities and our platform may be perceived as insecure and we may lose existing customers or fail to attract and retain new customers. We also could be required to divert substantial resources to prevent further cybersecurity breaches or other incidents. We have experienced such incidents in the past and may experience similar incidents in the future. While to date no incidents have had a material impact on our operations or financial results, we cannot guarantee that material incidents will not occur in the future. Any such breach or other incident affecting us, our third-party service providers, customers or end customers, or the perception that one has occurred, could also materially damage our reputation and adversely harm our business, financial condition and results of operations, including reducing our revenue, causing us to issue credits to customers, negatively impacting our ability to accept and process customer payment information, eroding our customers' trust in our services and solutions, subjecting us to costly notifications to customers and individuals and costly remediation measures, resulting in loss of, and harming our ability to retain customers, harming our brand or increasing our cost of acquiring new customers, or subject us to claims by third parties that we have breached our privacy-, data protection-, cybersecurity- or confidentiality-related obligations that could materially increase our costs, adversely impact how we operate our IT Systems and collect and use customer information and competitively disadvantage our business. In addition, many governments, including all fifty states in the United States, have enacted laws requiring companies to notify individuals of certain breaches involving Sensitive Information. These mandatory disclosures regarding such a breach are costly to implement and often lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our data security measures. The release of Sensitive Information may also lead to identity theft and related fraud, litigation, investigations, claims or other proceedings against us by affected individuals, customers and/or by regulators, or public statements against us by advocacy groups or others, and the outcome of such proceedings, which could include penalties or fines and could have a material and adverse effect on our business, financial condition and results of operations. In addition, we may incur large expenditures to investigate or remediate, to recover information, to repair or replace networks or IT Systems, to protect against similar future events or to comply with existing and future cybersecurity, data protection and privacy laws and regulations. In addition, the costs of maintaining adequate protection and insurance coverage against such threats, as they develop in the future (or as legal requirements related to cybersecurity increase) could be material.

We maintain technology errors, omissions and cyber liability insurance policies covering certain damages. However, we cannot be certain that our coverage will be adequate for liabilities actually incurred relating to any breach or incident relating to privacy, data protection or cybersecurity, or that insurance will continue to be available to us on economically reasonable terms, or at all. Further, if another company within our industry experiences a high-profile breach or incident this might lead to a loss of trust in our industry generally, which could adversely impact our reputation and brand, and adversely harm our business and financial condition.

Real or perceived defects, errors, or vulnerabilities in our platform could harm our reputation and adversely affect our business, financial condition and results of operations.

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. Our practice is to effect frequent releases of software updates, sometimes multiple times per day. The third-party software that we incorporate into our platform may also be subject to errors or vulnerabilities. Any errors or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity, a loss of customers or loss of revenue and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of information of customers on our platform, or otherwise result in a cybersecurity breach or other incident. If we or our third-party service providers experience a cybersecurity breach or security incident, including any breach or incident that allows, or is perceived to allow, unauthorized access to our platform or our customers' information, our reputation, business, financial condition and results of operations could be adversely affected. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects or vulnerabilities could adversely affect our business, reputation, brand, financial condition and results of operations.

Our business could be adversely impacted by changes in the Internet and mobile device accessibility of customers.

Our business depends on our customers' access to our platform via a mobile device or personal computer and the Internet. Mobile operating systems, such as Android and iOS, and their respective application marketplaces that make our mobile applications available, are especially important in the context of our solution, as we address the needs of technicians in the field across trades businesses. Any changes in such systems and application marketplaces that degrade the functionality of our mobile applications or give preferential treatment to our competitors' mobile applications could adversely affect our platform's usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit us from making our mobile applications available to our customers or their end customers, make changes that degrade the functionality of our mobile applications, increase the cost of using our mobile applications, impose terms of use unsatisfactory to us or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of our apps, our platform could be adversely impacted. Further, as new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our mobile applications.

In addition, we may operate in jurisdictions that provide limited Internet connectivity. Internet access and access to a mobile device or personal computer are frequently provided by companies with significant market power that could take actions that degrade, disrupt or increase the cost of customers' ability to access our platform.

Frequent or persistent interruptions could cause existing or prospective customers to believe that our platform is unreliable, leading them to switch to our competitors, which could materially adversely affect our reputation and brand, business, financial condition, results of operations and prospects. In addition, the Internet infrastructure that we and trades businesses rely on in any particular geographic area may be unable to support the demands placed upon it and could interfere with the speed and availability of our platform. Any such failure in Internet or mobile device or computer accessibility, even for a short period of time, could adversely affect our results of operations.

The collection, processing, storage, use and disclosure of personal information are governed by a rapidly evolving framework of privacy, data protection, cybersecurity, data transfers or other laws or regulations worldwide and limit the use and adoption of our services and adversely affect our business.

In connection with running our business, we receive, store, use and otherwise process information that relates to individuals and/or constitutes "personal data," "personal information," "personally identifiable information," or similar terms under applicable data privacy laws (collectively, "Personal Information"). We receive, store, process and use a large volume of Personal Information and other customer information from a wide range of sources, including customers, potential customers, vendors and employees. There are numerous federal, state, local and international laws and regulations regarding privacy, data protection, cybersecurity, marketing and telemarketing activities and the storing, sharing, use, processing, transfer, disclosure and protection of Personal Information and other information, the scope of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions, or conflict with other rules or other actual or asserted obligations. We also post privacy policies, which we are legally obligated to comply with and are subject to contractual obligations to third parties related to privacy, data protection and cybersecurity. As a result, we are subject to federal, state, local and international laws regarding data protection, privacy, cybersecurity, and the storing, sharing, use, disclosure and protection of Personal Information. The regulatory framework for data protection, privacy and cybersecurity worldwide is, and is likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or obligations or our practices.

Regulation of data protection, privacy and cybersecurity in the United States is rapidly growing, particularly at the state level. Several states in which we operate or may in the future operate have begun enacting new data privacy laws. For example, the CCPA introduced new rights for California residents and obligations for covered businesses collecting, using, disclosing and processing Personal Information, including obligations to: (i) provide certain disclosures to California residents regarding the business's collection, use, and disclosure of their Personal Information, (ii) receive and respond to requests from California residents to access, delete, and correct their Personal Information, or to opt out of certain disclosures of their Personal Information, and (iii) enter into specific contractual provisions with service providers that process Personal Information of California residents on the business's behalf. The enactment of the CCPA has prompted a wave of similar legislative development, and general data privacy statutes that share similarities with the CCPA are now in effect and enforceable -in numerous states. These new laws, and others that will be effective in the coming years could further complicate compliance efforts and increase legal risk and compliance costs for us, the third parties upon whom we rely, and our customers. In addition, the development of numerous U.S. state laws creates the potential for a patchwork of overlapping but different and potentially conflicting state law requirements, which could make compliance challenging. For example, in order to comply with the varying state laws around breaches involving information, we must maintain adequate security measures, which require significant investments in resources and ongoing attention.

Additionally, certain of our products record or transcribe phone and other conversations on behalf of our customers for coaching and other quality assurance purposes, and we also may record phone calls with our customers. With respect to the use of Personal Information for direct marketing purposes–both via telephone calls and email and text-based messaging–laws, regulations, and standards covering marketing, advertising, and other activities conducted by telephone, email, mobile devices, and the internet may be or become applicable to our business, such as the Federal Communications Act, the Federal Wiretap Act, the Electronic Communications Privacy Act, the Telephone Consumer Protection Act, the CAN-SPAM, and use of Personal Information in relation to other state consumer protection and communication privacy laws, such as California's Invasion of Privacy Act. In particular, the Telephone Consumer Protection Act, the Telemarketing Sales Rule as interpreted and implemented by the Federal Communications Commission ("FCC"), and U.S. courts (collectively, the "TCPA"), impose significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. Additionally, the CAN-SPAM establishes specific requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content, and obligates, among other things, the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. While we strive to ensure that our marketing communications comply with the requirements set forth in the CAN-SPAM Act, any violations could result in the FTC seeking civil penalties against us. In addition, there is a risk if our customers or end customers use our platform in a manner that does not comply with applicable law or our policies. For additional information, see "*—Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology—Our customers' and end customers' violation of our policies or other misuse of our platform to transmit unauthorized, offensive or illegal messages, spam, phishing scams and website links to harmful applications, record calls without consent, or for other fraudulent or illegal activity could damage our reputation and brand, and we may face a risk of litigation and liability for illegal activities on our platform and unauthorized, inaccurate or fraudulent information distributed via our platform*." Our and our customers' activities must comply with the above-mentioned laws.

In addition, data protection, privacy and cybersecurity laws outside the United States, including in the European Union, United Kingdom, or Australia, may impose obligations on us, directly or by contract. For example, the General Data Protection Regulation imposes various requirements regarding the processing of Personal Information, including requirements regarding transparency, lawfulness of processing, privacy rights, compliant contracting, data minimization, data breach notification, data re-usage, data retention, security of processing and international data transfers. A number of legislative proposals in the European Union have imposed, and could continue to impose, new obligations in areas affecting our business, including the Artificial Intelligence Act and the Data Act. Some countries are considering passing, or have passed, legislation implementing data protection requirements or requiring local storage and processing of information, or similar requirements, that could increase the cost and complexity of delivering our services, and new countries and territories are adopting such legislation or other obligations with increasing frequency. With various U.S. and foreign laws and regulations imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these laws and regulations, including the potential for various regulatory or other governmental bodies to enact new or additional laws or regulations, to issue rulings that invalidate prior laws or regulations or to increase penalties significantly, we may face challenges in addressing their requirements and making necessary changes to our policies, practices and commercial agreements, and may incur significant costs and expenses in an effort to do so, which could result in potential liability and adversely affect our business.

These federal, state, local and international laws and regulations, which, as mentioned, in some cases can be enforced by private parties in addition to government entities, are increasingly restricting the collection, processing and use of Personal Information. We continue to monitor changes and laws and regulations, and compliance with current and future customer privacy, data protection and cybersecurity laws and regulations could result in higher compliance, technical or operating costs. Any failure or perceived failure by us to comply with these laws and regulations, our privacy policies, our obligations to customers or other third parties, or any of our other actual or asserted obligations relating to privacy, data protection or cybersecurity may result in governmental investigations or enforcement actions, litigation (including individual or class action lawsuits), claims or public statements against us by consumer advocacy groups or others, and could result in significant monetary liability, fines, penalties, loss of customers, reputational harm and loss of goodwill, or cause our customers to lose trust in us, which could have an adverse effect on our reputation and brand and have a material and adverse effect on our business, financial condition and results of operations.

Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our customers may limit the adoption and use of, and reduce the overall demand for, our services. Additionally, if third parties we work with, such as vendors or service providers, violate applicable laws or regulations or our policies, such violations may also put our customers' information or other information maintained or otherwise processed in our business at risk and could in turn have an adverse effect on our business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security, disclosure or other processing of our customers' information, or regarding the manner in which the express or implied consent of customers for the collection, use, retention, disclosure or other processing of such information is obtained, could increase our costs and require us to modify our products and services, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process customer information or other information or develop new products and services.

Our customers' and end customers' violation of our policies or other misuse of our platform to transmit unauthorized, offensive or illegal messages, spam, phishing scams and website links to harmful applications, record calls without consent or for other fraudulent or illegal activity could damage our reputation and brand, and we may face a risk of litigation and liability for illegal activities on our platform and unauthorized, inaccurate or fraudulent information distributed via our platform.

Our customers and end customers may use our platform to make telephone calls and send short message services ("SMS"), text messages to our customers. In particular, the TCPA imposes significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. In addition, our customers may be required to comply with registration requirements to use SMS text messages, such as A2P 10DLC registration. Our customers' use of our platform for marketing activities must comply with the above-mentioned laws and other requirements. Despite our ongoing and substantial efforts to limit such use, certain customers or end customers may use our platform to transmit unauthorized, offensive or illegal messages, calls, spam, phishing scams and website links to harmful applications, reproduce and distribute copyrighted material or the trademarks of others without permission, launder money, traffic drugs, fraudulently sell goods or services, use credit or debit cards in an unauthorized manner, record conversations without proper notice or consent, and report inaccurate or fraudulent data or information. While these actions are in violation of our policies, our efforts to defeat spamming attacks, illegal robocalls and other fraudulent activity will not prevent all such attacks and activity. Additionally, if the measures we have taken are too restrictive and inadvertently screen proper transactions, this could diminish our customer experience. Violations of the TCPA may be enforced by the FCC or by individuals through litigation, including through costly class actions, of which numerous suits under federal and state laws have been filed in recent years against companies who conduct telemarketing and/or SMS texting programs, resulting in multi-million dollar settlements to the plaintiffs. In addition to costly and time-consuming litigation, statutory penalties for TCPA violations range from $500 to $1,500 per violation, which has been interpreted to mean per phone call and/or text message sent and therefore the fines and settlement amounts can be very significant. Due to the evolving interpretation of the TCPA's restrictions, and the highly litigated nature of the TCPA, our and our customers' business and results of operations may be adversely affected by regulators, including the FCC, or the courts interpreting the TCPA restrictions differently than we do, by actual or perceived violations of the TCPA, as well as by lawsuits or other claims against us and our customers relating to violations of the TCPA. The outcome of such proceedings may not be favorable, and one or more unfavorable outcomes could have a material adverse impact on our financial condition. Additionally, any changes to the TCPA, its interpretation, or enforcement of it by the government or private parties that further restrict the way we or our customers' contact and communicate with potential customers or generate leads could harm our business, financial condition and results of operations. Additionally, we also send marketing messages via email and are subject to the CAN-SPAM, which establishes specific requirements for commercial email messages and outlines penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content, and obligates, among other things, the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. As laws and regulations, including FTC and FCC enforcement thereof, rapidly evolve to govern the use of these communications and marketing platforms, the failure by us or our customers, or our employees or third parties acting at our direction, to abide by applicable laws and regulations could adversely impact our business, reputation and brand, financial condition and results of operations or subject us to fines or other penalties.

Such illegal use of our platform could damage our reputation and brand and we could face claims for damages, regulatory enforcement, copyright or trademark infringement, defamation, negligence or fraud. Moreover, our customers' and end customers' promotion of their products and services through our platform might not comply with federal, state and foreign laws. We rely on contractual representations made to us by our customers that their use of our platform will comply with our policies and applicable law. Although we retain the right to verify that customers and end customers are abiding by our policies, our customers and end customers are ultimately responsible for compliance with our policies, and we do not systematically audit our customers or end customers to confirm compliance with our policies. Although Section 230 of the Communications Decency Act currently limits liability for third-party content posted on internet platforms, we cannot predict whether that protection will remain in effect.

We also may record phone calls or other conversations on behalf of our customers for coaching or other quality assurance purposes, and our customers may also record phone calls that are placed through our platform. The actual or perceived improper calling of customer phones or recording of customer calls or other conversations may subject us to potential risks, including claims, demands and litigation, regulatory demands, investigations and other proceedings, and fines, penalties, monetary and other settlements, and other liabilities relating to laws, regulations or other actual or asserted obligations, including consumer protection laws and regulations or certain laws and regulations that require consent, including the consent of all parties in certain states, for recording. Any future such litigation or other proceedings against us, regardless of whether or not they have merit, could be costly and time-consuming to defend and may distract management and technical personnel. Among other potential claims, federal or state regulatory authorities or private groups or individuals may claim that our notices, disclosures, form or manner of obtaining consent or our policies or practices relating to these matters are not adequate or violate applicable law or other actual or asserted obligations, such as industry standards. For example, there has been a rise in lawsuits alleging violations of wiretap laws, particularly in California. Successful lawsuits alleging violations of the California Invasion of Privacy Act can result in statutory penalties of $5,000 per violation.

Risks Related to Our Intellectual Property

If we do not adequately protect our intellectual property and our data, our business, financial condition and results of operations could be materially adversely affected.

We rely on a combination of trademark, trade secret, copyright and patent law and contractual restrictions to protect our intellectual property. However, effective trademark, trade secret, copyright and patent protection is expensive to develop and maintain, both in terms of initial and ongoing applicable registration requirements and expenses and the costs of maintaining, defending and enforcing our registered intellectual property rights. We make business decisions about when to seek patent protection for a particular technology feature of ours and when to rely upon copyright or trade secret protection, and the approach we select may ultimately prove to be inadequate. Even when we seek patent protection, there is no assurance that the resulting patents will effectively protect every significant feature of our platform or other proprietary technology. Given the costs and expenses of obtaining, maintaining, protecting, exploiting, defending and enforcing our registered intellectual property rights, we may choose not to obtain, maintain, protect, exploit, defend or enforce certain intellectual property rights that later turn out to be important. Further, we may not timely or successfully apply for a patent or register our trademarks or otherwise secure our intellectual property. Our efforts to protect, maintain or enforce our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition and results of operations.

In addition, we attempt to protect our intellectual property, proprietary technology and confidential information by requiring our employees and consultants who contribute to the development of intellectual property on our behalf to enter into confidentiality and invention assignment agreements, and our vendors, customers, business partners and other third parties we share information with to enter into nondisclosure agreements. These agreements may not effectively assign all intellectual property rights to us or prevent unauthorized use or disclosure of our confidential information, trade secrets, intellectual property or proprietary technology and may not provide an adequate remedy in the event of unauthorized use, misappropriation or disclosure of our confidential information, trade secrets or proprietary technology, or infringement or misappropriation of our intellectual property. Additionally, any such agreement with respect to the assignment of intellectual property rights may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our platform or other software, technology and functionality or obtain and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavor, to obtain our proprietary technology, confidential information and trade secrets through various methods, including through cybersecurity attacks and reverse engineering, and legal or other methods of protecting this data may be inadequate.

We have in the past been, and may in the future be, subject to others infringing our intellectual property rights. Competitors have adopted, and may continue to adopt, service names similar to ours, thereby harming our ability to build brand identity and possibly leading to end-customer confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. We believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand and maintaining goodwill and if we do not adequately protect our rights in our trademarks from infringement, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. Additionally, litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others.

Intellectual property infringement or misappropriation assertions by third parties could result in significant costs and adversely affect our business, financial condition, results of operations and reputation.

We operate in an industry with frequent intellectual property litigation. Other parties have in the past asserted, and may assert in the future, that we have infringed or misappropriated their intellectual property rights. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing or misappropriating. In addition, despite our efforts to ensure that our employees, consultants, vendors and service providers do not use the intellectual property and other proprietary information or know-how of third parties in their work for us, we have in the past been, and may in the future be, subject to claims that we or our employees, consultants, vendors or service providers have inadvertently or otherwise used or disclosed intellectual property, including copyrighted materials, trade secrets, software code or other proprietary information of a former employer or other third parties.

Further, we cannot predict whether assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect our business, financial condition and results of operations. The defense of these claims and any future infringement or misappropriation claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. In addition, we may be unable to meet our obligations to customers under our customer contracts or to compete effectively, and our revenue and results of operations could be adversely impacted. We might also be obligated to indemnify our customers or other companies in connection with any such litigation and to obtain licenses, modify our platform or refund fees, which could harm our financial results. Further, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees if we are found to have willfully infringed a party's patent or copyright rights, cease making, licensing or using products that are alleged to incorporate or infringe the intellectual property of others, expend additional development resources to redesign our offerings, and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms favorable to us, or at all. In any event, we may need to license intellectual property from third parties which may require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could adversely affect our business, reputation, financial condition and results of operations.

Our platform, including our purpose-built AI solutions such as Atlas, contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could compromise the proprietary nature of our platform or could require disclosure of affected proprietary software source code.

Our platform, including our purpose-built AI solutions such as Atlas, contains software modules licensed to us by third-party authors under "open-source" licenses.

Use and distribution of open-source software may entail greater risks than use of third-party commercial software, as open-source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the software. In addition, open-source projects may have security and other vulnerabilities and architectural instabilities or may be otherwise subject to security attacks due to their wide availability, and are provided on an "as-is" basis. Many of the risks associated with the use of open-source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business.

If we combine our proprietary software with open-source software in a certain manner, we could, under certain "copyleft" open-source licenses, be required to release the source code of our proprietary software under the terms of such an open-source software license, which could require us to offer our source code at little or no cost or grant other rights to our intellectual property. This could enable our competitors to create similar offerings with lower development effort, resources and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the release of the affected portions of our source code, we could be required to purchase additional licenses, expend substantial time and resources to re-engineer some or all of our software or cease use or distribution of some or all of our software until we can adequately address the concerns.

Moreover, we cannot assure you that our processes for controlling our use of open-source software in our products will be effective. Although we have certain procedures in place to monitor our use of open-source software that are designed to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open-source license, such use could inadvertently occur, or could be claimed to have occurred, in part because open-source license terms are often ambiguous. In addition, the terms of many open-source licenses have not been interpreted by U.S. or foreign courts, 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 provide or distribute our platform. From time to time, there have been claims against companies that incorporate open-source software into their solutions, challenging such companies' rights to use the open-source. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open-source software and alleging that we do not have the rights to use, incorporate, distribute, or modify such software. Additionally, if we are held to have breached or failed to fully comply with all the terms and conditions of an open-source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties on terms that are not economically feasible to continue providing our platform, to re-engineer our platform, to discontinue or delay the provision of our platform if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition and results of operations.

Risks Related to Legal and Regulatory Environment

We may become involved in claims, lawsuits, government investigations and other proceedings that may harm our business, financial condition and results of operations.

From time to time, we have been, and may in the future become, involved in various investigations or legal proceedings relating to matters incidental to the ordinary course of our business, including intellectual property, commercial, product liability, employment, class action, whistleblower, wiretapping and other litigation and claims and governmental and other regulatory investigations and proceedings. For example, plaintiffs have sought to apply federal wiretap laws, such as the Federal Wiretap Act, and similar U.S. state laws, such as California's Invasion of Privacy Act, to certain advertising online tracking, and voice recording practices. We have received one or more claims of violation of California's Invasion of Privacy Act. None have resulted in significant liability or expense; however, similar claims may in the future. Such laws include private causes of action, and could result in significant monetary liability to address, including settlement costs, even if these causes of action are meritless. The number and significance of these potential claims and disputes may increase as our business expands. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability or require us to change our business practices. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and may harm our financial condition and results of operations. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Any of the foregoing may harm our business, financial condition and results of operations.

Our business is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping and frequently changing rules, regulations and legal interpretations could adversely affect our business.

We are subject to a number of laws and regulations that apply generally to businesses, including laws and regulations governing the internet and the marketing, sale and delivery of services over the internet. These laws and regulations, which continue to evolve, cover, among other things, taxation, tariffs, privacy and data protection, cybersecurity, pricing, content, copyrights, distribution, mobile and telecommunications, advertising practices, electronic contracts, sales procedures, automatic subscription renewals, credit card processing procedures, consumer and business financial products, insurance products, consumer protection, the provision of online payment services, payroll compliance, the design and operation of websites and the characteristics and quality of products that are offered online. The application and interpretation of these laws and regulations may be uncertain or may change over time, and it may not be clear in every jurisdiction how existing laws and regulations governing such areas apply to our business or will be enforced. If we fail, or are alleged to have failed, to comply with applicable laws and regulations, we could be subject to investigations, claims, regulatory proceedings, fines, penalties or reputational harm, which could materially and adversely affect our business, financial condition and results of operations. Moreover, as the regulatory landscape continues to evolve, increasing regulation and enforcement efforts by federal, state and foreign authorities, and the prospects for private litigation claims, become more likely. In addition, the adoption of new laws or regulations, or the imposition of other legal requirements, that adversely affect our ability to market or sell our platform could harm our ability to offer, or negatively affect contractor demand for, our platform, which could impact our revenue, impair our ability to expand our platform and service offerings, and make us more vulnerable to competition. Future regulations, or changes in laws and regulations or their existing interpretations or applications, could also require us to change our business practices and raise compliance costs or other costs of doing business.

Additionally, various federal, state and foreign labor laws govern our relationships with our employees and affect operating costs. These laws include employee classifications as exempt or non-exempt, minimum wage requirements, unemployment tax rates, workers' compensation rates, overtime, family leave, workplace health and safety standards, payroll taxes, citizenship requirements and other laws and regulations. The number and type of laws applicable to us and our workforce will grow as our remote workforce increases.

Significant additional laws or regulations, or our failure to comply with any laws and regulations that now, or could in the future, apply to our business could materially adversely affect our business, financial condition, results of operations and prospects.

In addition, changes in regulations could negatively impact the business environment for the trades industry. Laws and regulations are rapidly evolving and may change significantly in the future. In particular, our customers are subject to a wide range of laws and regulations related to payroll, employment, data protection, privacy and marketing, and our business could be adversely affected should our solutions and platform not be able to keep pace with such regulatory changes.

The expansion of our operations outside the United States, which subjects us to additional costs and risks, could adversely affect our business, financial condition and results of operations.

While we currently operate primarily in the United States and Canada, a significant portion of our workforce comprises engineering service providers distributed internationally, including, but not limited to, persons in Armenia, Macedonia, and Poland, and our international contract workforce has grown as a result of our acquisitions. We have and may continue to expand our international operations, which may include opening offices in new jurisdictions and providing our platform in additional countries.

If our access to this workforce is disrupted, our business may be adversely affected and we may not be able to grow effectively. Geopolitical events and local government and other actions, including armed conflicts, or sanctions imposed by the United States on countries in which members of our workforce reside, may reduce the availability of or disrupt communication with these workforces, or delay projects under development by the distributed teams. Our continued ability to grow and compete effectively depends on these workforces, so their limited availability or unavailability would impact our performance.

Any new markets or countries into which we attempt to sell subscriptions to access our platform may not be receptive to our efforts. For example, we may not be able to expand further in some markets if we are not able to adapt our platform to fit the needs of prospective customers in those markets or if we are unable to satisfy certain country- and industry-specific laws or regulations. In addition, future international expansion will also require considerable management attention and the investment of significant resources while subjecting us to new risks and increasing certain risks that we already face, including risks associated with:

- recruiting and retaining talented and capable employees outside the United States, including employees who speak multiple languages and come from a wide variety of different cultural backgrounds and customs;
- maintaining our company culture across all of our global offices;
- providing our platform in different languages;

- compliance with applicable international laws and regulations, including laws and regulations with respect to employment, construction, privacy, data protection, cybersecurity, consumer protection and unsolicited email, and the risk of penalties and fines against us and individual members of management or employees if our practices are deemed to be out of compliance;
- managing an employee base in jurisdictions with differing employment regulations;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as the United States and navigating the practical enforcement of such intellectual property rights outside of the United States;
- the risk of changes in foreign laws that could restrict our ability to use our intellectual property outside of the foreign jurisdiction in which we developed it;
- compliance by us and our partners with anti-corruption laws, competition laws, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory limitations on our ability to provide our platform in certain international markets;
- foreign exchange controls that might require significant lead time in setting up operations in certain geographic territories and might prevent us from repatriating cash earned outside the United States;
- political and economic instability;
- changes in diplomatic and trade relationships, including the imposition of new trade restrictions, trade protection measures, import or export requirements, trade embargoes and other trade barriers;
- generally longer payment cycles and greater difficulty in collecting accounts receivable;
- foreign currency risk;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the income and other tax laws of the United States or the international jurisdictions in which we operate; and
- higher costs of doing business internationally, including increased accounting, travel, infrastructure and legal compliance costs.

Compliance with laws and regulations applicable to our global operations substantially increases our cost of doing business. We may be unable to keep current with changes in laws and regulations as they occur. Although we have implemented policies and procedures designed to support compliance with these laws and regulations, there can be no assurance that we will always maintain compliance or that all of our employees, contractors, partners and agents will comply. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions or reputational harm. If we are unable to comply with these laws and regulations or manage the complexity of our global operations successfully, we may need to relocate or cease operations in certain foreign jurisdictions, which could adversely affect our business, financial condition, results of operations and prospects.

We are subject to governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate these controls.

Certain of our products may be subject to various restrictions under U.S. and foreign export control and economic sanctions laws and regulations, including the U.S. Export Administration Regulations and economic and trade sanctions regulations administered by the Office of Foreign Assets Control ("OFAC"). The export of or provision of our platform must be made in compliance with these laws and regulations. Although we take precautions to prevent our products and technology from being provided in violation of such laws, our products and technology could in the future be provided inadvertently in violation of such laws, despite the precautions we take.

If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, for a particular deployment may be time consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. In addition, changes in our platform, or changes in applicable export or economic sanctions regulations may create delays in the introduction and deployment of our platform in international markets, or, in some cases, prevent the export or provision of our platform to certain countries or end customers. A change in export or economic sanctions regulations, shift in the enforcement or scope of existing regulations or change in the countries, governments, persons or technologies targeted by such regulations, could also result in decreased use of our platform, or in our decreased ability to export or provide our platform to existing or prospective customers with international operations. Any decreased use of our platform or limitation on our ability to export or provide our platform may harm our business, financial condition and results of operations.

Compliance with applicable regulatory requirements regarding the export and provision of our platform, including with respect to new releases of our platform, may create delays in the introduction of our platform in international markets, prevent our customers with international operations from deploying and using our platform throughout their globally distributed systems or, in some cases, prevent the export or provision of our platform to some countries altogether.

Russian military action against Ukraine has adversely affected, and could continue to adversely affect, our operations and the productivity of our employees.

We have a significant number of personnel, including both employees and contractors, in Armenia as well as Poland and other European countries, and we had engineering contractors in Russia prior to U.S. sanctions against Russia. In late February 2022, Russian military forces launched significant military action against Ukraine, which has and could continue to cause sustained conflict and disruption in nearby countries like Armenia, Macedonia, and Poland.

As a result of the situation in Ukraine, new and stricter sanctions have been imposed by the United States, Canada, the United Kingdom, the European Union and other countries and organizations against officials, individuals, regions and industries in Russia. Soon after the Russian military action began, in response to U.S. sanctions, we restricted our Russian engineering contractors' access to our software and arranged to move approximately 50 contractors out of Russia for the purpose of continuing to perform engineering services for us. Intensified military activities or the implementation of more extensive sanctions impacting the region could also adversely affect our operations and the productivity of our employees in Armenia, Macedonia, and Poland and other European countries.

We are subject to anti-corruption and anti-bribery laws and anti-money laundering laws and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to the Foreign Corrupt Practices Act (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and other anti-corruption and anti-bribery laws, U.S. anti-money laundering laws, and similar laws in countries where we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies, their employees, agents, representatives, business partners and third-party intermediaries from promising, authorizing, making, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector, including anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business, or otherwise obtaining favorable treatment. Anti-money laundering laws generally prohibit persons from engaging in transactions where the proceeds at issue derive from, or are intended to facilitate or conceal, illegal activity, or where a party to the transaction is "willfully blind" to the illegal sources of the proceeds. If and when we increase our international sales and operations, our risks under these laws may increase.

In addition, we use third parties to sell access to our platform and conduct business on our behalf abroad. We, our employees, agents, representatives, business partners and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we can be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries, even if we do not explicitly authorize such activities. We cannot assure you that all of our employees, agents, representatives, business partners or third-party intermediaries will not take actions in violation of applicable law for which we may be ultimately held responsible.

These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. We cannot assure you that none of our employees, agents, representatives, business partners or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Any allegations or violations of the FCPA or other applicable anti-corruption laws, anti-money laundering laws or other laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and suspension or debarment from government contracts. Responding to any investigation or action will likely result in a materially significant diversion of management attention and resources and significant defense costs and other professional fees. Any of the foregoing may harm our reputation, growth prospects, business, financial condition and results of operations.

Risks Related to Financial, Tax and Accounting Matters

Our internal control over financial reporting may not continue to be effective and we may experience material weaknesses in the future, which could affect the reliability of our financial statements and have other adverse consequences.

We have previously identified material weaknesses in our internal control over financial reporting. As of January 31, 2024, we completed our remediation efforts, including the testing of the operating effectiveness of the controls, and we concluded that the material weaknesses have been remediated. As of January 31, 2026, we concluded our internal control over financial reporting was effective. However, we recognize that maintaining effective internal control over financial reporting will continue to require significant attention from management and expense, and we cannot guarantee that we will not identify material weaknesses in the future.

If material weaknesses are identified in our internal control over financial reporting, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business and the market price of our Class A common stock. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

We may be unable to generate sufficient cash flow to satisfy future debt service obligations, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

As of January 31, 2026, we did not have any outstanding indebtedness. However, we may incur indebtedness in the future, including under our Amended Credit Agreement. Our ability to make payments on or to refinance future debt obligations, including under our Amended Credit Agreement, depends on our financial condition and results of operations, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal or interest on any future indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay strategic acquisitions and partnerships, capital expenditures and payments on account of other obligations, seek additional capital, restructure or refinance our indebtedness or sell assets. These alternative measures may not be successful and may not permit us to meet future debt service obligations. Our ability to restructure or refinance future debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business operations. In addition, we cannot assure you that we will be able to refinance any future indebtedness on commercially reasonable terms, or at all.

If we are unable to repay or otherwise refinance indebtedness when due, if we fail to comply with financial or other covenants in our debt service agreements, which include a net leverage covenant, or if any other event of default is not cured or waived, the applicable lenders could accelerate our outstanding obligations or foreclose against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the Amended Credit Agreement or the exercise by the applicable lenders of their rights under the security documents could have an adverse effect on our business, financial condition and results of operations and could have a material adverse effect on the trading price of our Class A common stock.

The Amended Credit Agreement contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations.

The terms of the Amended Credit Agreement include a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, merge or consolidate with other companies or sell substantially all of our assets, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions or engage in transactions with affiliates. The terms of the Amended Credit Agreement also include financial covenants, including a net leverage covenant. The terms of the Amended Credit Agreement may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy, including potential acquisitions, and compete against companies which are not subject to such restrictions.

We may require additional capital, which may not be available on terms acceptable to us, or at all and, if available, may cause dilution to our stockholders.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products or enhance our existing platform, improve our operating infrastructure or acquire complementary businesses and technologies. We may require additional financing to meet our working capital and capital expenditure in the future. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity, equity-linked securities or convertible debt securities, our existing stockholders could suffer significant dilution, and any new securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock. Debt financings increase expenses, may contain covenants that restrict the operation of our business, and must be repaid regardless of our results of operations. For example, covenants contained in our Amended Credit Agreement limit our ability to pay dividends, to create, incur or assume indebtedness or liens, to consummate certain strategic transactions, to engage in transactions with affiliates and to make certain investments.

We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans and operating performance and the condition of the capital markets at the time we seek financing. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired, and our business, financial condition and results of operations could be adversely affected.

Our estimates or judgments relating to our critical accounting policies may be based on assumptions that change or prove to be incorrect, which could cause our results of operations to fall below expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as described in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." The results of these estimates form the basis for making judgments about the recognition and measurement of certain assets and liabilities and revenue and expenses that is not readily apparent from other sources. Our accounting policies that involve judgment and use of estimates include revenue recognition, and fair value of assets acquired and liabilities assumed in a business combination. If our assumptions change or if actual circumstances differ from those in our assumptions, our results of operations could be adversely affected, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

We rely on assumptions and estimates to calculate certain of our key metrics, and real or perceived inaccuracies in such metrics may harm our reputation and our business.

We track certain operational metrics, including the number of Active Customers, which we define as customers with over $10,000 of annualized billings, and GTV, with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. We may also discover unexpected errors in the data that we are using that resulted from technical or other errors. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. If we determine that any of our metrics or figures are not accurate, we may be required to revise or cease reporting such metrics or figures. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring these metrics. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. In addition, our methodology for calculating these metrics may differ from the methodology used by other companies to calculate similar metrics and figures. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate or if we discover material inaccuracies with respect to these figures, we expect that our business, financial condition and results of operations could be adversely affected.

Operating as a public company requires us to incur substantial costs and will require substantial management attention.

As a public company, we incur substantial legal, accounting and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC and the listing standards of The Nasdaq Stock Market LLC (the "Exchange"). The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business, financial condition and results of operations. Compliance with these rules and regulations has and is expected to continue to increase our legal and financial compliance costs, and increase demand on our systems, particularly since we are no longer an Emerging Growth Company ("EGC") and are now a large accelerated filer. In addition, as a public company, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management and impact the manner in which we operate our business in ways we cannot currently anticipate. As a result of disclosure of information in this Annual Report and in filings required of a public company, our business, financial condition and results of operations are more visible, which may result in threatened or actual litigation, including by competitors.

Certain members of our management team have limited experience managing a publicly traded company, and certain members joined us more recently. As such, our management team may not successfully or efficiently manage our status as a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These public company obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which may harm our business, financial condition and results of operations.

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

Our ability to utilize our federal net operating loss carryforwards (“NOLs”) may be limited under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended. These limitations apply if we experience an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in the ownership of our equity by certain stockholders over a rolling three-year period.

We conducted a formal study through January 31, 2026 that concluded that there had been prior ownership changes and that our utilization of pre-change tax attribute carryforwards will be subject to annual limitations. However, it is not expected that the annual limitations will result in the expiration of tax attribute carryforwards prior to utilization. If we undergo an ownership change in the future, our ability to use our pre-change NOLs and other pre-change tax attributes (such as research and development tax credits) to offset our post-change income or taxes may be limited. Similar provisions of state tax law may also apply to limit the use of our state tax attribute carryforwards. Future changes in our stock ownership, some of which may be outside of our control, may result in an ownership change under these rules.

There is a risk that due to changes in tax law, regulatory changes or other unforeseen reasons, our existing NOLs and other tax attributes could expire or otherwise become unavailable to offset future income tax liabilities. At the state level, there may also be periods during which the use of NOLs and other tax attributes is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed by us. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs and other tax attributes, even if we attain profitability.

Our results of operations may be harmed if we are required to collect or pay sales or other taxes in jurisdictions where we have not historically done so.

States and some local taxing jurisdictions have differing rules and regulations governing sales, use and other taxes, such as gross receipts taxes, excise taxes, and telecom taxes, and these rules and regulations are subject to varying interpretations that may change over time. The application of federal, state, local and non-U.S. tax laws to services provided electronically is evolving. In particular, the applicability of sales taxes and other taxes to our platform in various jurisdictions is unclear. We collect and remit sales tax and other taxes in the United States and value-added tax, in a number of international jurisdictions. However, we could face tax audits in which tax authorities in the United States and other jurisdictions could successfully assert that we are obligated to collect additional tax amounts from our paying customers and remit those amounts to those authorities. As a result, our liability for these taxes could exceed our estimates. We could also be subject to audits in states and Non-U.S. jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales or other taxes on our platform in jurisdictions where we have not historically done so and do not accrue for such taxes could result in substantial tax liabilities for past sales, discourage organizations from subscribing to our platform, and otherwise harm our business, financial condition and results of operations.

Further, one or more state, local or non-U.S. tax authorities could seek to impose additional sales, use, telecommunications or other taxes and other tax collection and record-keeping obligations on us or may determine that such taxes should have, but have not been, paid by us. Liability for past taxes may also include substantial interest and penalty charges. Any successful action by state, local or non-U.S. tax authorities to compel us to collect and remit sales tax, use tax, telecommunication tax or other taxes, either retroactively, prospectively, or both, may harm our business, financial condition and results of operations.

Changes in tax laws and regulations in the United States and other jurisdictions could adversely affect our business, financial condition and results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. Those enactments could harm our domestic and international business operations and our business, financial condition and results of operations. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. 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 and/or penalties and interest for past amounts deemed to be due. For example, U.S. H.R. 1 (119th Congress), signed into law in July 2025, commonly known as the One Big Beautiful Bill Act, made significant changes to U.S. federal tax law. Changes to tax laws (which in some cases may have retroactive applications), including with respect to NOLs and other tax attributes, could adversely affect us, holders of our common stock, or our customers. If we raise our prices to offset the costs of these changes, existing and prospective customers may elect not to purchase our offerings in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our own compliance, operating and other costs, as well as the costs of our offerings. Further, these events could decrease the capital we have available to operate our business. Any or all of these events may harm our business, financial condition and results of operations.

As we expand the scale of our international business activities, any changes in the taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition and results of operations. We may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. 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. An increase in our tax liabilities could harm our liquidity and results of operations. In addition, the tax 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 apply to us or assert that benefits of tax treaties are not available to us, any of which may harm us and our results of operations.

Our results of operations may be adversely affected by changes in accounting principles applicable to us.

GAAP is subject to interpretation by the Financial Accounting Standards Board, the SEC and other various bodies formed to promulgate and interpret appropriate accounting principles. Changes in accounting principles applicable to us, or varying interpretations of current accounting principles, could have a significant effect on our reported results of operations. Further, any difficulties in the implementation of changes in accounting principles, including the ability to modify our accounting systems, could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors' confidence in us.

Risks Related to Ownership of Our Class A Common Stock and Governance

The multi-class structure of our common stock has the effect of concentrating voting power with Ara Mahdessian, our Co-Founder, Chief Executive Officer and a member of our board of directors, and Vahe Kuzoyan, our Co-Founder, President and a member of our board of directors, which will limit your ability to influence the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our amended and restated certificate of incorporation and amended and restated bylaws and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction.

Our Class A common stock has one vote per share, our Class B common stock has 10 votes per share and our Class C common stock has no votes per share, except as otherwise required by law. Our Co-Founders and their respective affiliates together hold all of the issued and outstanding shares of our Class B common stock. Accordingly, as of January 31, 2026, the shares held by our Co-Founders (including shares over which they have voting or administrative control) represented approximately 61% of the voting power of our outstanding capital stock, which voting power may increase over time as our Co-Founders exercise or vest in equity awards over time. If all such equity awards held by our Co-Founders (including the shares of our Class B common stock subject to performance-based RSUs that were granted to our Co-Founders in October 2024 and that vest upon the satisfaction of a service condition and achievement of certain stock price hurdles) had been exercised or vested and settled in shares of our Class B common stock as of January 31, 2026, the shares held by our Co-Founders (including shares over which they have voting or administrative control) represented approximately 72% of the voting power of our outstanding capital stock. As a result, our Co-Founders, along with our other principal stockholders, will be able to significantly influence or control any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our amended and restated certificate of incorporation and amended and restated bylaws and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction. Our Co-Founders 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 or significant influence 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 A common stock. Further, the separation between voting power and economic interests could cause conflicts of interest between our Co-Founders and our other stockholders, which may result in our Co- Founders undertaking, or causing us to undertake, actions that would be desirable for our Co-Founders but would not be desirable for our other stockholders.

Future transfers by the holders of Class B common stock will generally result in those shares automatically converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon certain events specified in our amended and restated certificate of incorporation. If the employment of one of our Co-Founders is terminated by us for reasons other than cause or death, the shares of Class B common stock held by such Co-Founder (and his affiliates) will not automatically convert into shares of Class A common stock upon such a termination. Under these circumstances, one of our Co-Founders could no longer be employed by us but continue to hold shares of Class B common stock that represent significant voting power of our capital stock and could undertake actions that would be desirable for such Co-Founder but would not be desirable for other stockholders.

We have no shares of our Class C common stock, which entitle the holder to no votes per share (except as otherwise required by law), issued and outstanding, and we have no current plans to issue shares of Class C common stock. These shares are available to be used in the future for various uses including to further strategic initiatives, such as financings or acquisitions, or issue future equity awards to our service providers. Over time, the issuance of shares of Class A common stock will result in voting dilution to all of our stockholders and this dilution could eventually result in our Co-Founders holding less than a majority of our total outstanding voting power. Once our Co-Founders own less than a majority of our total outstanding voting power, our Co- Founders will no longer have the unilateral ability to elect all of our directors and to significantly influence or control the outcome of any matter submitted for a vote of our stockholders. Because the shares of Class C common stock have no voting rights (except as required by law), the issuance of such shares will not result in further voting dilution, which will prolong the voting power of our Co-Founders. As a result, the issuance of shares of Class C common stock could prolong the duration of our Co-Founders' control of our voting power and their ability to elect all of our directors and to significantly influence or control the outcome of most matters submitted to a vote of our stockholders. In addition, we could issue shares of Class C common stock to our Co-Founders and, in that event, they would be able to sell such shares of Class C common stock and achieve liquidity in their holdings without diminishing their voting power. Any future issuances of shares of Class C common stock will not be subject to approval by our stockholders except as required by the listing standards of the Exchange. For additional information about our multi-class structure, refer to the "*Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934,*" filed as Exhibit 4.1 hereto.

We cannot predict the effect our multi-class structure may have on the market price of our Class A common stock.

We cannot predict whether our multi-class structure will result in a lower or more volatile market price of our Class A common stock, adverse publicity or other adverse consequences. For example, certain stock index providers have excluded or limited the eligibility of public companies with multiple classes of shares of common stock from being added to certain stock indices. The multi-class structure of our common stock would therefore make us ineligible for inclusion in indices with such restrictions and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track these indices may not invest in our Class A common stock.

In addition, several stockholder advisory firms and large institutional investors have been critical of the use of multi-class structures. Such stockholder advisory firms may publish negative commentary about our corporate governance practices or capital structure, which may dissuade large institutional investors from purchasing shares of our Class A common stock.

These actions could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

The trading price of our Class A common stock may be volatile.

There was no public market for our Class A common stock prior to our IPO, and an active trading market for our Class A common stock may not sustain its current levels. In addition, the trading price of our Class A common stock may fluctuate significantly in response to a number of factors, most of which we cannot predict or control, including:

- price and volume fluctuations in the overall stock market or of technology stocks from time to time;
- volatility in the market due to macroeconomic developments, including but not limited to, the occurrence of pandemics, rising interest rates, other trade protection measures and increased inflation;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- announcements by us or our competitors of new offerings or products;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- short selling of our Class A common stock or related derivative securities;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations, including due to the seasonality of our business;
- actual or perceived cybersecurity breaches or incidents;
- actual or anticipated developments in our business, our competitors’ businesses or the competitive landscape generally;
- announced or completed acquisitions of businesses, products or technologies by us or our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;

- new laws, regulations, rules or industry standards or new interpretations of existing laws, regulations, rules or industry standards applicable to our business;
- the impact of political instability, natural disasters, war and/or events of terrorism, such as the conflict in the Middle East and between Russia and Ukraine and the corresponding tensions created from such conflict between Russia, the United States and countries in Europe and the Middle East, as well as other countries such as China;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management or board of directors; and
- sales of our Class A common stock by us, our founders, officers, directors and employees.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our Class A common stock could decline for reasons unrelated to our business, financial condition or results of operations. The trading price of our Class A common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the overall market and the trading price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, would result in substantial costs and a diversion of our management's attention and resources.

Recently, the stock markets in general, and the markets for technology stocks in particular, have experienced extreme volatility. The stock prices of many technology companies have declined significantly and in certain instances the declines have been unrelated or disproportionate to the operating performance of those companies. Software company stock prices have experienced significant declines, driven in part by investor concerns that advances in AI, including agentic AI and AI-enabled automation tools, may disrupt traditional software business models and pricing structures. Furthermore, the trading price of our Class A common stock may be adversely affected by third parties trying to drive down the trading price of our Class A common stock. Short sellers and others, some of whom post anonymously on social media, can negatively affect the trading price of our Class A common stock and may be positioned to profit if the trading price of our Class A common stock declines. These broad market and industry factors may seriously harm the trading price of our Class A common stock, regardless of our operating performance.

Sales of a substantial number of shares of our Class A common stock (including shares of our Class A common stock issuable upon conversion of our Class B common stock) could depress the trading price of our Class A common stock.

The trading price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the public market, particularly sales by our directors, officers, and principal stockholders, and the perception that these sales could occur may also depress the trading price of our Class A common stock. As of January 31, 2026, we had 81,956,537 shares of our Class A common stock, 12,644,614 shares of our Class B common stock and no shares of our Class C common stock outstanding. While shares held by directors, executive officers, and other affiliates are subject to volume limitations under Rule 144 under the Securities Act, we are unable to predict the timing of or the effect that such sales may have on the prevailing trading price of our Class A common stock.

Certain holders of our Class A common stock (including shares of our Class A common stock issuable upon conversion of our Class B common stock and/or the exercise or settlement, as applicable, of outstanding equity awards) are entitled, under the provisions of our amended and restated investors' rights agreement, dated as of July 27, 2023, to require us to register shares owned by them for public sale in the United States. Any registration statement we file to register shares, whether as a result of registration rights or otherwise, could cause the trading price of our Class A common stock to decline or be volatile. In addition, we have filed registration statements on Form S-8 under the Securities Act to register shares reserved for future issuance under our equity compensation plans and, subject to the satisfaction of applicable exercise periods, the shares issued upon exercise of outstanding stock options will be available for immediate resale in the United States in the public market, subject in some cases to the volume and other restrictions of Rule 144.

Sales of our Class A common stock as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate. These sales also could cause the trading price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the General Corporation Law of the State of Delaware (the "DGCL") may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change in control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- our amended and restated bylaws provide that approval of the holders of at least two-thirds of the voting power of the outstanding shares of our capital stock voting as a single class is required for stockholders to amend or adopt any provision of our bylaws;
- our multi-class structure, which provides our Co-Founders with the ability to significantly influence or control 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, Class B common stock and Class C common stock;
- our amended and restated certificate of incorporation does not provide for cumulative voting;
- vacancies on our board of directors will be filled only by appointment by our board of directors and not by stockholders;
- our board of directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer, our President or a majority of our board of directors;
- 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 further action by our stockholders; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock.

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, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) 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, (iii) any action arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws or (iv) 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, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws further provide that the federal district courts of the United States are the exclusive forum for resolving any complaints asserting a cause of action arising under the Securities Act. We note, however, that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, and that there is uncertainty as to whether a court would enforce this exclusive forum provision. Further, the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, in December 2018, the Court of Chancery of the State of Delaware determined that a provision stating that U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Although this decision was reversed by the Delaware Supreme Court in March 2020, other courts may still find these provisions to be inapplicable or unenforceable.

Any person or entity purchasing 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. This exclusive forum provision will not apply to any causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. If a court were to find either 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 may harm our business, financial condition and results of operations.

We are no longer an "emerging growth company" and, as a result, are subject to certain enhanced disclosure requirements.

As of January 31, 2026, we are no longer an EGC. Moreover, we are a large accelerated filer. As a large accelerated filer, we are subject to certain disclosure and compliance requirements that apply to other public companies but that did not previously apply to us due to our status as an EGC. These requirements include, but are not limited to:

- the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act;
- compliance with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements; and
- the requirement that we provide more detailed disclosures regarding executive compensation.

We expect that the loss of EGC status and compliance with the additional requirements of being a large accelerated filer will increase our legal, accounting and financial compliance costs and costs associated with investor relations activities, and cause management and other personnel to divert attention from operational and other business matters to devote substantial time to public company reporting requirements. In addition, if we are not able to comply with changing requirements in a timely manner, the market price of our stock could decline and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC or other regulatory authorities, which would require additional financial and management resources.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendations regarding our Class A common stock adversely, the trading price and trading volume of our Class A common stock could decline.

The trading market for our Class A common stock depends, in part, on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. Analysts may misinterpret our business and focus on certain standard SaaS metrics, like calculated billings and remaining performance obligations, that are not as applicable to us as other peer companies. If any of the analysts who cover us change their recommendation regarding our Class A common stock adversely, provide more favorable relative recommendations about our competitors, or publish inaccurate or unfavorable research about our business, the trading price of our Class A common stock would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the trading price and volume of our Class A common stock to decline.

We do not intend to pay cash dividends for the foreseeable future on our capital stock.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future on our capital stock. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their capital stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

An entity affiliated with Vahe Kuzoyan, our Co-Founder and President has pledged shares of our Class B common stock to secure certain borrowings. The forced sale of these shares pursuant to a margin call would cause these shares of Class B common stock to convert into shares of Class A common stock and could cause our stock price to decline and negatively impact our business.

In December 2021, Vahe Kuzoyan, our Co-Founder, President and a member of our board of directors and his spouse, individually and as trustees of the K-A Family Trust dated December 6, 2021 (the "Trust"), entered into a loan agreement and security and pledge agreement, as amended in July 2025. The loan is secured by pledges of a portion of our Class B common stock currently owned by the Trust. Mr. Kuzoyan exercises voting control over the pledged shares of Class B common stock.

If the price of our Class A common stock were to decline substantially, Mr. Kuzoyan, his spouse and the Trust may be forced to provide additional collateral for the loan or to sell shares of our Class A common stock (after converting shares of Class B common stock) in order to remain within the margin limitations imposed under the terms of the loan. The loan agreement prohibits the non-pledged shares currently owned by Mr. Kuzoyan, his spouse and the Trust, as well as equity interests in our Company held by Mr. Kuzoyan, from being pledged to secure any other loans or from being sold, transferred or assigned. These factors may limit Mr. Kuzoyan's and the Trust's ability to either pledge additional shares of our Class B common stock or sell shares of our Class A common stock (after converting shares of Class B common stock) as a means to avoid or satisfy a margin call with respect to the pledged shares of our Class B common stock in the event of a decline in our stock price that is so substantial as to trigger a margin call. Any sales of Class A common stock following a margin call that is not satisfied may cause the price of our Class A common stock to decline further.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

We design and assess our program based on International Organization for Standardization ("ISO") 27001 and Payment Card Industry Data Security Standard ("PCI DSS") standards. This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use ISO and PCI DSS as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall risk management program, and shares common methodologies, reporting channels and governance processes that apply across the risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Key elements of our cybersecurity risk management program include but are not limited to the following:

- risk assessments designed to help identify material risks from cybersecurity threats to our critical systems and information;
- internal audits;
- bug bounties, phishing and penetration tests;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes;
- cybersecurity awareness training of our employees, including incident response personnel and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents, as well as dedicated and expert incident commander(s) to steer incident response and resolution; and
- a third-party risk management process for key service providers based on our assessment of their criticality to our operations and respective risk profile.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See the section titled "*Risk Factors—Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology—The collection, processing, storage, use and disclosure of personal information are governed by a rapidly evolving framework of privacy, data protection, cybersecurity information transfers or other laws or regulations worldwide and may limit the use and adoption of our services and adversely affect our business*."

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (the "Committee") oversight of cybersecurity risks, including oversight of management's implementation of our cybersecurity risk management program.

The Committee receives periodic reports from management on our cybersecurity risks. In addition, management updates the Committee, where it deems appropriate, regarding cybersecurity incidents it considers to be significant.

The Committee regularly reports to the full Board regarding its activities, including those related to cybersecurity and our cyber risk management program. Board members also receive presentations on cybersecurity topics from our Chief Information Security Officer ("CISO"), internal security staff or external experts as part of the

Board's continuing education on topics that impact public companies. Our management receives briefings from our CISO on our cyber risk management program and escalates matters to the Board as needed.

Our CISO is primarily responsible for assessing and managing our material risks from cybersecurity threats. The CISO, who reports to our Chief Technology Officer, has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our CISO is an industry-recognized and credentialed executive who has served in various roles in information technology and information security for over two decades, including as Chief Information Security Officer. He holds an undergraduate degree in information systems and multiple professional certifications.

Our CISO takes steps to stay informed about and monitor efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include: briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in our IT environment.

Item 2. Properties.

Our corporate headquarters are located in Glendale, California, where we lease an aggregate of approximately 215,000 square feet, as of January 31, 2026, pursuant to lease agreements that expire in July 2030. We also lease additional facilities in various locations in the United States and around the world. We lease all of our facilities and do not own any real property.

We believe that our facilities are suitable to meet our current needs, and that suitable additional or alternative space will be available as needed to accommodate any growth to support new employees or new geographic markets.

Item 3. Legal Proceedings.

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together, materially and adversely affect our business, results of operations or financial condition. Future litigation may be necessary to defend ourselves, our partners and our customers by determining the scope, enforceability and validity of third-party proprietary rights, to establish our proprietary rights or for other matters. Involvement in such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of legal expenses and settlement costs, diversion of management attention and resources and other factors. In addition, the information set forth under "Litigation" in Note 8 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K is incorporated herein by reference.

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 Common Stock

Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol “TTAN.” Our Class B common stock and Class C common stock is neither listed nor publicly traded.

Holders of Record

As of March 16, 2026, there were 54 holders of record of our Class A common stock. The actual number of stockholders is greater than this number of record holders and includes an indeterminate number of stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. As of March 16, 2026, there were 16 holders of record of our Class B common stock and no shares of our Class C common stock outstanding.

Dividends

The terms of our Amended Credit Agreement place certain limitations on the amount of cash dividends we can pay, even if no amounts are currently outstanding. We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and future earnings and do not anticipate declaring or paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

Recent Sales of Unregistered Equity Securities

Plan-Related Issuances

From February 1, 2024 to December 12, 2024 (the date of the filing of our registration statement on Form S-8), we issued and sold to our directors, officers, employees, consultants and other service providers an aggregate of 511,755 shares of our common stock upon the exercise of stock options under our 2015 Stock Plan, at exercise prices ranging from $0.19 to $63.55 per share, for an aggregate purchase price of $5.8 million.

From February 1, 2024 to December 12, 2024 (the date of the filing of our registration statement on Form S-8), we granted to our directors, officers, employees, consultants and other service providers an aggregate of 3,527,375 restricted stock units (“RSUs”) to be settled in shares of our Class A of our common stock and an aggregate of 6,483,088 RSUs to be settled in shares of our Class B common stock, in each case pursuant to our 2015 Stock Plan.

Shares Issued in Connection with Acquisitions

In April 2024, we issued an aggregate of 373,118 shares of our common stock as consideration to accredited investors.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The offers, sales, and issuances of the securities described above were deemed to be exempt from registration under Rule 701 promulgated under the Securities Act, as transactions under compensatory benefits plans and contracts relating to compensation, or under Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Use of Proceeds

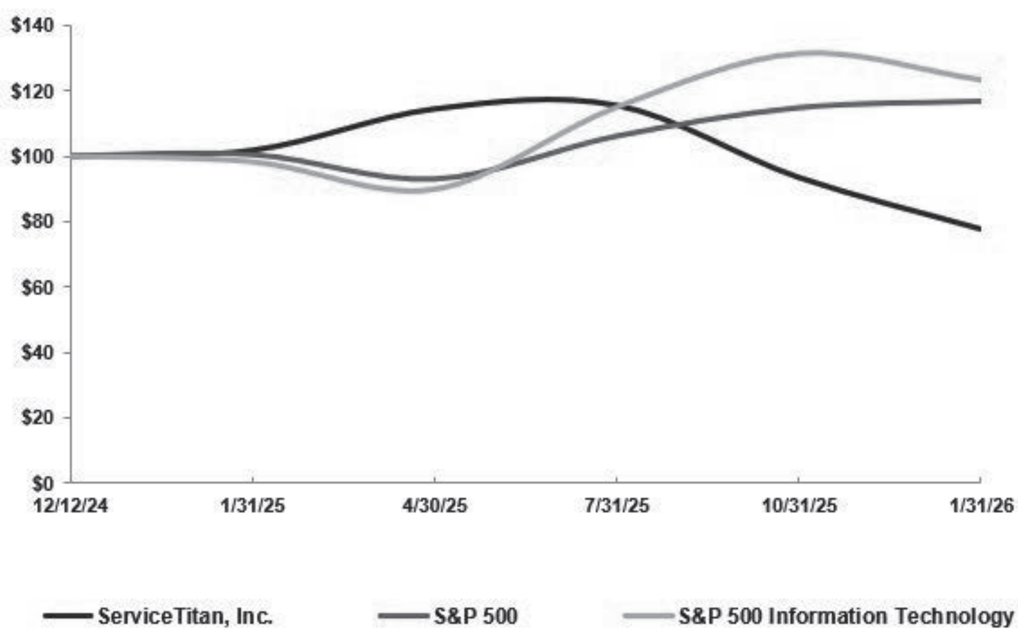
On December 11, 2024, our registration statement on Form S-1 (File No. 333-283296), as amended, was declared effective by the Securities and Exchange Commission (the "SEC") in connection with our initial public offering ("IPO"). We received aggregate proceeds of $674.1 million, net of underwriting costs and offering expenses. There has been no material change in the expected use of the net proceeds from our IPO as described in our Prospectus, filed with the SEC on December 12, 2024.

Stock Performance Graph

This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act.

The following graph compares the cumulative total return to stockholders on our Class A common stock with the cumulative total returns of the Standard & Poor's 500 Index (the "S&P 500"), and the S&P 500 Information Technology Sector Index. An investment of $100 is assumed to have been made in our Class A common stock and in each index on December 12, 2024, the date our Class A common stock began trading on the Nasdaq Global Select Market, and its relative performance is tracked through January 31, 2026. The graph uses the closing market price on December 12, 2024 of $101.00 per share as the initial value of our Class A common stock. Data for the S&P 500 and the S&P 500 Information Technology Index assume reinvestment of dividends. The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our Class A common stock.

<u>**Comparison of Cumulative Total Return**</u>



Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties and our actual results, events or circumstances could differ materially from those described in forward-looking statements. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" and other parts of this Annual Report. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. The last day of our fiscal year is January 31, and our fiscal quarters end on April 30, July 31, October 31 and January 31. Our fiscal years ended January 31, 2024, 2025 and 2026 are referred to herein as fiscal 2024, fiscal 2025 and fiscal 2026, respectively. Unless the context otherwise requires, all references in this Annual Report to "we," "us," "our," "our company," and "ServiceTitan" refer to ServiceTitan, Inc. and its consolidated subsidiaries, and references to our "common stock" include our Class A common stock, Class B common stock and Class C common stock.

Overview

ServiceTitan is the operating system that powers the trades.

We are modernizing a large and technologically underserved industry—an industry commonly referred to as the "trades." The trades consist of the collection of field service activities required to install, maintain, and service the infrastructure and systems of residences and commercial buildings.

ServiceTitan was born in the trades and built for the trades. Our founders, Ara Mahdessian and Vahe Kuzoyan (our "Co-Founders"), are the sons of trades business owners and founded ServiceTitan to provide tradespeople, like their parents, with technology that is purpose built to help trades businesses thrive.

Our software provides an end-to-end, cloud-based software platform that connects, manages and automates a wide array of business workflows such as advertising, job scheduling and management, dispatching, generating estimates and invoices, payment processing and more. Tradespeople spend their days interfacing with the ServiceTitan platform across what we believe to be the five most business-critical functions, or the "core centers of gravity," inside a trades business: CRM (customer relationship management, including sales enablement, marketing automation and customer service), FSM (field service management, including scheduling and dispatching), ERP (enterprise resource planning, including inventory), HCM (human capital management, including compensation and payroll integration) and FinTech (including payments and third-party consumer financing). By offering interoperable capabilities in all five centers of gravity, we continuously capture comprehensive data insights across key workflows in a trades business.

Our close customer proximity and deep connection with the industry enable us to make evidence-based recommendations that can improve our customers' business outcomes by identifying and replicating what works and fixing what does not. Our insights are augmented by the vast amounts of structured and unstructured data that we synthesize into best practices. These insights are then delivered across automated workflows, many of which we enhance with artificial intelligence ("AI"), to address the distinct vertical-specific needs of the trades.

Our platform is differentiated by our close customer proximity and deep connection with the trades industry, which enables us to make real-time, evidence-based recommendations to our customers, augmented by the vast amounts of data that we synthesize into best practices. Our platform enables impactful outcomes for our customers, including accelerating revenue and driving operational efficiency, all while improving the experience for both end customers and contractors. As customers experience the significant business acceleration benefits of our platform, we have often observed our customers hire more technicians, increase gross transaction volume ("GTV"), representing total dollars invoiced by our customers through our platform, and adopt more add-on products. Increased customer adoption of our platform leads to further data and insights, allowing us to build more differentiated features and address opportunities in new trades, use cases and customer subsegments. All of this allows us to drive more growth and efficiency for customers, delivering considerable return on investment ("ROI"), in our products. In fiscal 2026 and fiscal 2025, we processed $82.1 billion and $68.5 billion of GTV, respectively.

Seasonality and Other Fluctuations

Generally, demand for our customers' services tends to increase during the second quarter of our fiscal year, as hot weather in the summer months typically results in higher demand for trades businesses. Given that our revenue model allows our customers to scale as needed (processing more GTV through our platform and adding technicians), our sequential revenue growth has historically been strongest in the second quarter of each fiscal year. This is especially true for our usage-based revenue, which is directly tied to the amount of GTV processed through our platform. As our usage-based revenue consists primarily of payment processing, which we recognize net of interchange and other direct expenses which are passed to the customer, this seasonality also positively impacts our platform gross margin and operating margin for the second quarter of each fiscal year. Our historical growth—including through the acquisition of new customers and the launch of new products, particularly subscription-based products that are less seasonally impacted than our usage-based products—may have made it more difficult to evaluate the impact of seasonality on our business by masking the full impact of the heightened quarter-over-quarter growth we have generally experienced in the second quarter of each fiscal year. Going forward, we believe seasonality may continue to impact our quarterly results, potentially becoming more pronounced, or evolving to reveal novel seasonal trends.

Certain recurring operational events that occur through our fiscal year have also historically impacted our financial performance. Specifically, we typically experience higher operating cash outflows during our first fiscal quarter due to payment of annual corporate bonuses. Additionally, our third fiscal quarter performance typically reflects increased sales and marketing expense related to our annual user conferences, Ignite and Pantheon.

Key Factors Affecting Our Business Performance

We believe that the growth and future success of our business is dependent upon many factors, including those described below.

Increase GTV on Our Platform

Grow with Our Customers. Our long-term revenue growth is correlated with the success of customers on our platform, and we strive to support the growth of their businesses. We can improve outcomes for our customers across every stage of the go-to-market funnel, from determining which end customers to target, marketing to those end customers effectively and converting and retaining end customers. We empower technicians with the tools and training necessary to drive better end-customer outcomes that, in turn, can generate higher ticket sizes and more repeatable work orders. As our customers grow on our platform and expand into additional locations, generating more sales, hiring more technicians and automating more workflows, they can also significantly increase GTV, and, in turn, drive our growth and financial success.

Increase GTV By Serving Additional Customers in Existing Trades and Markets. Increasing our GTV also depends on our ability to serve additional customers in existing trades and markets. As our platform has deepened and expanded in features, we have been able to serve larger customers. The trades industry is also experiencing an influx of professional operators, including private equity owners, who are investing in and consolidating trades businesses, in many cases on our platform. Because of these dynamics, we focus on increasing the GTV on our platform, rather than new customer count. We believe our market opportunity is substantial, and we expect to continue to make significant investments across all aspects of our business to continue to increase the GTV on our platform.

We designed our platform to address key workflows within a trades business. In contrast, existing solutions are difficult to adopt and resource-intensive to stitch together in a manner that would address multiple workflows and generate return on investment for trades businesses. This gives us a substantial opportunity to continue to invest in our platform and in our sales and marketing efforts to add more customers in, or help existing customers expand into, the expansive set of trade verticals we have penetrated so far. We also believe that there is further potential to expand our customer base by productizing additional capabilities for these trade verticals, particularly AI-powered capabilities.

Increase GTV By Entering New Trades and Markets. ServiceTitan began by serving a single trade—plumbing—and focusing on residential homes, and we now serve many trades that serve all sites: homes, businesses and even new construction. As we have penetrated new trades over time, we have significantly expanded our potential customer reach, unlocking new markets to drive future customer growth. We plan to continue to innovate and expand into new trade verticals through our playbook of harnessing common features of the trades industry, while also identifying and building features specific to each new trade vertical. It takes significant time and research and development to identify new trade verticals to enter and build out functionalities on top of our common products, as well as investment in sales and marketing resources, to ensure we can successfully go to market with an end-to-end offering in such new verticals.

Retain and Expand Our Existing Customer Relationships

Our ability to retain and increase the revenue we earn from existing customers is a key driver of our future business performance and depends on our customers renewing their subscriptions to our platform, expanding their number of users, increasing their usage of existing solutions and adopting additional products, driven by the three key strategies described below. We have observed that as customers experience the significant business acceleration benefits of our platform, they typically not only remain on our platform but also often hire more technicians and adopt more of our products.

Retain Our Customers. Our customer relationship begins with a thorough onboarding process. Then, our customers deploy our platform end-to-end across their entire organization, meaning the ServiceTitan platform powers their workflows and is the primary interface used by their employees. As a result, we become deeply embedded as the operating system that powers our customers' businesses. Over time, our Customer Success Management teams work closely with our customers to assist them in fully utilizing our platform.

Drive More Value to Our Customers through Add-on Product Adoption. As we demonstrate the high ROI of our products to our customers, we are able to sell more add-on products to them and increase our share of wallet, which we measure as the portion of our customers' GTV that we are able to earn. We efficiently expand our customer relationships over time to serve their additional needs and automate more workflows through our platform. We believe that the more our customers use our platform to power their workflows, the more value we deliver to them, and the higher revenue we can earn from them. As a result, we continue to invest in research and development to improve the functionality of our existing Core and add-on products. Our ability to increase adoption of our add-on products will depend on customer satisfaction with our platform, competition, pricing and our ability to continuously demonstrate the value proposition of our add-on products. We plan to continue investing in sales and marketing, thought leadership, industry resources and evolving our customer success teams to focus on driving additional expanded value to customers on our platform.

Build and Bundle New Products to Extend Our Platform. We have a culture of significant innovation evidenced by the extension of our platform's capabilities over time, producing new workflows across trades. We intend to continue to judiciously invest in research and development to expand the functionality of our platform, to develop and bundle new add-on products and to broaden our capabilities to address new market opportunities across trades. Powering key workflows of our customers through our Core product positions us to deliver value-added Pro, FinTech and other AI-powered products that complement our Core product. We build Pro and FinTech products as an integrated add-on to our expansive Core product offering to deliver our customers business outcomes in a way that we believe no individual, standalone point solution can. As we continue to innovate and execute on our product roadmap, we believe customers will continue to find our new products additive and therefore continue to adopt them. We believe that there is further potential to expand our market opportunity by building new products, particularly those powered by AI, to earn an even greater potential share of our customers' GTV in the future. While our engrained industry position and exposure to the trades facilitate efficient product development opportunities, innovating new products will continue to require substantial time and research and development resources.

Components of Results of Operations

Revenue

We have two general categories of revenue as set forth below:

Platform Revenue

We principally generate platform revenue through (i) subscription revenue generated from access to and use of our platform, including subscriptions to our Core and certain Pro products, and (ii) usage-based revenue generated from the transactions using our FinTech solutions and usage of certain Pro products and other usage-based services. Our customer contracts are generally based on the number of users, mix of products, number of end customers and the amount of GTV.

We offer tiered subscription plans for our Core and Pro products with varying contract lengths. Pursuant to these subscription contracts our customers do not have the ability to take possession of our proprietary software. For new customers, we primarily enter into either annual or multi-year subscription agreements with contract terms typically ranging from 12 to 36 months; however, certain Pro product and legacy customers are on month-to-month contracts. In nearly all cases, these contracts (monthly, annual, or multi-year) are renewed automatically unless cancelled in advance. We generally bill our customers on a monthly basis in advance of services, regardless of contract term. In some cases for certain products, the customer is billed in arrears. Pricing for these subscriptions are driven by the features included in the package and are linked to the size of the customer's business, generally based on the number of field technicians at the customer but in some cases directly tied to the number of end customers or the customer's revenue. In this way, our success is linked to the growth of our customers, which we measure through our net dollar retention rate. Our net dollar retention rate[2] was over 110% for each of the fiscal years ended January 31, 2026, 2025 and 2024.

When subscription fees are received in advance of providing the related services, we record deferred revenue on our consolidated balance sheet and recognize the revenue ratably over the related subscription period. We recognize a contract asset when revenue has been recognized but our right to consideration from the customer is conditional upon our future performance. Contract assets are transferred to accounts receivable when our right to the consideration becomes unconditional.

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[2] Our net dollar retention rate measures the increase in annualized billings across our existing customer base by comparing the annualized billings from the same set of customers across comparable periods. To calculate our net dollar retention rate as of a given quarter, we first calculate annualized billings from the cohort of all customers billed in the same quarter in the prior year (the "prior period annualized billings"). We then calculate annualized billings from these same customers as of the current quarter (the "current period annualized billings"). Current period annualized billings includes the effect of any expansion, contraction or churn over the trailing 12 months. We divide (a) current period annualized billings by (b) prior period annualized billings to arrive at the net dollar retention rate. When calculating net dollar retention rate, we do not include the billings from any customers that were acquired as the result of our acquisition of a business until the completion of the first full quarter following the one-year anniversary of the acquisition.

We define annualized billings for a given quarter as the annualized value of the quarterly amount invoiced for our Core and Pro products, net of reserves, and the quarterly revenue recognized for our FinTech products. Contracts for our platform solutions range from monthly to multi-year. While monthly subscribers as a group have historically maintained or increased their subscriptions over time, there is no guarantee that any particular customer on a monthly subscription will renew its subscription in any given month, and therefore the calculation of annualized billings for these monthly subscriptions may not accurately reflect revenue to be received over a 12-month period from such customers. There may be seasonal fluctuations in annualized billings as a result of heightened demand for our customers during peak times. Annualized billings should be viewed independently of, and not as a replacement for, revenue and does not represent our revenue on an annualized basis.

Usage-based services primarily consist of payment processing where we connect to third-party processors to allow our customers to accept payments, primarily credit and debit cards, and also includes end-customer financing solutions and other forms of payment. The third-party processor determines the eligibility of the end customer to participate in the programs, provides the payment settlement and financing options to the end customer and is responsible for the provision of the payment or financing services. We receive a fee from the third-party processors, depending on the size and type of the transaction, which we recognize net of interchange and other direct expenses which are passed onto the customer. Revenue from financing and processing payments is recognized at the time of the transaction. In addition to payment processing revenue, we have a number of Pro products that generate revenue depending on the level of usage, which we recognize monthly in arrears based on consumption. Usage revenue also includes fees we earn from third-party partners based on transactions or customer activity facilitated through our platform, which we recognize in the period in which the underlying activity occurs. In addition, usage-based revenue also include revenue from our Virtual Agents, which is consumption-based and recognized in the period in which the underlying usage occurs.

Professional Services and Other Revenue

Professional services and other revenue is primarily derived from services we provide to our customers, principally onboarding, training, and some ongoing professional services. Professional services and other revenue also includes revenue generated from our live voice and chat services and certain other ancillary hardware products and services sold to customers. Fees for these professional services are generally invoiced separately at the commencement of the contract or as ordered by the customer. Revenue is recognized for professional services as the services are performed or products are delivered.

Cost of Revenue

Platform

Cost of platform revenue consists of personnel-related costs and costs related to the provisioning of our platform services. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation related to our customer support team and certain customer success personnel. Costs related to the provisioning of our platform services are primarily comprised of fees paid to third-party service providers associated with delivery of Pro and FinTech products, platform infrastructure and server costs, call tracking fees, and payment processing fees. In addition, cost of platform revenue includes amortization of certain acquired intangible assets, amortization of capitalized internal-use software costs directly related to our cloud-based software solution and allocated overhead, which we define as costs such as depreciation, rent, utilities, and other facilities-related costs that are allocated across our expense categories based on headcount.

We expect our cost of platform revenue to increase in absolute dollars as the adoption and usage of our platform and product offerings increase.

Professional Services and Other

Professional services and other cost of revenue consists primarily of personnel-related costs in connection with providing customer onboarding and customer implementation, live voice and chat services. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. Professional services and other cost of revenue also includes amortization of certain acquired intangible assets, allocated overhead, and the cost of other ancillary hardware products and services sold to customers. Professional services and other cost of revenue historically has exceeded professional services and other revenue as we invest in providing customers with implementation and onboarding services to enhance customer success.

We expect our cost of professional services and other revenue to increase in absolute dollars as the adoption of our product offerings for both new and existing customers increases.

Operating Expenses

Operating expenses consist of sales and marketing, research and development and general and administrative expenses.

We incurred $59.1 million of the stock-based compensation expense associated with certain performance-based options and RSUs, which is included in operating expenses in the fourth quarter of fiscal 2025, resulting from the completion of our IPO on December 13, 2024. In addition, we will incur additional stock-based compensation expense going forward relating to these award, including the performance-based RSU's granted to our Co-Founders.

Sales and Marketing Expense

Sales and marketing expense consists primarily of personnel-related costs, consulting costs and other costs incurred in connection with our sales and marketing and certain customer success efforts. Personnel-related costs primarily include salary, commissions, employee benefits, bonuses and stock-based compensation for our outbound sales personnel that focus on new customer acquisition and for our customer success personnel that focus on expanding adoption of our products at existing customers. Sales and marketing expense also includes marketing and advertising expenses, such as our annual customer conferences, Pantheon and Ignite, and travel and trade show expenses, amortization of acquired customer intangible assets and allocated overhead. Our annual customer conferences are significant sales and marketing events, so we therefore expect an increase in sales and marketing expense during the fiscal third quarter when they occur. We expect that sales and marketing expense will increase on an absolute dollar basis as we invest to grow our business. We plan to continue to expand sales and marketing efforts to attract new customers, retain existing customers and increase revenue from both new and existing customers by adding sales personnel.

Research and Development Expense

Research and development expense consists primarily of personnel-related and other costs incurred in connection with product management and development efforts. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. Research and development expense also includes fees to third-party product development resources, infrastructure and server costs, and allocated overhead costs. We expect that research and development expense will increase on an absolute dollar basis as we invest to build, enhance, maintain and scale our products.

General and Administrative Expense

General and administrative expense consists primarily of personnel-related costs for our executive, finance, legal, information systems, operations and human resource teams. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. General and administrative expense also includes professional fees, other outside consulting expenses, acquisition-related expenses and allocated overhead. We expect that general and administrative expense will increase on an absolute dollar basis, but over time decrease as a percentage of total revenue, as we focus on the efficiency of our processes and systems that will enable our internal support functions to scale with the growth of our business. We expect increases to general and administrative expense to support our growth and as we continue to incur the costs of compliance associated with being a public company, including increased accounting and legal expenses.

Other Income (Expense), Net

Other income (expense), net, consists primarily of interest expense related to our debt arrangements with financial institutions, interest income earned on our cash and cash equivalents, gains or losses on foreign currency transactions and miscellaneous other income.

Provision For Income Taxes

Our income tax provision consists of U.S. federal, state, and foreign income taxes. We maintain a full valuation allowance for our U.S. federal and state deferred tax assets, including net operating loss carryforwards, that are unable to be offset by our U.S. federal and state deferred tax liabilities, as we have concluded that it is not more likely than not that the U.S. deferred tax assets will be realized.

Results of Operations

For a discussion of our consolidated statement of operations data for fiscal 2025 compared to fiscal 2024, refer to the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025 filed with the SEC on April 2, 2025, which is incorporated by reference herein.

The following table sets forth our consolidated statements of operations data for the periods indicated:

	Fiscal		
	2026	**2025**	**2024**
	(in thousands)		
Revenue:			
Platform	$ 925,418	$ 739,486	$ 581,751
Professional services and other	35,547	32,392	32,590
Total revenue	960,965	771,878	614,341
Cost of revenue:			
Platform	213,544	202,982	169,766
Professional services and other	73,682	67,969	67,945
Total cost of revenue	287,226	270,951	237,711
Gross profit	673,739	500,927	376,630
Operating expenses:			
Sales and marketing	290,885	253,349	219,994
Research and development	302,589	263,054	203,534
General and administrative	249,470	214,476	135,966
Total operating expenses	842,944	730,879	559,494
Loss from operations	(169,205)	(229,952)	(182,864)
Other expense, net			
Interest expense	(7,227)	(15,517)	(16,436)
Interest income	19,279	8,765	7,067
Loss on extinguishment of debt	(1,488)	—	-
Other income (expense), net	1,528	(72)	1,224
Total other income (expense), net	12,092	(6,824)	(8,145)
Loss before income taxes	(157,113)	(236,776)	(191,009)
Provision for income taxes	2,740	2,318	4,136
Net loss	$ (159,853)	$ (239,094)	$ (195,145)

Comparison of Fiscal 2026 and Fiscal 2025

Revenue

	Fiscal		Change	
	2026	**2025**	**$**	**Percent**
	(dollars in thousands)			
Revenue				
Platform	$ 925,418	$ 739,486	$ 185,932	25%
Professional services and other	35,547	32,392	3,155	10%
Total revenue	$ 960,965	$ 771,878	$ 189,087	24%

Platform revenue increased by $185.9 million, or 25%, for fiscal 2026, compared to fiscal 2025. This increase was primarily driven by subscription revenue, which increased by $146.6 million, or 26%, for fiscal 2026, compared to fiscal 2025. In addition, revenue from our usage-based products increased by $39.3 million, or 23%, for fiscal 2026, compared to fiscal 2025. This increase was primarily driven by increases in gross transaction volume and a higher earn rate generated on that volume.

Professional services and other revenue increased by $3.2 million, or 10%, for fiscal 2026, compared to fiscal 2025. This increase was primarily driven by a higher volume of services performed.

Cost of Revenue

	Fiscal		Change	
	2026	2025	$	Percent
	(dollars in thousands)			
Cost of revenue				
Platform	$ 213,544	$ 202,982	$ 10,562	5%
Professional services and other	73,682	67,969	5,713	8%
Total cost of revenue	$ 287,226	$ 270,951	$ 16,275	6%
Gross profit	$ 673,739	$ 500,927		
Platform gross margin	77%	73%		
Professional services and other gross margin	(107)%	(110)%		
Total gross margin	70%	65%		

Platform cost of revenue increased by $10.6 million, or 5%, for fiscal 2026, compared to fiscal 2025. This increase was primarily due to a $16.4 million increase in the costs related to the provisioning of our platform services products. This increase was partially offset by a $6.0 million decrease in personnel-related costs, primarily due to the shift in roles of our customer success function to sales and marketing activities at the beginning of fiscal 2026.

Professional services and other cost of revenue increased $5.7 million, or 8%, for fiscal 2026, compared to fiscal 2025. Personnel-related costs increased by $7.7 million primarily due to an increase in headcount. This increase was partially offset by a decrease of $2.3 million in third-party service fees.

Operating Expenses

Sales and Marketing Expense

	Fiscal		Change	
	2026	2025	$	Percent
	(dollars in thousands)			
Sales and marketing expense	$ 290,885	$ 253,349	$ 37,536	15%
Sales and marketing expense as a percentage of revenue	30%	33%		

Sales and marketing expense increased by $37.5 million, or 15%, for fiscal 2026, compared to fiscal 2025. The increase in sales and marketing expense was primarily driven by an increase of $28.9 million in personnel-related costs, which included increased headcount, an increase of $5.3 million in sales commissions, and an increase of $1.1 million in stock-based compensation. There was an additional increase of $6.5 million in marketing and advertising costs and an increase of $5.5 million in employee benefit expenses primarily related to health insurance. These increases were partially offset by a decrease of $4.6 million in impairment losses on operating lease assets and related property and equipment for office spaces that we ceased to use.

Research and Development Expense

	Fiscal		Change	
	2026	2025	$	Percent
	(dollars in thousands)			
Research and development expense	$ 302,589	$ 263,054	$ 39,535	15%
Research and development expense as a percentage of revenue	31%	34%		

Research and development expense increased by $39.5 million, or 15%, for fiscal 2026, compared to fiscal 2025. The increase in research and development expense was primarily driven by an increase of $35.7 million in personnel-related costs, which included an increase in headcount and an increase of $6.7 million in stock-based compensation. There was also an increase of $4.9 million in employee benefit expenses primarily related to health insurance and an increase of $4.4 million in infrastructure and server costs. These increases were partially offset by a decrease of $4.6 million in impairment losses on operating lease assets and related property and equipment for office spaces that we ceased to use.

General and Administrative Expense

	Fiscal		Change	
	2026	2025	$	Percent
	(dollars in thousands)			
General and administrative expense	$ 249,470	$ 214,476	$ 34,994	16%
General and administrative expense as a percentage of revenue	26%	28%		

General and administrative expense increased by $35.0 million, or 16%, for fiscal 2026, compared to fiscal 2025. The increase in general and administrative expense was primarily driven by an increase of $31.7 million in personnel-related costs, which included an increase in headcount and an increase of $24.5 million in stock-based compensation. In fiscal 2026, stock-based compensation includes $53.6 million related to performance-based RSUs granted to our Co-Founders in October 2024. Additionally, there was an increase of $7.1 million in third-party consulting costs related to legal, consulting and audit services, an increase of $5.6 million in our allowance for credit losses as we further integrated acquired businesses, and an increase of $2.5 million in employee benefit expenses primarily related to health insurance. These increases were partially offset by a decrease of $13.2 million in impairment losses on operating lease assets and related property and equipment for office spaces that we ceased to use.

Other Income (Expense), Net

	Fiscal		Change	
	2026	2025	$	Percent
	(dollars in thousands)			
Other income (expense), net	$ 12,092	$ (6,824)	$ 18,916	(277)%

Other income (expense), net, increased by $18.9 million for fiscal 2026, compared to fiscal 2025, primarily due to an increase of $10.5 million in interest income related to our higher cash balance and a decrease of $8.3 million in interest expense due to the restructuring of our debt and repayment of our Revolver Facility that occurred in fiscal 2025.

Provision for Income Taxes

	Fiscal		Change	
	2026	2025	$	Percent
	(dollars in thousands)			
Provision for income taxes	$ 2,740	$ 2,318	$ 422	18%

Our provision for income taxes increased by $0.4 million, or 18%, for fiscal 2026, compared to fiscal 2025. The change is primarily driven by the deferred tax expense from the amortization of indefinite-lived tax amortizable goodwill. For additional detail, see Note 14 to our consolidated financial statements included in this Annual Report.

Non-GAAP Financial Measures

In addition to our results prepared in accordance with GAAP, we believe non-GAAP gross profit and non-GAAP gross margin (in total and for platform and professional services and other), non-GAAP sales and marketing expense, non-GAAP research and development expense, non-GAAP general and administrative expense, non-GAAP income (loss) from operations, non-GAAP operating margin, and non-GAAP net income (loss) are useful in evaluating our operating performance.

For the reasons set forth below, we believe that excluding the following items provides information that is helpful in understanding our results of operations, evaluating our future prospects, comparing our financial results across accounting periods, and comparing our financial results to our peers, many of which provide similar non-GAAP financial measures.

- *Stock-based compensation expense and related employer payroll taxes*. We exclude stock-based compensation expense, including the performance-based RSU's granted to our Co-Founders, and related employer payroll taxes to allow investors to make more meaningful comparisons of our performance between periods and to facilitate a comparison of our performance to those of other peer companies. Stock-based compensation expense may vary between periods due to various factors unrelated to our core performance, including as a result of the assumptions used in the valuation methodologies, timing and amount of grants, the completion of our IPO, and other factors. We exclude employer payroll taxes because the amounts vary based on timing and settlement or vesting of awards unrelated to our core operating performance. Moreover, stock-based compensation expense is a non-cash expense that we exclude from our internal management reporting processes and when assessing our actual performance, budgeting, planning, and forecasting future periods.
- *Amortization of acquired intangible assets*. We incur amortization expense for acquired intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of acquired intangible assets is a non-cash expense that is significantly affected by the timing and size of acquisitions, and the inherent subjective nature of purchase price allocations. Because these costs have already been incurred, we exclude the amortization expense from our internal management reporting processes. We exclude these charges when assessing our actual performance and when budgeting, planning, and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well.
- *Restructuring charges*. To better align our strategic priorities with our investments, we implemented workforce reductions in fiscal 2024 and fiscal 2025. In connection with these reductions, we incurred employee-related expenses including severance and other termination benefits. We excluded these charges when assessing our actual performance and when budgeting, planning and forecasting future periods.
- *Loss on operating lease assets*. In fiscal 2024, fiscal 2025 and fiscal 2026, we incurred impairments on certain right-of-use assets and other long-lived assets. See Note 4 of our audited consolidated financial statements included in this Annual Report. We believe that it is useful to exclude these charges when assessing the level of various operating expenses and resource allocations when budgeting, planning and forecasting future periods. In addition, we believe excluding such costs enhances the comparability between periods.
- *Acquisition-related items*. We have incurred costs related to acquisitions, including legal, third-party valuation and due diligence, insurance costs, and one-time retention bonuses for employees of acquired companies. In addition, we periodically record the change to the fair value of contingent consideration related to past acquisitions. We exclude these items when assessing our actual performance and when budgeting, planning and forecasting future periods. We believe excluding these items allows investors to make meaningful comparisons between our core results of operations and those of other peer companies.

These measures, however, have certain limitations in that they reflect the exercise of judgment by our management about which expenses are excluded or included and do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, our financial results determined in accordance with GAAP. We caution investors that amounts presented in accordance with our definition of non-GAAP gross profit, non-GAAP gross margin, non-GAAP sales and marketing expense, non-GAAP research and development expense, non-GAAP general and administrative expense, non-GAAP income (loss) from operations, non-GAAP operating margin, and non-GAAP net income (loss) may not be comparable to similar measures disclosed by other companies because not all companies and analysts calculate these non-GAAP financial measures in the same manner.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, and loss on operating lease assets. Total non-GAAP gross margin represents total non-GAAP gross profit as a percentage of total revenue. Non-GAAP platform gross margin represents non-GAAP platform gross profit as a percentage of platform revenue and non-GAAP professional services and other gross margin represents non-GAAP professional services and other gross profit as a percentage of professional services and other revenue.

The following table reflects the reconciliation of GAAP gross profit to non-GAAP gross profit and GAAP gross margin to non-GAAP gross margin for the periods presented:

	Platform		Professional Services and Other		Total	
	Fiscal		Fiscal		Fiscal	
	2026	2025	2026	2025	2026	2025
			(in thousands)			
GAAP gross profit	$ 711,874	$ 536,504	$ (38,135)	$ (35,577)	$ 673,739	$ 500,927
Stock-based compensation expense and related employer payroll taxes	6,423	5,731	5,563	4,298	11,986	10,029
Amortization of acquired intangible assets	22,102	21,902	1,336	1,786	23,438	23,688
Restructuring charges	—	386	—	129	—	515
Loss on operating lease assets	1,312	5,492	1,008	2,608	2,320	8,100
Non-GAAP gross profit	$ 741,711	$ 570,015	$ (30,228)	$ (26,756)	$ 711,483	$ 543,259

	Platform		Professional Services and Other		Total	
	Fiscal		Fiscal		Fiscal	
	2026	2025	2026	2025	2026	2025
GAAP gross margin	76.9%	72.6%	(107.3)%	(109.8)%	70.1%	64.9%
Stock-based compensation expense and related employer payroll taxes	0.7%	0.8%	15.6%	13.3%	1.2%	1.3%
Amortization of acquired intangible assets	2.4%	3.0%	3.8%	5.5%	2.4%	3.1%
Restructuring charges	—%	0.1%	—%	0.4%	—%	0.1%
Loss on operating lease assets	0.1%	0.7%	2.8%	8.1%	0.2%	1.0%
Non-GAAP gross margin *	80.1%	77.1%	(85.0)%	(82.6)%	74.0%	70.4%

* Totals may not foot due to rounding.

Non-GAAP Sales and Marketing Expense

We define non-GAAP sales and marketing expense as GAAP sales and marketing expense excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges and loss on operating lease assets.

The following table reflects the reconciliation of GAAP sales and marketing expense to non-GAAP sales and marketing expense for the periods presented:

	Fiscal	
	2026	2025
	(in thousands)	
GAAP sales and marketing expense	$ 290,885	$ 253,349
Stock-based compensation expense and related employer payroll taxes	(27,342)	(24,630)
Amortization of acquired intangible assets	(21,741)	(22,237)
Restructuring charges	—	(292)
Loss on operating lease assets	(2,377)	(7,023)
Non-GAAP sales and marketing expense	$ 239,425	$ 199,167

Non-GAAP Research and Development Expense

We define non-GAAP research and development expense as GAAP research and development expense excluding stock-based compensation expense and related employer payroll taxes, acquisition-related items, restructuring charges and loss on operating lease assets.

The following table reflects the reconciliation of GAAP research and development expense to non-GAAP research and development expense for the periods presented:

	Fiscal	
	2026	2025
	(in thousands)	
GAAP research and development expense	$ 302,589	$ 263,054
Stock-based compensation expense and related employer payroll taxes	(56,255)	(47,053)
Acquisition-related items	—	(250)
Restructuring charges	—	(991)
Loss on operating lease assets	(2,261)	(6,837)
Non-GAAP research and development expense	$ 244,073	$ 207,923

Non-GAAP General and Administrative Expense

We define non-GAAP general and administrative expense as GAAP general and administrative expense excluding stock-based compensation expense and related employer payroll taxes, acquisition-related items, restructuring charges, and loss on operating lease assets.

The following table reflects the reconciliation of GAAP general and administrative expense to non-GAAP general and administrative expense for the periods presented:

	Fiscal	
	2026	2025
	(in thousands)	
GAAP general and administrative expense	$ 249,470	$ 214,476
Stock-based compensation expense and related employer payroll taxes	(56,778)	(68,749)
Stock-based compensation expense - Co-Founders performance based RSUs	(53,618)	(14,980)
Acquisition-related items	(1,155)	(1,933)
Restructuring charges	—	(698)
Loss on operating lease assets	(3,992)	(17,189)
Non-GAAP general and administrative expense	$ 133,927	$ 110,927

Non-GAAP Income from Operations and Non-GAAP Operating Margin

We define non-GAAP income (loss) from operations and non-GAAP operating margin as GAAP loss from operations and GAAP operating margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, acquisition-related items, and loss on operating lease assets. Non-GAAP operating margin represents non-GAAP income (loss) from operations as a percentage of total revenue.

The following table reflects the reconciliation of GAAP loss from operations to non-GAAP income (loss) from operations and GAAP operating margin to non-GAAP operating margin for the periods presented:

	Fiscal	
	2026	2025
	(in thousands)	
GAAP loss from operations	$ (169,205)	$ (229,952)
Stock-based compensation expense and related employer payroll taxes	152,361	150,461
Stock-based compensation expense - Co-Founders performance based RSUs	53,618	14,980
Amortization of acquired intangible assets	45,179	45,925
Restructuring charges	—	2,496
Acquisition-related items	1,155	2,183
Loss on operating lease assets	10,950	39,149
Non-GAAP income from operations	$ 94,058	$ 25,242

	Fiscal	
	2026	2025
GAAP operating margin	(17.6)%	(29.8)%
Stock-based compensation expense and related employer payroll taxes	15.9%	19.5%
Stock-based compensation expense - Co-Founders performance based RSUs	5.6%	1.9%
Amortization of acquired intangible assets	4.7%	5.9%
Restructuring charges	—%	0.3%
Acquisition-related items	0.1%	0.3%
Loss on operating lease assets	1.1%	5.1%
Non-GAAP operating margin *	9.8%	3.3%

* Totals may not foot due to rounding.

Non-GAAP Net Income

We define non-GAAP net income (loss) as GAAP net loss, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, acquisition-related items, and loss on operating lease assets, adjusted for the income tax effects on the difference between GAAP and non-GAAP expenses.

	Fiscal	
	2026	2025
	(in thousands)	
GAAP net loss	$ (159,853)	$ (239,094)
Stock-based compensation expense and related employer payroll taxes	152,361	150,461
Stock-based compensation expense - Co-Founders performance based RSUs	53,618	14,980
Amortization of acquired intangible assets	45,179	45,925
Restructuring charges	—	2,496
Acquisition-related items	1,155	2,183
Loss on operating lease assets	10,950	39,149
Income tax effects related to the above adjustments (1)	(1,715)	439
Non-GAAP net income	$ 101,695	$ 16,539

(1) *This amount represents adjustments for the current and deferred income tax effects on non-GAAP net income for the impact of the non-GAAP adjustments above.*

Free Cash Flow

We define free cash flow, a non-GAAP measure, as net cash provided by (used in) operating activities less cash used for investing activities for capitalized internal use software and less cash paid for purchases of, and deposits for, property and equipment. We believe that free cash flow is a meaningful indicator of our sources of liquidity and capital requirements that provides information to management and investors in evaluating the cash flow trends of our business. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth. Free cash flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Other companies may calculate free cash flow or similarly titled non-GAAP measures differently, which could reduce the usefulness of free cash flow as a tool for comparison. In addition, free cash flow does not reflect mandatory debt service and other non-discretionary expenditures that are required to be made under contractual commitments and does not represent the total increase or decrease in our cash balance for any given period.

	Fiscal	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 110,131	$ 37,053
Capitalized internal-use software	(19,877)	(17,799)
Purchase of property and equipment	(4,704)	(3,800)
Deposits for property and equipment	(477)	-
Non-GAAP free cash flow	$ 85,073	$ 15,454

Liquidity and Capital Resources

As of January 31, 2026, we had cash and cash equivalents of $428.8 million, which excludes restricted cash of $0.6 million, and $250.0 million available under the Amended Credit Agreement, as defined below. Cash and cash equivalents consisted of checking accounts and money market funds with maturities less than 90 days from the date of purchase. Our liquidity is subject to various risks including the risks set forth in the section titled "*Risk Factors*" and the market risks identified in the section titled "*Quantitative and Qualitative Disclosures about Market Risk*."

Our primary cash needs are for personnel-related expenses, costs related to the provisioning of our platform services, and marketing expenses. The first quarter of our fiscal year is typically the largest operating cash outflow quarter due to the payout of our annual bonuses.

We believe that our existing cash and cash equivalents, cash available under our Amended Credit Agreement, and cash receipts from our revenue arrangements will be sufficient to support working capital, operating lease payments and capital expenditure requirements for at least 12 months from the date of this Annual Report. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in the section titled "*Risk Factors*." Further, in the future we may enter into arrangements to acquire or invest in businesses, products, services and technologies. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we cannot be sure that any additional financing will be available to us on acceptable terms if at all. If we are unable to raise additional capital when desired, our business, results of operations and financial condition could be adversely affected.

Credit Agreement

In January 2023, we entered into a secured credit agreement (the "Original Credit Agreement") with Wells Fargo Bank N.A., as administrative agent and collateral agent, and certain lenders. In September 2024, we amended the Original Credit Agreement (the "First Amendment") to, among other things, convert our existing term loan to a new term loan balance and a revolving credit facility. On January 30, 2026, we entered into a second amendment (the "Second Amendment") to the Original Credit Agreement (as amended by the First Amendment and the Second Amendment, the "Amended Credit Agreement") that increased the total borrowing capacity of the revolving credit facility made available under the Amended Credit Agreement from $140.0 million to $250.0 million and extended the term of the Amended Credit Agreement through January 30, 2031.

In addition, the Second Amendment (i) modified pricing and unused commitment fees payable under the Amended Credit Agreement to be based on total net leverage rather than recurring revenue, (ii) replaced the recurring revenue and liquidity financial covenants in the Original Credit Agreement with a total net leverage financial covenant, and (iii) modified certain negative covenants, including liens, indebtedness, investments, dispositions, restricted payments and restricted debt payments, to provide us with more flexibility thereunder. Prior to entering into the Second Amendment we voluntarily repaid, in full, the approximately $107.0 million term loan that was outstanding under the Original Credit Agreement. As of January 31, 2026, no loans were outstanding under the Amended Credit Agreement.

Cash Flows

The following table summarizes our cashflows for the periods indicated:

	Fiscal	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 110,131	$ 37,053
Net cash used in investing activities	(44,839)	(22,783)
Net cash provided by (used in) financing activities	(78,786)	279,713
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ (13,494)	$ 293,983

Operating Activities

Net cash provided by operating activities was $110.1 million for fiscal 2026. This primarily related to our non-cash charges of $324.9 million, adjusted for our net loss of $159.9 million and net cash outflows of $54.9 million from changes in our operating assets and liabilities. The primary drivers of the changes in our operating assets and liabilities related to an increase in deferred contract costs of $22.4 million, an increase in accounts receivable of $20.8 million due to the increase in revenue, a decrease in operating lease liabilities of $12.0 million, and an increase in contract assets of $11.9 million. These were partially offset by an increase in accounts payable and accrued expenses of $12.1 million and an increase in accrued personnel related expenses of $2.7 million.

Net cash provided by operating activities was $37.1 million for fiscal 2025. This primarily related to our non-cash charges of $306.2 million, adjusted for our net loss of $239.1 million and net cash outflows of $30.0 million from changes in our operating assets and liabilities. The primary drivers of the changes in our operating assets and liabilities related to an increase in deferred contract costs of $15.8 million and contract assets of $6.6 million, an increase in accounts receivable of $17.7 million due to the increase in revenue, a decrease in accounts payable and other accrued expenses of $9.0 million due to the payment of deferred offering costs related to our IPO, and a decrease of operating lease liabilities of $9.4 million. These were partially offset by an increase in accrued personnel related expenses of $23.2 million due to an increase in headcount and bonus achievement, an increase in deferred revenue of $3.3 million, and an increase in other liabilities of $2.1 million.

Investing Activities

Net cash used in investing activities was $44.8 million for fiscal 2026. This consisted of cash outflows of $19.9 million for investments in capitalized internal-use software, $19.8 million of cash paid, net of cash acquired, for the acquisition of Conduit, $4.7 million for the purchase of property and equipment, and $0.5 million in deposits for property and equipment.

Net cash used in investing activities was $22.8 million for fiscal 2025. This consisted of cash outflows of $17.8 million for the investments in capitalized internal-use software, $3.8 million for the purchase of property and equipment, and $1.2 million of cash paid, net of cash acquired, for the acquisition of Convex.

Financing Activities

Net cash used in financing activities was $78.8 million for fiscal 2026. This consisted primarily of the repayment of debt of approximately $107.0 million, and the payment of deferred offering costs of $0.6 million. These were partially offset by proceeds from the exercise of stock options of $28.8 million.

Net cash provided by financing activities was $279.7 million for fiscal 2025. This consisted primarily of the net proceeds from our IPO of $674.5 million and $6.7 million of proceeds from the exercise of stock options. These were partially offset by the repayment of our non-convertible preferred stock of $310.6 million, the repayment of debt of $71.6 million, and the repurchase of shares for the tax withholdings upon settlement of RSUs of $19.0 million.

Recently Adopted Accounting Pronouncements

Refer to Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report for recently adopted accounting pronouncements and new accounting pronouncements not yet adopted as of the date of this report.

Critical Accounting Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements and the related notes thereto, which are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances at the time the estimate is made. Actual results could differ significantly from our estimates.

The significant accounting policies and methods used in the preparation of our consolidated financial statements are discussed in Note 2 to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. The accounting policies described below include accounting estimates that may involve a significant degree of judgment and complexity, and accordingly, we believe these are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Revenue Recognition

Revenue recognition represents an important accounting policy to the understanding of our financial condition and results of operations. Our revenue recognition may require the use of significant judgment in determining whether services are considered distinct performance obligations that should be accounted for separately and determining estimated standalone selling prices for the purpose of allocating the transaction price to distinct performance obligations. For information regarding our revenue recognition accounting policy, see Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report.

Stock-Based Compensation

The value of our common stock is the primary input used to measure the grant date fair value of our stock-based awards. The common stock value used in determining the grant date fair value of awards granted after our IPO is based on our stock price as reported on the Nasdaq on the date of grant.

Acquisitions

Determining the fair value of assets acquired and liabilities assumed requires management to make judgments and estimates, including the selection of valuation methodologies, assumptions used in revenue, cost and cash flow forecasts and selection of comparable companies. We engage the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in business combinations. While we use our best estimates and judgments, estimates are inherently uncertain and subject to refinement. The valuation of intangible assets, primarily customer relationships and developed technology, includes estimates that are critical accounting estimates. These critical estimates are primarily those relating to forecasted growth rates, customer retention rates and obsolescence rates of acquired technology. We base these estimates using information available regarding historical trends and future industry conditions and macroeconomic events, and judgments regarding the replacement and obsolescence of acquired technologies, among other factors.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We have operations both within the United States and internationally, and we are exposed to market risk in the ordinary course of our business.

Interest Rate Risk

As of January 31, 2026, we had cash and cash equivalents of $428.8 million, which excludes restricted cash of $0.6 million. Our cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates.

Our exposures to market risk for changes in interest rates relate primarily to the Amended Credit Agreement (described above), which bears floating interest rates that, in a rising interest rate environment, could increase the amount of interest paid on future amounts we may borrow under the Amended Credit Agreement.

Foreign Currency Risk

The vast majority of our cash generated from revenue is denominated in U.S. dollars, with a small amount denominated in Canadian dollars. Our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations, which are primarily in the United States, Armenia and Canada. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our consolidated financial statements in fiscal 2026. As the impact of foreign currency exchange rates has not been material to our historical results of operations, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations, other than its impact on the general economy, which includes labor costs. Nonetheless, if our costs, in particular personnel-related costs, continue to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of ServiceTitan, Inc. and its subsidiaries (the "Company") as of January 31, 2026 and 2025, and the related consolidated statements of operations, of non-convertible preferred stock, redeemable convertible preferred stock, and stockholders' equity (deficit) and of cash flows for each of the three years in the period ended January 31, 2026, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2026 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters 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 accounts or disclosures to which it relates.

Revenue Recognition – Platform Revenue

As described in Note 2 to the consolidated financial statements, the Company's platform revenue was $925.4 million for the year ended January 31, 2026. The Company generates revenue primarily from platform services. Platform revenue includes revenue from subscription and usage offerings. The Company primarily enters into either annual or multi-year subscription contracts with customers for access to the Company's proprietary hosted cloud platforms. Revenue for subscription services is generally recognized ratably over the subscription term, commencing when the customer has access to services. Usage offerings primarily include third-party payment processing or third-party financing services through the Company's platform. Usage-based fees are recognized as revenue in the month of service.

The principal consideration for our determination that performing procedures relating to revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's platform revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls related to the platform revenue recognition process. These procedures also included, among others, (i) testing revenue recognized for a sample of platform revenue transactions by (a) obtaining and inspecting source documents, such as signed contracts with customers, invoices, and cash receipts and (b) recalculating revenue recognized based on the terms of the related contract; (ii) testing a sample of outstanding customer invoice balances as of January 31, 2026 by obtaining and inspecting source documents, such as signed contracts with customers and cash receipts subsequent to January 31, 2026; and (iii) testing the issuance of a sample of credit memos by obtaining and inspecting source documents, such as credit memos, original invoices, and re-issued invoices.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California
March 25, 2026

We have served as the Company's auditor since 2017.

ServiceTitan, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	As of January 31, 2026	As of January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 428,769	$ 441,802
Restricted cash	166	711
Accounts receivable, net of allowance of $11,963 and $4,698 as of January 31, 2026 and January 31, 2025, respectively	55,974	44,469
Deferred contract costs, current	14,964	11,554
Contract assets	57,777	45,926
Prepaid expenses	25,894	24,791
Other current assets	7,314	3,513
Total current assets	590,858	572,766
Restricted cash, noncurrent	417	333
Deferred contract costs, noncurrent	14,748	10,608
Property and equipment, net	38,902	56,667
Operating lease right-of-use assets	18,627	24,025
Internal-use software, net	39,246	35,775
Intangible assets, net	176,743	214,952
Goodwill	860,250	845,836
Other assets	5,266	7,686
Total assets	$ 1,745,057	$ 1,768,648
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and other accrued expenses	$ 52,262	$ 40,182
Accrued personnel related expenses	83,095	80,160
Deferred revenue, current	18,676	16,803
Operating lease liabilities, current	14,052	12,996
Short-term debt	—	1,073
Other current liabilities	1,367	1,902
Total current liabilities	169,452	153,116
Operating lease liabilities, noncurrent	37,322	47,327
Long-term debt, net	—	104,014
Other noncurrent liabilities	13,049	9,607
Total liabilities	219,823	314,064
Commitments and contingencies (Note 8)		
Stockholders' Equity		
Preferred stock, par value $0.001, 100,000,000 shares authorized as of January 31, 2026 and 2025, respectively. 0 shares issued and outstanding as of January 31, 2026 and 2025	—	—
Class A common stock, par value $0.001, 1,000,000,000 shares authorized as of January 31, 2026 and 2025, respectively. 81,956,537 shares and 76,644,240 shares issued and outstanding as of January 31, 2026 and 2025, respectively	82	77
Class B common stock, par value $0.001, 100,000,000 shares authorized as of January 31, 2026 and 2025, respectively. 12,644,614 shares and 13,404,097 shares issued and outstanding as of January 31, 2026 and 2025, respectively	13	13
Class C common stock, par value $0.001, 100,000,000 shares authorized as of January 31, 2026 and 2025, respectively. 0 shares issued and outstanding as of January 31, 2026 and 2025	—	—
Additional paid-in capital	2,790,722	2,560,224
Accumulated deficit	(1,265,583)	(1,105,730)
Total stockholders' equity	1,525,234	1,454,584
Total liabilities and stockholders' equity	$ 1,745,057	$ 1,768,648

The accompanying notes are an integral part of these audited consolidated financial statements.

ServiceTitan, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Fiscal		
	2026	**2025**	**2024**
Revenue:			
Platform	$ 925,418	$ 739,486	$ 581,751
Professional services and other	35,547	32,392	32,590
Total revenue	960,965	771,878	614,341
Cost of revenue:			
Platform	213,544	202,982	169,766
Professional services and other	73,682	67,969	67,945
Total cost of revenue	287,226	270,951	237,711
Gross profit	673,739	500,927	376,630
Operating expenses:			
Sales and marketing	290,885	253,349	219,994
Research and development	302,589	263,054	203,534
General and administrative	249,470	214,476	135,966
Total operating expenses	842,944	730,879	559,494
Loss from operations	(169,205)	(229,952)	(182,864)
Other expense, net			
Interest expense	(7,227)	(15,517)	(16,436)
Interest income	19,279	8,765	7,067
Loss on extinguishment of debt	(1,488)	—	—
Other income (expense), net	1,528	(72)	1,224
Total other income (expense), net	12,092	(6,824)	(8,145)
Loss before income taxes	(157,113)	(236,776)	(191,009)
Provision for income taxes	2,740	2,318	4,136
Net loss	(159,853)	(239,094)	(195,145)
Adjustments to net loss attributable to common stockholders (see Note 15)	—	(120,631)	(45,873)
Net loss attributable to common stockholders	$ (159,853)	$ (359,725)	$ (241,018)
Net loss per share, basic and diluted	$ (1.73)	$ (8.53)	$ (7.24)
Weighted-average shares used in computing net loss per share, basic and diluted	92,378,699	42,148,552	33,267,131

The accompanying notes are an integral part of these audited consolidated financial statements.

ServiceTitan, Inc.
Consolidated Statements of Non-Convertible Preferred Stock, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit)
(in thousands, except share data)

	Non-Convertible Preferred Stock		Redeemable Convertible Preferred Stock		Common Stock				Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
					Class A		Class B				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of January 31, 2023	250,000	$ 187,402	42,063,829	$ 1,362,287	32,813,495	$ 33	—	$ —	$ 336,307	$ (671,491)	$ (335,151)
Issuance of Series H-1 redeemable convertible preferred stock, net of issuance costs	—	—	402,026	33,591	—	—	—	—	—	—	—
Accretion of non-convertible preferred stock	—	45,873	—	—	—	—	—	—	(45,873)	—	(45,873)
Adjustment to non-convertible preferred stock and warrant issuance costs	—	271	—	—	—	—	—	—	100	—	100
Exercise of stock options	—	—	—	—	849,938	1	—	—	9,702	—	9,703
Settlement of restricted stock units	—	—	—	—	789,291	—	—	—	—	—	—
Shares repurchased for tax withholding on settlement of restricted stock units	—	—	—	—	(267,336)	—	—	—	(16,506)	—	(16,506)
Reclassification from liabilities upon vesting of early exercised stock options	—	—	—	—	—	—	—	—	523	—	523
Stock-based compensation	—	—	—	—	—	—	—	—	104,486	—	104,486
Net loss	—	—	—	—	—	—	—	—	—	(195,145)	(195,145)
Balance as of January 31, 2024	250,000	$ 233,546	42,465,855	$ 1,395,878	34,185,388	$ 34	—	$ —	$ 388,739	$ (866,636)	$ (477,863)
Impact of adopting ASU 2020-06 [1]	—	—	—	—	—	—	—	—	—	—	—
Issuance of common stock upon initial public offering, net of underwriting costs and offering expenses	—	—	—	—	10,120,000	10	—	—	674,041	—	674,051
Conversion of redeemable convertible preferred stock to common stock upon initial public offering	—	—	(42,465,855)	(1,395,878)	44,257,289	44	—	—	1,395,834	—	1,395,878
Conversion of Class A to Class B common stock	—	—	—	—	(13,404,097)	(13)	13,404,097	13	—	—	—
Accretion of non-convertible preferred stock	—	48,703	—	—	—	—	—	—	(48,703)	—	(48,703)
Repayment of non-convertible preferred stock	(250,000)	(282,249)	—	—	—	—	—	—	(28,313)	—	(28,313)
Issuance of common stock, acquisition consideration	—	—	—	—	373,118	1	—	—	23,469	—	23,470
Exercise of stock options	—	—	—	—	631,119	1	—	—	6,654	—	6,655
Settlement of restricted stock units	—	—	—	—	791,097	—	—	—	—	—	—
Shares repurchased for tax withholding on settlement of restricted stock units	—	—	—	—	(309,674)	—	—	—	(18,963)	—	(18,963)
Reclassification from liabilities upon vesting of early exercised stock options	—	—	—	—	—	—	—	—	204	—	204
Stock-based compensation	—	—	—	—	—	—	—	—	167,262	—	167,262
Net loss	—	—	—	—	—	—	—	—	—	(239,094)	(239,094)
Balance as of January 31, 2025	—	$ —	—	$ —	76,644,240	$ 77	13,404,097	$ 13	$ 2,560,224	$ (1,105,730)	$ 1,454,584
Initial public offering costs incurred	—	—	—	—	—	—	—	—	(150)	—	(150)
Conversion of Class B to Class A common stock	—	—	—	—	818,178	—	(818,178)	—	—	—	—
Shares cancelled related to previously issued RSAs	—	—	—	—	(280)	—	—	—	—	—	—
Exercise of stock options	—	—	—	—	2,142,248	—	—	—	28,841	—	28,841
Settlement of restricted stock units	—	—	—	—	2,352,163	5	58,695	—	—	—	5
Shares repurchased for tax withholding on settlement of restricted stock units	—	—	—	—	(12)	—	—	—	—	—	—
Reclassification from liabilities upon vesting of early exercised stock options	—	—	—	—	—	—	—	—	68	—	68
Stock-based compensation	—	—	—	—	—	—	—	—	201,739	—	201,739
Net loss	—	—	—	—	—	—	—	—	—	(159,853)	(159,853)
Balance as of January 31, 2026	—	$ —	—	$ —	81,956,537	$ 82	12,644,614	$ 13	$ 2,790,722	$ (1,265,583)	$ 1,525,234

[1] See further discussion in Note 2.

The accompanying notes are an integral part of these audited consolidated financial statements.

ServiceTitan, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal		
	2026	2025	2024
Cash flows provided by (used in) operating activities			
Net loss	$ (159,853)	$ (239,094)	$ (195,145)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Depreciation and amortization expense	83,195	80,221	80,989
Amortization of deferred contract costs	14,854	11,471	9,402
Non-cash operating lease expense	5,777	6,340	7,612
Stock-based compensation expense	197,115	163,729	102,454
Loss on impairment and disposal of assets	10,985	39,358	5,423
Change in valuation of contingent consideration	—	(135)	(1,100)
Deferred income taxes	1,691	1,182	1,826
Amortization of debt issuance costs	457	327	141
Loss on extinguishment of debt	1,488	—	—
Gain on sale of intangibles	—	—	(1,224)
Provision for credit losses	9,324	3,688	2,649
Changes in operating assets and liabilities, net of effect of business acquisition:			
Accounts receivable	(20,829)	(17,686)	(7,789)
Prepaid expenses and other current assets	(1,885)	(2,863)	(3,351)
Deferred contract costs	(22,405)	(15,781)	(12,595)
Contract assets	(11,851)	(6,597)	(11,840)
Other assets	(2,197)	2,661	(1,889)
Accounts payable and other accrued expenses	12,096	(8,980)	(2,768)
Accrued personnel related expenses	2,744	23,165	(962)
Operating lease liabilities	(12,029)	(9,418)	(9,247)
Other liabilities	(222)	2,133	(2,657)
Deferred revenue	1,676	3,332	369
Net cash provided by (used in) operating activities	110,131	37,053	(39,702)
Cash flows provided by (used in) investing activities			
Capitalized internal-use software	(19,877)	(17,799)	(15,743)
Purchase of property and equipment	(4,704)	(3,800)	(28,354)
Cash received for sale of intangible assets	—	—	2,739
Deposits for property and equipment	(477)	—	(518)
Repayment of loan to employee	—	—	1,529
Acquisition of business, net of cash acquired	(19,781)	(1,184)	—
Net cash used in investing activities	(44,839)	(22,783)	(40,347)
Cash flows provided by (used in) financing activities			
Payment of contingent consideration	—	(300)	(835)
Proceeds from exercise of stock options	28,845	6,655	9,703
Proceeds from issuance of Series H-1 redeemable convertible preferred stock	—	—	34,000
Payment of Series H-1 convertible preferred stock issuance costs	—	—	(409)
Proceeds from issuance of common stock in initial public offering, net of underwriting costs	—	682,952	—
Repayment of non-convertible preferred stock	—	(310,562)	—
Payment of debt arrangements	(107,032)	(71,618)	(1,350)
Payment of deferred initial public offering costs	(599)	—	—
Costs associated with initial public offering	—	(8,451)	(334)
Shares repurchased for tax withholding for the settlement of restricted stock units	—	(18,963)	(16,506)
Net cash provided by (used in) financing activities	(78,786)	279,713	24,269
Net increase (decrease) in cash, cash equivalents, and restricted cash	(13,494)	293,983	(55,780)
Cash, cash equivalents, and restricted cash			
Beginning of period	442,846	148,863	204,643
End of period	$ 429,352	$ 442,846	$ 148,863

The accompanying notes are an integral part of these audited consolidated financial statements.

	Fiscal		
	2026	2025	2024
Supplemental disclosures of other cash flow information:			
Cash paid for interest expense	$ 7,030	$ 16,371	$ 14,697
Cash paid for amounts included in the measurement of lease liabilities	$ 13,834	$ 12,877	$ 14,591
Cash paid for income taxes	$ 825	$ 1,726	$ 1,837
Tenant improvements received from lessor	$ —	$ 1,127	$ 3,944
Noncash investing and financing activities:			
Issuance of common stock in consideration for business acquisition	$ —	$ 23,470	$ —
Capitalized internal-use software additions included in accrued expenses	$ 225	$ 2,746	$ 1,441
Stock-based compensation capitalized in internal-use software	$ 4,624	$ 3,533	$ 2,032
Property and equipment purchases included in accounts payable and accrued expenses	$ 32	$ 68	$ 16
Contingent consideration for acquisition included in accounts payable and accrued operating expenses and other liabilities	$ —	$ —	$ 435
Reclassification from liabilities to additional paid-in capital upon vesting of early exercised stock options	$ 68	$ 204	$ 523
Conversion of preferred stock to common stock	$ —	$ 1,395,878	$ —
Costs associated with initial public offering included in accrued expenses	$ —	$ 450	$ 3,407
Right-of-use assets obtained in exchange for lease obligations	$ 3,566	$ 1,217	$ 3,293
Reduction in right-of-use asset and lease liability due to lease modifications	$ 486	$ 1,057	$ —
Change in asset retirement obligations	$ 346	$ 66	$ 359
Accretion of non-convertible preferred stock	$ —	$ 48,703	$ 45,873
Reconciliation of cash, cash equivalents, and restricted cash within consolidated balance sheets:			
Cash and cash equivalents	$ 428,769	$ 441,802	$ 146,710
Restricted cash	$ 583	$ 1,044	$ 2,153
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	$ 429,352	$ 442,846	$ 148,863

The accompanying notes are an integral part of these audited consolidated financial statements.

ServiceTitan, Inc.
Notes to Consolidated Financial Statements

1. Description of Business

ServiceTitan, Inc. ("ServiceTitan" or the "Company") is an end-to-end, AI-powered cloud-based software platform built for contractors to transform the performance of their businesses. The Company's platform provides business owners, technicians, customer service representatives and other key office staff with technology tools designed to help customers grow revenue, drive operational efficiencies, deliver a superior end-customer experience and monitor key business drivers in real-time.

ServiceTitan is incorporated in the state of Delaware. The Company has established wholly-owned subsidiaries globally, and its headquarters are in Glendale, California.

Completion of Initial Public Offering

In December 2024, the Company completed its initial public offering ("IPO") of shares of Class A common stock. The Company received aggregate proceeds of $674.1 million, net of underwriting costs and offering expenses. Immediately prior to the completion of the IPO, the Company amended and restated its certificate of incorporation and entered into an exchange agreement with Ara Mahdessian and Vahe Kuzoyan (the "Co-Founders") and certain of their affiliates, resulting in the reclassification of all shares of the Company's common stock outstanding prior to completion of the IPO into an equivalent number of shares of Class A common stock and the exchange of all shares of Class A common stock held by the Co-Founders and their affiliates for an equivalent number of shares of Class B common stock. In addition, all outstanding shares of the Company's redeemable convertible preferred stock were automatically converted into Class A common stock immediately prior to the completion of the IPO. The Company used a portion of the proceeds from the IPO to redeem in full all outstanding shares of its non-convertible preferred stock.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and accompanying notes have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and regulations of the Securities and Exchange Commission ("SEC") and include the operations of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The Company's fiscal year ends on January 31. The Company's fiscal years ended January 31, 2026, January 31, 2025, and January 31, 2024 are referred to herein as fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

For fiscal 2026, fiscal 2025, and fiscal 2024, the Company had no material other comprehensive income (loss) items. Accordingly, a separate statement of comprehensive loss has not been presented in these consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make, on an ongoing basis, estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results may ultimately differ from management's estimates.

On a periodic basis, management evaluates its estimates based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the result of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. In addition, the Company routinely engages third-party valuation specialists to assist in the fair value measurement of certain assets acquired and liabilities assumed in a business combination and for periods prior to the

Company's IPO, the Company engaged third-party valuation specialists to assist in the valuation of common stock used in determining stock-based compensation, and other equity instruments.

Concentrations of Risk

As of January 31, 2026 and 2025, receivables from a third-party processor used for customer payments and financing accounted for 18% and 22% of accounts receivable, respectively. Fees from a third-party processor represented approximately 13% of total revenue for fiscal 2026 and 14% of total revenue for fiscal 2025 and fiscal 2024.

Segments

The Company provides an end-to-end, AI powered cloud-based software platform that helps customers to connect, manage and automate a wide array of business workflows in the trades such as advertising, job scheduling and management, dispatching, generating estimates and invoices, payment processing and more. The Company derives substantially all revenue from platform services.

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM evaluates the Company's financial performance and decides how to allocate resources based on financial information at the consolidated level. Accordingly, the Company has determined that it operates in a single operating and reportable segment.

The CODM manages the segment performance and resource allocation based on consolidated net income (loss) and total consolidated assets as reported in the consolidated statements of operations and balance sheets. Significant segment expenses regularly provided to the CODM include cost of revenue, sales and marketing, research and product development, and general and administrative expenses, other expenses, net, and provision for income taxes as reported on the consolidated statements of operations. Since the Company operates as one operating segment, financial segment information, including profit or loss and asset information, can be found in the consolidated financial statements. The CODM reviews actual results of operations compared to forecasts when assessing performance and making decisions about allocating resources.

Substantially all of the Company's long-lived assets, consisting of property and equipment and right-of-use ("ROU") assets, are concentrated in the United States as of January 31, 2026 and 2025. Long-lived assets outside the United States are not material.

Foreign Currency

Foreign currency transaction gains and losses, including gains and losses from intercompany agreements between the Company and its subsidiaries, are recorded in other income, net, in the consolidated statements of operations. Foreign currency gains and losses were not material for fiscal 2026, fiscal 2025, and fiscal 2024.

The functional currency for the Company's Armenian, Australian and Canadian subsidiaries is the U.S. dollar. The local currency financial statements of the Armenian, Australian, and Canadian subsidiaries are remeasured into U.S. dollars with monetary assets and liabilities remeasured using exchange rates at the balance sheet date and nonmonetary assets and liabilities remeasured using the exchange rate at the date the item was initially recognized with the resulting foreign currency gain or loss on remeasurement included in other income, net in the consolidated statements of operations.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts and money market funds. The Company considers highly liquid investments with short-term maturities that are readily convertible to cash to be cash equivalents. Cash equivalents are recorded at fair value.

Restricted Cash

Restricted cash represents cash pledged under letters of credit for certain of the Company's facility lease agreements.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value measurements are based on a fair value hierarchy, based on three levels of inputs, of which the first two are considered observable and the last unobservable, which are the following:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted market 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 asset or liability.

Level 3: Unobservable inputs that are supported with little or no market activity and that are significant to the overall fair value of the assets or liabilities.

Financial assets and financial liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consists of trade receivables from customers that do not pay monthly via a credit card, debit card or Automated Clearing House ("ACH"), receivables from third-party processors used for payment and financing, and amounts receivable from the Company's payment merchant processor. Merchant processor receivables arise from the time taken to clear transactions through external payment networks, which typically ranges between two to ten business days. Accounts receivable are recorded at the invoiced amount, net of allowance for credit losses, are unsecured, and do not bear interest. The Company determines the need for an allowance for credit losses based upon various factors, including past collection experience, credit quality of the customer, age of the receivable balance, and current economic conditions, as well as specific circumstances arising with individual customers. Accounts receivables are written off against the allowance when management determines a balance is uncollectible and the Company no longer actively pursues collection of the receivable.

The changes in the allowance for credit losses are as follows (in thousands):

	Fiscal	
	2026	**2025**
Beginning balance	$ (4,698)	$ (3,762)
Additions	(9,321)	(3,524)
Write-offs	2,056	2,588
Ending balance	$ (11,963)	$ (4,698)

The changes in allowance for credit losses in fiscal 2024 were not material.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of three years for computer and office equipment and software and five years for all other asset categories except leasehold improvements, which are amortized over the shorter of the lease term or the expected useful life of the leasehold improvements, which ranges from three to seven years. Construction in progress is related to the construction or development of property and equipment that have not yet been placed in service for their intended use. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Company's loss from operations.

Asset Retirement Obligations ("ARO")

The Company establishes an ARO based on the present value of contractually required estimated future costs to retire long-lived assets at the termination or expiration of a lease. The asset associated with the ARO is amortized over the corresponding lease term to operating expense and the ARO is accreted to the end of lease obligation value over the same term. As of January 31, 2026 and 2025, the Company had ARO liabilities of $2.5 million and $2.1 million, respectively, included in other noncurrent liabilities on the consolidated balance sheet.

Internal-use Software

Software development costs include costs to develop software to be used to meet internal needs and applications used to deliver the Company's services. The Company capitalizes internal-use software development costs when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and performed as intended. These capitalized costs include external direct costs of materials and services consumed in developing or obtaining the software, personnel and related expenses for employees who are directly associated with and who devote time to internal-use software projects and, when material, interest costs incurred during the development. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for significant upgrades and enhancements to the Company's software solutions are also capitalized. Costs incurred for post-configuration training, maintenance and minor modifications or enhancements are expensed as incurred. Capitalized software development costs are amortized using the straight-line method over an estimated useful life of three years, commencing when the software is ready for its intended use.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and operating lease liabilities in the consolidated balance sheet. The Company does not have any finance leases.

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 lease liabilities are recognized based on the present value of the future minimum lease payments, over the lease term at the lease commencement date. As the rates implicit in the leases are not readily determinable, the Company uses its estimated incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives received and initial direct costs incurred prior to lease commencement. Lease terms may include options to extend or terminate the lease when it is reasonably certain the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments, which do not vary based on an index or rate, are excluded from the ROU asset and lease liability determination. Variable lease payments are typically usage-based and are recorded in the period in which the obligation for those payments is incurred. Subsequent to an impairment, the Company continues to amortize the lease liability using the same effective interest method, but the impaired ROU asset is amortized on a straight-line basis over the remaining lease term.

The Company does not record ROU assets and operating lease liabilities for operating leases with an initial term of 12 months or less.

Cloud Computing Arrangements

The Company capitalizes qualifying implementation costs related to cloud computing arrangements that are service contracts. Such implementation costs include integration, configuration and software customization, incurred during the application development stage. Capitalized implementation costs are then amortized on a straight-line basis over the term of the associated hosting arrangement, plus any reasonably certain renewal periods, which generally range from six months to five years. Capitalized amounts are included in other current assets and other assets in the consolidated balance sheets. Amortization of capitalized implementation costs are recognized in the same line item in the consolidated statements of operations as the expenses for fees for the associated service arrangement.

Acquisitions

The Company assesses whether an acquisition is a business combination or an asset acquisition. If substantially all of the gross assets acquired are concentrated in a single asset or group of similar assets, then the acquisition is accounted for as an asset acquisition, where the purchase consideration is allocated on a relative fair value basis to the assets acquired. Contingent consideration in an asset acquisition is recorded when the amounts payable are probable and estimable. Goodwill is not recorded in an asset acquisition. If the gross assets are not concentrated in a single asset or group of similar assets, then the Company determines if the set of assets acquired represents a business. A business is an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return. Depending on the nature of the acquisition, judgment may be required to determine if the set of assets acquired is a business combination or not.

The Company accounts for an acquisition of a business using the purchase method of accounting, which requires the Company to recognize separately from goodwill the assets acquired and the liabilities assumed at their acquisition date fair values. The Company allocates the purchase price, including the fair value of contingent consideration, to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. The results of a business acquired in a business combination are included in the consolidated financial statements from the date of acquisition.

Determining the fair value of assets acquired and liabilities assumed requires management to make judgments and estimates that may be significant, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination. While the Company uses its best estimates and judgments, estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. At the conclusion of the measurement period, any subsequent adjustments are reflected in the Company’s consolidated statements of operations.

When the Company grants equity to selling stockholders in connection with an acquisition, it evaluates whether the awards are compensatory. This evaluation includes whether vesting of a stock award is contingent on the continued employment of the selling stockholder beyond the acquisition date. If continued employment is required for stock awards to vest, the award is treated as compensation for post-acquisition services and is recognized as compensation expense over the requisite service period.

Transaction costs related to a business acquisition are recorded in general and administrative expenses and expensed in the period in which the costs are incurred.

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for a business acquisition and the fair value of the acquired net tangible and intangible assets. Goodwill is not amortized and is evaluated for impairment at the reporting unit level annually in the fourth quarter of the fiscal year or whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable.

Judgment is required in performing periodic goodwill impairment tests. To review for impairment, the Company first assesses qualitative factors to determine whether events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The Company's qualitative assessment of the recoverability of goodwill, considers various macroeconomic, industry-specific and company-specific factors. Those factors include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; or (iii) current, historical or projected deterioration of its financial performance. After assessing the totality of events and circumstances, if the Company determines that it is not more likely than not that the fair value of a reporting unit is less than the carrying amount, no further assessment is performed. If, however, the Company determines that it is more likely than not that the fair value of a reporting unit is less than the carrying amount, a quantitative analysis is performed and if the fair value of a reporting unit is less than the carrying amount, an impairment loss is recognized in an amount equal to the excess of the carrying amount above the fair value of the reporting unit, not to exceed the amount of goodwill allocated to the reporting unit. The Company had one reporting unit as of January 31, 2026 and 2025.

Intangible Assets

Intangible assets consist of finite-lived acquired customer relationships, developed technology, intellectual property, and trade name assets. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows and considering specific facts and circumstances related to each intangible asset. Intangible assets are amortized over their estimated useful lives, ranging from 2 to 13 years, on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

Impairment of Intangible and Other Long-lived Assets

Long-lived assets, which consist primarily of property and equipment, finite-lived intangible assets, internal-use software, and ROU assets, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The carrying amount of an asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset group. An impairment charge is recognized when the carrying amount of an asset group is not recoverable and exceeds its fair value. The impairment loss is measured by comparing the fair value with the carrying amount. Assets to be abandoned with no remaining future service potential are written down to amounts expected to be recovered.

Revenue Recognition

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company determines revenue recognition through the following steps:

(1) Identification of the contract, or contracts, with a customer;

(2) Identification of the performance obligations in the contract;

(3) Determination of the transaction price;

(4) Allocation of the transaction price to the performance obligations in the contract; and

(5) Recognition of revenue when or as the Company satisfies the performance obligations.

The Company generates revenue primarily from platform services and from its professional services.

Platform

Platform revenue includes revenue from subscription and usage offerings. Usage offerings primarily include third-party payment processing or third-party financing services through the Company's platform.

Subscription

The Company primarily enters into either annual or multi-year subscription contracts with customers for access to the Company's proprietary hosted cloud platforms (the "Core platform"). Historically, the Company entered into monthly contracts with customers. These monthly contracts automatically renew each month for another monthly contract unless cancelled at the end of the monthly term or the customer subscribes to an annual or multi-year contract. The Company's customers do not have the ability to take possession of the software.

The subscription contracts specify the contract term, the payment terms, and the services to be provided, and are noncancelable. Fees for access to the Company's Core platform are charged on a per unit basis which may vary by product, primarily on a per technician per month basis, and are generally invoiced to the customer in advance on the first day of the monthly service period. Payments are generally due upon invoicing.

For annual and multi-year subscriptions, the contracts provide for a minimum subscription fee for the contract term and in most cases, customers can expand their subscription on a monthly basis for a fee commensurate with the per unit fee defined in the contract.

In addition, customers may subscribe to certain Pro products for additional services to supplement the Core platform and provide enhanced features. Fees for access to these subscription services are billed on a monthly basis at either the beginning or the end of each service period.

Revenue for subscription services is generally recognized ratably over the subscription term, commencing when the customer has access to services.

Usage

The Company receives usage-based fees arising from payment transactions as well as usage of certain Pro products features. Customers are offered additional features through the Company's Core platform related to end-customer payment and financing services. The customer can select from a number of third-party payment or finance companies ("a third-party processor") that provide different payment settlement options and, in certain instances, loans to the end customer to finance their property services. The Company acts as an agent by connecting the third-party processor with its customer. The third-party processor determines the eligibility of the end customer to participate in the programs, provides the payment settlement and financing options to the end customer and is responsible for the provision of the payment or financing services. The Company receives a fee from the third-party processors used for payment and financing, which is generally a fixed percentage of the transaction value or loan amount that such third party processed. For financing services, the Company recognizes its fee at funding of the loan financing, and for payment services, the Company recognizes its fee for each payment as the underlying transactions are processed. Such fees qualify for the "right-to-invoice" practical expedient where the amount invoiced corresponds directly with the value transferred to the customer for those services. These transaction fees are recorded as revenue on a net basis as the Company does not control the payment settlement or financing used by the end customer.

In addition, usage revenue includes fees from certain Pro products sold on a usage-basis such as direct mail services, and other transaction or usage-based services. Usage-based fees are recognized as revenue in the month of service as they qualify for the "right-to-invoice" practical expedient, as the amount invoiced corresponds directly with the value transferred to the customer for those services.

Professional Services and Other

Professional services and other include onboarding, implementing and optimizing the customer's software experience, as well as accounting migration, customer data migration, other optimization and consulting services, and training. Professional services and other revenue also includes live voice and chat services and other ancillary hardware products and services sold to customers. Fees for these services are generally invoiced separately at the commencement of the contract. Professional services do not result in significant customization of the Core platform. Revenue is recognized for professional services as the services are performed or products are delivered.

Disaggregated Revenue and Revenue by Geography

Disaggregated revenue was as follows (in thousands):

	Fiscal		
	2026	**2025**	**2024**
Subscription	$ 712,292	$ 565,687	$ 441,484
Usage	213,126	173,799	140,267
Platform revenue	925,418	739,486	581,751
Professional services and other	35,547	32,392	32,590
Total revenue	$ 960,965	$ 771,878	$ 614,341

Revenue from customers outside the United States, based on the billing address of the customer, represented less than 5% of total revenue for fiscal 2026, fiscal 2025, and fiscal 2024.

Revenue Estimates

The Company's contracts with customers often include promises to deliver multiple services. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together requires judgment. Judgment is also required to determine the standalone selling price ("SSP") for each distinct performance obligation. For contracts that contain multiple performance obligations, the Company allocates the transaction price to each distinct performance obligation on a relative SSP basis. The SSP is the price at which the Company would sell a service separately to a customer. The Company estimates SSP based on the Company's overall pricing practices, taking into consideration customer demographics, packaged product features, business type, go-to-market strategy and other factors. As the Company's go-to-market strategies evolve, the Company may modify its pricing practices in the future, which could result in changes to SSP. The Company also applies judgment in estimating the consideration it expects to receive for its services and estimates the amount of refunds or credits based on historical experience.

Remaining Performance Obligations

The transaction price allocated to remaining performance obligations represents the contracted transaction price that has not yet been recognized as revenue, which includes deferred revenue and amounts under non-cancellable contracts that will be recognized as revenue in future periods. As of January 31, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was $492.4 million, of which the Company expects to recognize approximately 48% as revenue in fiscal 2027 and substantially all of the remainder by January 31, 2029.

Remaining performance obligations exclude marketing automation usage-based fees and payment and financing solution fees for which the Company applies the "right to invoice" practical expedient.

Contract Assets

The Company recognizes a contract asset when revenue has been recognized but consideration is conditional upon the Company's future performance. Contract assets and deferred revenue are presented net on an individual contract basis, separate from any accounts receivable.

A reconciliation of the beginning and ending contract assets is as follows (in thousands):

	Fiscal	
	2026	2025
Contract assets, beginning balance	$ 45,926	$ 39,329
Less: Amounts transferred to accounts receivable	(41,190)	(38,973)
New contract assets during the period	53,041	45,570
Contract assets, ending balance	$ 57,777	$ 45,926

Contract assets primarily relate to revenue recognized for subscription services and fees allocated for such services are contingent upon the Company's future performance. There were no impairments of contract assets during fiscal 2026, fiscal 2025, or fiscal 2024. As of January 31, 2026 and 2025, the Company had an allowance for contract assets of $6.8 million and $5.1 million, respectively.

Deferred Revenue

The Company recognizes deferred revenue (contract liabilities) when the Company has received payment prior to recognizing revenue and for amounts that have been invoiced in advance of revenue recognition. The Company generally invoices for any fees for professional services and the fee for the first month of subscription services upon execution of the contract. Substantially all of the $10.8 million of deferred revenue as of January 31, 2023 was recognized as revenue during fiscal 2024. Substantially all of the $11.2 million of deferred revenue as of January 31, 2024 was recognized as revenue during fiscal 2025. Substantially all of the $16.8 million of deferred revenue as of January 31, 2025 was recognized as revenue during fiscal 2026. Deferred revenue of $18.7 million as of January 31, 2026 is expected to be fully recognized in fiscal 2027.

Deferred Contract Costs

The Company defers costs, which primarily consist of sales commissions, as these are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortized on a straight-line basis over a period of benefit that the Company has estimated to be three years.

The Company does not pay commissions for contract renewals that maintain existing terms. The Company estimates the period of benefit by taking into consideration the Company's customer contract terms, the useful life of the internal-use software, average customer life and the Company's commission policies, among other factors. During fiscal 2026, fiscal 2025, and fiscal 2024, the Company capitalized $22.4 million, $15.8 million, and $12.7 million of contract costs and amortized $14.9 million, $11.5 million, and $9.4 million of deferred contract costs, respectively. Amortization expense is included in sales and marketing expense in the consolidated statement of operations.

Cost of Revenue

Platform

Cost of platform revenue consists of personnel-related costs in connection with product support and customer success, as well as costs related to the provisioning of the Company's platform services. Costs related to the provisioning of the Company's platform services is primarily comprised of fees paid to third-party service providers associated with delivery of Pro and FinTech products, platform infrastructure and server costs, call tracking fees, and payment processing fees. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. In addition, cost of platform revenue includes amortization of certain acquired intangible assets, amortization of capitalized internal-use software costs directly related to the Company's cloud-based software solution and allocated overhead.

The Company accumulates certain costs such as depreciation, rent, utilities, and other facilities related costs and allocates them across the various expense categories based on headcount. The Company refers to these costs as "allocated overhead."

Professional Services and Other

Professional services and other cost of revenue consists primarily of personnel-related costs in connection with providing customer onboarding and customer implementation, live voice and chat services, amortization of certain acquired intangible assets, and allocated overhead. Personnel-related costs primarily include salary, employee benefits, bonuses, and stock-based compensation. Other cost of revenue includes the cost of certain other ancillary products and services sold to customers.

Operating Expenses

Sales and Marketing

Sales and marketing expense consists primarily of personnel-related costs, and consulting costs incurred in connection with the Company's sales and marketing efforts. Personnel-related costs primarily include salary, commissions, employee benefits, bonus and stock-based compensation. Sales and marketing expense also includes marketing and advertising expenses, such as the Company's annual customer conferences, Pantheon and Ignite, and travel and trade show expenses, amortization of acquired customer intangible assets, and allocated overhead.

Advertising costs are expensed as incurred and were $34.8 million and $30.5 million, and $27.1 million for fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Research and Development

Research and development expense consists primarily of personnel-related and other costs incurred in connection with product management and development efforts. Personnel-related costs primarily include salary, employee benefits, bonus and stock-based compensation. Research and development expense also includes fees to third-party product development resources, infrastructure and server costs, and allocated overhead.

Research and development costs are expensed as incurred, except for costs associated with internal-use software development that qualify for capitalization. Amortization of internal-use software development costs related to the Company's cloud-based software solutions are included in platform cost of revenue.

General and Administrative

General and administrative expense consists primarily of personnel-related costs including salary, employee benefits, bonus and stock-based compensation for the Company's executive, finance, legal, information systems, and operations and human resource teams. General and administrative expense also includes professional fees, other outside consulting expenses, acquisition- and disposal-related expenses, and allocated overhead.

Stock-based Compensation

The Company recognizes stock-based compensation expense for employees and non-employees based on the grant-date fair value of equity awards over the applicable service period. For awards that vest based only on continued service, stock-based compensation cost is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. For awards that contain performance vesting conditions, stock-based compensation cost is recognized on a graded vesting basis over the requisite service period when it is probable the performance condition will be achieved. If the performance condition is an initial public offering or a change in control event, the performance condition is not probable of being achieved for accounting purposes until the event occurs. Once it is probable that the performance condition will be achieved, the Company recognizes stock-based compensation cost over the remaining requisite service period on a graded vesting basis, with a cumulative adjustment for the portion of the service period that occurred for the period prior to the performance condition becoming probable of achievement, if any. Stock-based compensation expense for equity awards that contain performance and market vesting conditions is recognized on a graded vesting basis over the requisite service period commencing when it is probable the performance condition will be achieved even if the market condition is not satisfied. Forfeitures are recorded when they occur.

The grant date fair value of stock options that contain service or performance conditions is estimated using the Black-Scholes option-pricing model. The grant date fair value of restricted stock awards (“RSAs”) and restricted stock units (“RSUs”) that contain service vesting conditions are estimated based on the fair value of the underlying shares on the grant date. For awards with market vesting conditions, the fair value is estimated using a Monte Carlo simulation model, which incorporates the likelihood of achieving the market condition.

The assumptions and estimates used in the Black-Scholes option-pricing model and the Monte Carlo simulation model are as follows:

Fair Value of Common Stock

Because there was previously no public market for the Company’s common stock prior to the IPO, the board of directors (the “Board of Directors”) determined the fair value of the common stock by considering a number of objective and subjective factors including the Company’s actual operating and financial performance, market conditions and performance of comparable publicly traded companies, developments and milestones in the Company, the likelihood of achieving a liquidity event transaction involving the Company’s redeemable convertible preferred stock or common stock, recent sales of and the prices, rights, preferences and privileges of the Company’s redeemable convertible preferred stock and common stock, and the results of third-party valuations. The valuations use various models which include assumptions and estimates made by management, which may include forecasted revenues and costs, discount rates, the selection of comparable companies and related multiples and the likelihood and timing of an exit event, among other assumptions and estimates. The fair value was determined in accordance with applicable elements of the Accounting and Valuation Guide issued by the American Institute of Certified Public Accountants, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. For awards granted subsequent to the IPO, the fair value of common stock is determined based on the Company’s quoted closing stock price on the date of grant.

Expected Term

The expected term represents the weighted-average period that the stock options are expected to remain outstanding. To determine the expected term for stock option awards with exercise prices equal to the fair value of the underlying common stock on the date of grant, and that vest based solely on continued service, the Company applies the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award. For non-standard awards, the Company determines the expected term based on historical and estimates of future exercise behavior.

Volatility

Because the Company does not have a long trading history for its common stock, the Company determines the price volatility based on the historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the award. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future stock option grants, if any.

Risk-free Interest Rate

The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities approximating the expected term of the awards.

Dividend Yield

The dividend yield is zero because the Company has never declared or paid a dividend and does not expect to in the foreseeable future.

Income Taxes

Deferred income tax assets and liabilities are determined based upon the net tax effects of the differences between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

A valuation allowance is established if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company considers all available evidence, both positive and negative, including historical levels of income or loss, and expectations and risk associated with estimates of future taxable income in assessing the need for a valuation allowance.

The Company recognizes a tax benefit from an uncertain position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on its technical merits. If this threshold is met, the Company measures the tax benefit as the largest amount of the benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The Company recognizes penalties and interest accrued with respect to uncertain tax positions, if any, in the provision for or benefit from income taxes in the consolidated statements of operations. As of January 31, 2026 and 2025, accrued penalties and interest related to uncertain tax positions were not material.

Contingencies

From time to time, the Company has become involved in claims and other legal matters arising in the ordinary course of business. The Company investigates these claims as they arise. The Company records a loss contingency when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses material contingencies when it is believed a loss is not probable but reasonably possible and discloses the amount of possible loss or range of loss when a reliable estimate can be made. Accounting for contingencies requires the Company to use judgment related to both the likelihood of a loss and the estimate of the amount, or range, of loss.

Net Loss Per Share

The Company computes earnings per share using the two-class method where net income is allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. Net losses were not allocated to the redeemable convertible preferred stock as the holders of the redeemable convertible preferred stock do not have a contractual obligation to share in any losses. The Company's redeemable convertible preferred stock were participating securities as they had rights to participate in dividends with the common stockholders. Net losses attributable to common stockholders are adjusted for accretion of non-convertible preferred stock, deemed dividends relating to down round adjustments to conversion prices of redeemable convertible preferred stock, and losses on extinguishment of the Company's preferred stock.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of Class A and Class B common stock outstanding during the period, net of the weighted-average unvested restricted stock and unvested early exercised options subject to repurchase, if any, during the period. Diluted net loss per share is calculated by giving effect to potentially dilutive securities outstanding for the period. Potentially dilutive securities include stock options, unvested early exercised options, and restricted stock computed using the treasury stock method and redeemable convertible preferred stock using the if-converted method. As the Company has reported net losses attributable to common stockholders all potentially dilutive securities are antidilutive, and accordingly, basic net loss per share attributable to common stockholders equals diluted net loss per share attributable to common stockholders.

Recently Adopted Accounting Pronouncements

Debt—Debt with Conversion and Other Options

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*. The FASB reduced the number of accounting models for convertible debt and convertible preferred stock instruments and made certain disclosure amendments to improve the information provided to users. In addition, the FASB amended the derivative guidance for the "own stock" scope exception and certain aspects of the earnings per share guidance including the impact of down-round features. The Company adopted ASU 2020-06 as of February 1, 2024 and elected to apply ASU 2020-06 using the modified retrospective method to all financial instruments outstanding as of February 1, 2024. The cumulative effect of initially applying ASU 2020-06 resulted in an increase to additional paid-in capital and a deemed dividend of $6.3 million representing the impact of the down-round adjustments to the conversion prices of the Series F and Series G redeemable convertible preferred stock in fiscal 2023 and 2024. As the Company does not have retained earnings to record the deemed dividend, the deemed dividend was charged against additional paid-in capital resulting in no net impact to additional paid-in capital. Comparative periods have not been restated and continue to be reported under the accounting standard in effect for those periods.

Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-09 for the year ended January 31, 2026, and applied the new disclosure requirements prospectively to the current annual period. Prior period disclosures have not been adjusted to reflect the new disclosure requirements. See Note 14 Income Taxes in the accompanying notes to the consolidated financial statements for further details.

Recent Accounting Pronouncements Not Yet Adopted

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure, in the notes to the financial statements, of additional information about certain costs and expenses for interim and annual reporting periods. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The amendments are effective beginning with the Company's fiscal 2028 and interim periods beginning with the Company's fiscal 2029 on a prospective basis and retrospective application is permitted. The Company is currently evaluating the impact of the new guidance on the disclosure within its consolidated financial statements.

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends ASC 326-20 to provide a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. The practical expedient permits all entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments are effective for annual periods beginning with the Company's fiscal 2027. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance and does not expect a material impact on its financial statements and related disclosures.

Accounting for Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*. The new guidance amends certain aspects of the accounting for and disclosure of software costs under ASC

350-40. ASU 2025-06 is effective beginning with the Company's fiscal 2029, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on the disclosure within its consolidated financial statements.

Interim Reporting

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. ASU 2025-11 is effective beginning with the Company's fiscal 2029. Early adoption is permitted. The Company is currently evaluating the impact of adopting this ASU on its condensed consolidated financial statements and disclosures.

3. Fair Value Measurements

Financial assets and liabilities measured and recorded at fair value on a recurring basis consisted of the following (in thousands):

	As of January 31, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Money market funds	$ 411,590	$ —	$ —	$ 411,590
Total in cash and cash equivalents	$ 411,590	$ —	$ —	$ 411,590

	As of January 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Money market funds	$ 427,792	$ —	$ —	$ 427,792
Total in cash and cash equivalents	$ 427,792	$ —	$ —	$ 427,792

The money market funds are considered Level 1 as fair value is based on market prices for identical assets.

As of January 31, 2026 and 2025, the fair value of the Company's financial instruments included in current assets and current liabilities (including restricted cash, accounts receivable, accounts payable, and accrued expenses) approximated carrying value due to the short-term nature of such items.

As of January 31, 2026, the Company had no debt outstanding. See Note 7. Debt Arrangements for further details. As of January 31, 2025, the fair value of the Company's outstanding debt approximated its carrying value. The fair value of debt was estimated using Level 2 inputs, based on interest rates available for debt with terms and maturities similar to the Company's debt.

There were no changes to the Company's valuation techniques used to measure the fair value of assets and liabilities on a recurring basis during fiscal 2026, fiscal 2025, and fiscal 2024. There were no transfers of assets from Level 2 to Level 3 during fiscal 2026, fiscal 2025, and fiscal 2024.

Certain assets, including goodwill, intangible assets and other long-lived assets are also subject to measurement at fair value on a nonrecurring basis using Level 3 measurements, but only when they are deemed to be impaired as a result of an impairment review. For fiscal 2026, 2025, and 2024, the Company recorded impairment of long-lived assets to reduce the carrying value to estimated fair value (see Note 4 for further details).

4. Balance Sheet Components

Prepaid Expenses

Prepaid expenses consisted of the following (in thousands):

	As of January 31, 2026	As of January 31, 2025
Prepaid software and subscriptions	$ 16,757	$ 14,742
Prepaid insurance	1,057	2,854
Prepaid cloud hosting costs	3,198	2,650
Other	4,882	4,545
Total prepaid expenses	$ 25,894	$ 24,791

Internal-use Software

Internal-use software development costs were as follows (in thousands):

	As of January 31, 2026	As of January 31, 2025
Internal-use software development costs, gross	$ 105,260	$ 80,550
Less: Accumulated amortization	(66,014)	(44,775)
Internal-use software development costs, net	$ 39,246	$ 35,775

Capitalized software development costs were $24.7 million and $22.7 million for fiscal 2026 and fiscal 2025, respectively. Amortization expense for software development costs was $21.2 million, $16.2 million, and $11.8 million for fiscal 2026, fiscal 2025, fiscal 2024, respectively. Amortization had not started on $2.4 million and $3.2 million of capitalized internal-use software development costs that were not yet ready for their intended use as of January 31, 2026 and January 31, 2025, respectively.

As of January 31, 2026, expected future amortization expense related to capitalized internal-use software development costs is as follows (in thousands):

Fiscal	
2027	$ 20,306
2028	13,735
2029	5,170
2030	35
Total	$ 39,246

Property and Equipment, net

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

	As of January 31, 2026	As of January 31, 2025	Estimated Useful Lives in Years
Computer equipment	$ 17,026	$ 13,824	3
Office equipment	7,128	7,017	3
Furniture and fixtures	11,630	13,498	5
Leasehold improvements	55,043	64,935	3 to 7
Property and equipment, gross	90,827	99,274	
Less: Accumulated depreciation	(51,925)	(42,607)	
Total property and equipment, net	$ 38,902	$ 56,667	

Depreciation expense was $14.6 million, $18.1 million, and $19.3 million for fiscal 2026, fiscal 2025 and fiscal 2024, respectively.

In fiscal 2026, fiscal 2025 and fiscal 2024, the Company ceased use of certain office space and determined to sublease such space for the remainder of the lease term, which resulted in the Company reassessing its asset groupings. The Company determined the office space asset groups, comprised primarily of an ROU asset, the related leasehold improvements and other property and equipment, were impaired and recorded an aggregate impairment loss of $10.9 million, $39.1 million and $4.9 million in fiscal 2026, fiscal 2025 and fiscal 2024, respectively, to reduce the carrying value of the asset groups to their estimated fair value. The impairments resulted in a reduction of the ROU asset by $2.7 million, $13.1 million and $1.1 million in fiscal 2026, fiscal 2025 and fiscal 2024, respectively, and leasehold improvements, furniture and fixtures and office equipment by $8.2 million, $26.0 million and $3.7 million in fiscal 2026, fiscal 2025 and fiscal 2024, respectively.

The impairments were recorded in the consolidated statement of operations as follows (in thousands):

	Fiscal		
	2026	2025	2024
Platform cost of revenue	$ 1,312	$ 5,492	$ 798
Professional services and other cost of revenue	1,008	2,608	347
Sales and marketing	2,377	7,023	980
Research and development	2,261	6,837	1,007
General and administrative	3,992	17,189	1,725
Total impairment	$ 10,950	$ 39,149	$ 4,857

The estimated fair value of the asset groups was determined by using a discounted cash flow method which is a non-recurring fair value measurement based on Level 3 inputs. Key inputs used in this estimate included projected sublease income and a discount rate which incorporated the risk of achievement associated with the forecast.

Accounts Payable and Other Accrued Expenses

Accounts payable and other accrued expenses consisted of the following (in thousands):

	As of January 31,	
	2026	2025
Trade payables	$ 10,046	$ 6,032
Non-income tax liabilities	14,663	16,371
Cloud hosting costs	9,868	4,920
Accrued employee benefits	4,274	1,813
Income taxes payable	652	765
Other	12,759	10,281
Total accounts payable and other accrued expenses	$ 52,262	$ 40,182

The Company collects and remits sales and use, value added taxes, and other taxes (“tax liabilities”) relating to services provided where required. In instances in which the Company determines there is additional exposure for uncollected tax liabilities relating to services provided due to uncertainty arising from the complexity and interpretation of applicable state and local laws, rules and regulations, or lack of widely known and accepted practices, the Company accrues for these taxes. The accrual requires the use of estimates and is complex. The Company accrues for the amount of taxes that are due, or when the amounts due are uncertain, the Company accrues for the amount of taxes that are probable and estimable. The Company updates its estimates each period considering the impacts of state or local authority audits, settlement of these liabilities or when new information becomes available regarding the Company’s tax obligations. The amount of taxes that the Company may ultimately pay may differ from these estimates.

Accrued Personnel Related Expenses

Accrued personnel related expenses consisted of the following (in thousands):

	As of January 31, 2026	As of January 31, 2025
Payroll expenses	$ 14,001	$ 12,122
Accrued bonus	61,081	61,194
Commissions	8,013	6,844
Total accrued personnel related expenses	$ 83,095	$ 80,160

5. Business Combination

Conduit Tech

In October 2025, the Company acquired 100% of the outstanding equity of Conduit Tech, Inc. ("Conduit") for a total purchase consideration of $19.8 million, net of cash acquired of $6.3 million. The Company anticipates that the acquisition of Conduit will allow the Company to integrate Conduit's HVAC design and sales proposal platform and enablement tools within its suite of solutions. In connection with the acquisition, the Company granted equity awards to certain acquired employees and founders. These awards vest based solely on future service and the Company will recognize the related stock-based compensation expense over the requisite service periods.

The following table summarizes the purchase price allocation, as well as the estimated useful lives of the acquired intangible assets (in thousands, except years):

		Estimated Useful Lives in Years
Current assets	$ 27	
Identifiable intangible assets		
Trade name	70	1.5
Customer relationship	3,500	7
Developed technology	3,400	5
Total intangible assets subject to amortization	6,970	
Accrued and other liabilities	(102)	
Deferred revenue	(197)	
Deferred tax liability	(1,331)	
Total identifiable net assets	5,367	
Goodwill	14,414	
Total purchase consideration, net of cash acquired	$ 19,781	

Goodwill, which primarily relates to expected synergies and expanded market opportunities that are expected to be achieved from the integration of Conduit with the Company's offerings and assembled workforce, is not deductible for U.S. federal income tax purposes.

The fair values of the developed technology and trade name were determined using the relief-from-royalty method, and the fair value of customer relationships was determined using the multiple-period excess earnings method.

Pro forma financial information for fiscal 2026 and fiscal 2025, and revenue and losses for the period post-acquisition have not been presented because such amounts are not material to the consolidated financial statements.

The Company incurred transaction costs of $1.1 million related to the acquisition of Conduit during fiscal 2026.

Convex Labs Inc.

In April 2024, the Company acquired 100% of the outstanding equity of Convex Labs Inc. ("Convex"). The acquisition of Convex provides the Company additional tools to modernize the commercial services industry with data-driven solutions. The purchase price of $25.8 million consisted of 373,118 shares of the Company's common stock, valued at $23.5 million in addition to $2.3 million in cash. Of the 373,118 shares, the Company held back 41,959 shares of common stock, valued at $2.6 million at the acquisition date, to cover post-closing purchase price adjustments and potential indemnities. The held back shares were released in fiscal 2026.

The following table summarizes the purchase price allocation, as well as the estimated useful lives of the acquired intangible assets (in thousands, except years):

		Estimated Useful Lives in Years
Cash and cash equivalents	$ 1,113	
Current assets	3,694	
Other assets	52	
Identifiable intangible assets		
Trade name	130	1.5
Customer relationship	4,800	9
Developed technology	4,600	5
Total intangible assets subject to amortization	9,530	
Accrued and other liabilities	(1,275)	
Deferred revenue	(2,311)	
Total identifiable net assets	10,803	
Goodwill	14,964	
Total purchase consideration	$ 25,767	

Goodwill, which primarily relates to expected synergies and assembled workforce, is not deductible for U.S. federal income tax purposes.

The fair values of the developed technology and trade name were determined using the relief-from-royalty relief method, and the fair value of customer relationships was determined using the multiple-period excess earnings method.

Pro forma financial information for fiscal 2025 and fiscal 2024, and revenue and losses for the period post-acquisition have not been presented because such amounts are not material to the consolidated financial statements.

The Company incurred transaction costs of $2.3 million related to the acquisition of Convex during fiscal 2025.

6. Intangible Assets and Goodwill

Intangible Assets

The net book values of intangible assets were as follows (in thousands, except years):

	As of January 31, 2026			
	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (years)
Customer relationships	$ 208,733	$ (93,910)	$ 114,823	7.0
Developed technology	162,401	(100,649)	61,752	3.1
Tradenames	6,753	(6,585)	168	0.7
Total	$ 377,887	$ (201,144)	$ 176,743	

	As of January 31, 2025			
	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (years)
Customer relationships	$ 205,233	$ (73,248)	$ 131,985	7.7
Developed technology	159,001	(77,210)	81,791	3.8
Tradenames	6,683	(5,507)	1,176	1.1
Total	$ 370,917	$ (155,965)	$ 214,952	

Amortization expense for intangible assets was as follows (in thousands):

	Fiscal		
	2026	2025	2024
Platform cost of revenue	$ 22,102	$ 21,902	$ 21,844
Professional services and other cost of revenue	1,336	1,786	4,484
Sales and marketing	21,741	22,237	22,489
Total	$ 45,179	$ 45,925	$ 48,817

As of January 31, 2026, estimated future amortization expense related to the intangible assets is as follows (in thousands):

Fiscal	
2027	$ 38,916
2028	37,610
2029	35,101
2030	18,605
2031	15,870
Thereafter	30,641
Total	$ 176,743

Goodwill

The changes to goodwill were as follows (in thousands):

	Fiscal	
	2026	2025
Balance, beginning of the year	$ 845,836	$ 830,872
Increase in goodwill related to business combinations	14,414	14,964
Balance, end of the year	$ 860,250	$ 845,836

No indicators of impairment of goodwill were identified during fiscal 2026, 2025 and 2024, and accordingly, the Company has not recorded any impairment of goodwill during those periods.

7. Debt Arrangements

Credit Agreement

In January 2023, we entered into a secured credit agreement (the “Original Credit Agreement”) with Wells Fargo Bank N.A., as administrative agent and collateral agent, and certain lenders. In September 2024, we amended the Original Credit Agreement (the “First Amendment”) to, among other things, convert our existing term loan to a new term loan balance and a revolving credit facility. On January 30, 2026, we entered into a second amendment (the “Second Amendment”) to the Original Credit Agreement (as amended by the First Amendment and the Second Amendment, the “Amended Credit Agreement”) that increased the total borrowing capacity of the revolving credit facility made available under the Amended Credit Agreement from $140.0 million to $250.0 million (the “Amended Revolver”) and extended the term of the Amended Credit Agreement through January 30, 2031.

In addition, the Second Amendment (i) modified pricing and unused commitment fees payable under the Amended Credit Agreement to be based on total net leverage rather than recurring revenue, (ii) replaced the recurring revenue and liquidity financial covenants in the Original Credit Agreement with a total net leverage financial covenant, and (iii) modified certain customary negative covenants from the Original Credit Agreement, including liens, indebtedness, investments, dispositions, restricted payments and restricted debt payments, to provide us with more flexibility thereunder. Prior to entering into the Second Amendment we voluntarily repaid, in full, the approximately $107.0 million term loan that was outstanding under the Original Credit Agreement. As of January 31, 2026, no loans were outstanding under the Amended Credit Agreement. The Amended Revolver will incur a 0.20% annual fee for undrawn amounts. If we borrow under the Credit Agreement in the future, outstanding amounts will bear interest at a floating rate at the Company's option of either (i) a term Secured Overnight Financing Rate ("SOFR") based rate for a specified interest period plus an applicable margin, which ranges from 1.5% to 2.0% per annum based on the Company's total net leverage ratio, or (ii) a base rate plus an applicable margin, which ranges from 0.5% to 1.0% per annum based on the Company's total net leverage ratio.

The effective interest rate on the Loan Facility was 7.88% as of January 31, 2025.

The Company also wrote off $1.5 million in unamortized debt discounts and issuance costs to loss on extinguishment of debt related to the termination of the term loan.

The Company had unsecured letters of credit issued in the face amount of $0.6 million and $1.0 million outstanding as of January 31, 2026 and January 31, 2025, respectively.

8. Commitments and Contingencies

Noncancellable Commitments

As of January 31, 2026, the Company had long-term noncancellable agreements related primarily to its cloud hosting arrangements in addition to marketing events and management consulting projects. The estimated payments by future period, which for certain cloud computing arrangements are based on estimated usage, are as follows (in thousands):

Fiscal		
2027	$	61,613
2028		32,390
2029		3,787
Total	$	97,790

Litigation

During the ordinary course of business, the Company may become subject to legal proceedings, claims and litigation. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. If the Company determines that it is probable that a loss has been incurred and the amount is reasonably estimable, the Company will record a liability.

As of January 31, 2026, the Company is not subject to any pending legal matters or claims that it believes could have a material adverse effect on its financial position, results of operations, or cash flows should such litigation be resolved unfavorably.

Indemnifications

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to customers, vendors, lessors, investors, directors, officers, employees and other parties with respect to certain matters, including, but not limited to, losses arising out of the Company's breach of such agreements, products or services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnifications may survive termination of the underlying agreement and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company is not subject to any material indemnification claims that are probable or reasonably possible, and has not made any cash payments under its indemnification agreements that had a material effect on the financial position, results of operations or cash flows of the Company.

9. Leases

The Company has operating leases for its corporate offices. The leases have remaining lease terms ranging from one to six years, with certain leases having various term extensions available. These options to extend have not been recognized as part of the Company's ROU assets and lease liabilities as it is not reasonably certain that the Company will exercise these options. The lease agreements do not contain any residual value guarantees or material restrictive covenants. The Company has lease agreements with lease and non-lease components, which the Company has elected to account for as single lease component for all assets. The lease costs are allocated within cost of revenue and operating expenses on the consolidated statements of operations.

Information related to the Company's leases is as follows (in thousands, except years and percentages):

	As of January 31, 2026	As of January 31, 2025
Assets		
Operating lease right of use assets	$ 18,627	$ 24,025
Liabilities		
Current lease liabilities	$ 14,052	$ 12,996
Long-term lease liabilities	$ 37,322	$ 47,327
Weighted-average lease term (years)	3.9	4.6
Weighted-average discount rate	4.5%	3.9%

	Fiscal 2026	Fiscal 2025	Fiscal 2024
Lease costs			
Operating lease costs	$ 7,870	$ 8,799	$ 10,178
Short-term lease costs	804	320	1,269
Variable lease costs	303	216	378
Sublease income	(3,028)	(403)	—
	$ 5,949	$ 8,932	$ 11,825

In fiscal 2026, 2025 and 2024, the Company recorded an impairment of $2.7 million, $13.1 million and $1.1 million of an ROU asset, respectively (See Note 4).

Future minimum lease payments under noncancelable leases included in the calculation of lease liabilities as of January 31, 2026 were as follows (in thousands):

Fiscal	
2027	$ 14,084
2028	13,339
2029	11,728
2030	10,960
2031	5,709
Total future minimum payments	55,820
Less: Interest	(4,446)
Total	$ 51,374

There were no noncancelable leases executed, but which have not yet commenced as of January 31, 2026.

10. Stockholders' Equity

Reclassification of Common Stock

Immediately prior to the completion of the IPO in fiscal 2025, the Company filed an amended and restated certificate of incorporation, which authorized a total of 1,000,000,000 shares of Class A common stock, 100,000,000 shares of Class B common stock, and 100,000,000 of Class C common stock and each share of common stock then outstanding was reclassified as Class A common stock with the same rights and preferences. The Company also authorized 100,000,000 shares of preferred stock, the rights and preferences as may be designed by the Board of Directors. The rights of holders of Class A common stock, Class B common stock and Class C common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to 10 votes and is convertible at any time into one share of Class A common stock. Each share of Class C common stock is entitled to no votes, except as otherwise required by law.

The Company also executed an exchange agreement with the Co-Founders prior to the completion of the IPO whereby 13,404,097 shares of Class A common stock held by the Co-Founders and their affiliates (after reclassification from common stock described above) were exchanged for an equivalent number of shares of Class B common stock.

Each share of Class B common stock is convertible into one share of Class A common stock at the option of the holder or automatically upon a sale or transfer by the holder, except for certain permitted transfers. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon the earlier of (i) the 15-year anniversary of the completion of the IPO and (ii) the date fixed by the Board of Directors that is no less than 61 days and no more than 180 days following the first date following the completion of the IPO on which the number of shares of Class B common stock held by the Co-Founders and the permitted entities they control is less than 20% of the shares of Class B common stock (including securities convertible or exercisable into Class B common stock) held by the Co-Founders and the permitted entities they control on the date of the completion of the IPO.

In addition, options, RSAs and RSUs for common stock were reclassified to options, RSAs and RSUs for Class A common stock, with the exception of options and RSUs held by the Co-Founders which were designated as options and RSUs for Class B common stock.

11. Non-Convertible Preferred Stock and Warrants

In October 2022, the Company issued 250,000 shares of non-convertible preferred stock ("NCPS") and warrants to purchase 1,262,516 shares of common stock for $0.01 per share, that were immediately exercised. Subsequent to the IPO in fiscal 2025, the Company redeemed all outstanding shares of its NCPS for $310.6 million, which included the $250.0 million redemption price and $60.6 million of accrued dividends. Upon redemption, the Company recorded an adjustment of $28.3 million to net loss to compute net loss attributable to common stockholders for the loss on redemption, measured as the difference between the redemption price and the then carrying value of the NCPS. The Company recorded accretion of $48.7 million and $45.9 million for fiscal 2025 and fiscal 2024, respectively, related to the adjustment of the initial carrying value of the NCPS to the estimated redemption amount.

12. Redeemable Convertible Preferred Stock

Immediately prior to the completion of the IPO in fiscal 2025, all outstanding shares of redeemable convertible preferred stock were automatically converted into shares of Class A common stock as follows:

Redeemable Convertible Preferred Stock Series	Original Redeemable Convertible Preferred Stock Outstanding	Impact of Conversion	Shares of Class A Common Stock After Conversion
Series A	14,356,003	—	14,356,003
Series B	5,774,623	—	5,774,623
Series C	3,437,441	—	3,437,441
Series D	5,704,551	—	5,704,551
Series E	2,184,287	—	2,184,287
Series F	2,795,266	147,967	2,943,233
Series G	2,207,340	143,158	2,350,498
Series H	5,604,318	1,493,279	7,097,597
Series H-1	402,026	7,030	409,056
Total	42,465,855	1,791,434	44,257,289

As the price per share for the Class A common stock offered and sold in the IPO was below the original issue prices of the Series F, G and H-1 redeemable convertible preferred stock, the conversion prices were adjusted in accordance with the Company's amended and restated certificate of incorporation in effect prior to the completion of the IPO, resulting in the issuance of additional shares of Class A common stock in connection with the conversion of such series of redeemable convertible preferred stock. The impact of this anti-dilution adjustment resulted in an adjustment to net loss to compute net loss attributable to common stockholders of approximately $12.6 million during fiscal 2025.

As the price per share for the Class A common stock offered and sold in the IPO was less than the conversion price of the Series H redeemable convertible preferred stock accreting at 11% per annum, accruing daily and compounding quarterly from and after May 22, 2024 (the "Ratchet Adjustment Denominator"), the conversion price of the Series H redeemable convertible preferred stock was reduced to an amount equal to the product of (a) the price per share for the Class A common stock offered and sold in the IPO, multiplied by (b) $84.5712 divided by the Ratchet Adjustment Denominator. The impact of this adjustment to the conversion price resulted in an adjustment to net loss to compute net loss attributable to common stockholders of approximately $31.0 million during fiscal 2025.

As of January 31, 2026 and January 31, 2025, there were no shares of redeemable convertible preferred stock issued and outstanding.

13. Equity Incentive Plans

The Company has granted stock-based awards under its 2015 Stock Plan and 2024 Incentive Award Plan. The Company stopped granting new stock-based awards under its 2015 Stock Plan on the date of its IPO. Pursuant to the terms of the 2024 Incentive Award Plan, additional shares of Class A common stock may "roll over" to the 2024 Incentive Award Plan in the event of the termination or lapse of stock options outstanding pursuant to the 2015 Stock Plan. As of January 31, 2026, there were 13,436,003 and 24,177,851 shares of common stock authorized and reserved for issuance under the 2015 Stock Plan and 2024 Incentive Award Plan, respectively.

As of January 31, 2026, there were 21,283,612 shares of common stock available for future issuance under the 2024 Incentive Award Plan.

Additionally, the Company adopted an employee stock purchase program in fiscal 2025 (the "2024 ESPP") that would allow eligible employees to purchase shares of the Company's Class A common stock at periodic intervals using accumulated payroll deductions. As of January 31, 2026, there were 4,367,264 shares authorized under the 2024 ESPP. As of January 31, 2026, the first offering period under the 2024 ESPP had not commenced.

In connection with the Conduit acquisition, the Company assumed the Conduit Tech, Inc. 2022 Stock Plan (the "Conduit Plan") and each RSU outstanding under the Conduit Plan that was held by an employee of Conduit immediately following the acquisition of Conduit (each, a "Conduit RSU"). Each Conduit RSU was converted into an RSU of the Company to acquire shares of the Company's Class A common stock on the same terms and conditions as the Conduit RSUs, including with respect to the time-based vesting conditions. As of January 31, 2026, there were 31,626 shares of Class A common stock issuable pursuant to the Conduit RSUs under the Conduit Plan. The Company recognized stock-based compensation expense of $1.3 million during fiscal 2026 and unrecognized stock-based compensation expense was $2.7 million as of January 31, 2026.

In addition, there were 52,054 shares of Class A common stock constituting revested Conduit founders' consideration that will be released from a risk of forfeiture over a three year period with one-third of the shares released on the first anniversary of the closing, and the remaining shares released in equal amounts every quarter thereafter for the remaining two years. The Company recognized stock-based compensation expense of $0.6 million during fiscal 2026 and unrecognized stock-based compensation expense was $4.7 million as of January 31, 2026.

Fiscal 2024 Tender Offer

Concurrent with entering into the Series H-1 redeemable convertible preferred stock purchase agreement in July 2023, the Company facilitated a tender offer whereby the Series H-1 redeemable convertible preferred stock investors purchased shares of the Company's common stock from current and former employees and consultants, and certain existing investors. The tender offer was completed in July 2023. As a result, Series H-1 redeemable convertible preferred stock investors purchased an aggregate of 1,942,709 shares of the Company's common stock at a purchase price of $70.00 per share for proceeds to the selling stockholders of $136.0 million. The purchase price in this tender offer transaction was in excess of the estimated fair value of the common stock of $62.28 per share at the time of the transaction. As a result, during fiscal 2024, the Company recorded the excess of the purchase price over the fair value as stock-based compensation expense of $14.0 million which is included in the table below for shares purchased from current and former employees and consultants.

Fiscal 2025 Tender Offer

The Company presented a tender offer to employees who held stock options with exercise prices of $63.55 and above whereby the employees could exchange the options for restricted stock units ("RSUs") at a ratio of one RSU for every two stock options. The tender offer window closed on May 15, 2024. As a result, 207,784 stock options with service-only vesting conditions were cancelled and exchanged for 103,888 RSUs. The replacement RSUs vest upon the satisfaction of both a performance and service condition, where the performance condition was satisfied upon the effectiveness of the IPO and the service condition is satisfied over a period of approximately two years from June 15, 2024, subject to the employee continuing to provide service to the Company through the date that is two weeks following the expiration of the restrictions on sales of common stock following the IPO, which was June 24, 2025 (the "RSU Release Date"). The exchange was accounted for as a modification and resulted in an incremental stock-based compensation charge of $1.3 million upon the effectiveness of the IPO in fiscal 2025 and $0.9 million to be recognized ratably over the remaining requisite service period ending June 15, 2026. In addition, as part of the fiscal 2025 tender offer, 36,000 stock options with revenue performance vesting conditions and an exercise price of $63.55 were exchanged for 18,000 RSUs and retained the same revenue performance condition, resulting in an incremental stock-based compensation charge of $0.2 million at the time of the close of the tender offer and $0.2 million was recognized ratably through October 31, 2025.

Stock-based Compensation

The stock-based compensation expense by line item in the consolidated statements of operations is summarized as follows (in thousands):

	Fiscal								
	2026			2025			2024		
	Option, RSU, and RSA Grants	Co-Founder RSUs	Total	Option, RSU, and RSA Grants	Co-Founder RSUs	Total	Option, RSU, and RSA Grants	Tender Offer	Total
Platform cost of revenue	$ 5,797	$ —	$ 5,797	$ 5,538	$ —	$ 5,538	$ 4,689	$ 663	$ 5,352
Professional services and other cost of revenue	4,980	—	4,980	4,157	—	4,157	3,809	371	4,180
Sales and marketing	25,407	—	25,407	24,347	—	24,347	18,535	2,330	20,865
Research and development	53,009	—	53,009	46,300	—	46,300	29,078	4,373	33,451
General and administrative	54,304	53,618	107,922	68,407	14,980	83,387	32,351	6,255	38,606
Total stock-based compensation expense	$ 143,497	$ 53,618	$ 197,115	$ 148,749	$ 14,980	$ 163,729	$ 88,462	$ 13,992	$ 102,454

Stock Options with Service-Only Conditions

Stock options granted to purchase shares of the Company's common stock vest at varying rates, but generally over four years with 25% vesting upon completion of one year of service and the remainder vesting monthly thereafter. All stock options with service-only conditions are exercisable into Class A common stock upon vesting. Activity for stock options that contain service only vesting conditions was as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value (in thousands)
Outstanding as of January 31, 2025	5,806,607	$ 14.67	5.10	$ 511,546
Granted	—	$ —		
Exercised	(2,029,797)	$ 13.42		
Cancelled/Forfeited	(12,772)	$ 32.18		
Outstanding as of January 31, 2026	3,764,038	$ 15.29	4.49	$ 237,322
Exercisable as of January 31, 2026	3,730,394	$ 15.30	4.48	$ 235,180

There were no stock options granted in fiscal 2026, fiscal 2025 or fiscal 2024.

Total unrecognized compensation cost related to stock options with service only vesting conditions as of January 31, 2026 was $1.4 million, which is expected to be recognized over a remaining weighted average period of approximately 0.37 years. The total intrinsic value of options exercised was $184.6 million, $36.7 million, and $43.4 million for fiscal 2026, fiscal 2025 and fiscal 2024, respectively.

Stock Options with Performance Conditions

Stock option activity for awards with performance conditions consisted of the following:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value (in thousands)
Outstanding as of January 31, 2025	800,248	$ 13.64	5.92	$ 71,326
Granted	—	$ —		
Exercised	(112,451)	$ 14.32		
Cancelled/Forfeited	—	$ —		
Outstanding as of January 31, 2026	687,797	$ 13.53	4.97	$ 44,578
Exercisable as of January 31, 2026	326,843	$ 13.87	5.02	$ 21,072

As of January 31, 2026, the Co-Founders held options to purchase 340,676 shares of Class B common stock that vest upon the satisfaction of both a service and performance condition . The performance condition was satisfied upon the effectiveness of the IPO in fiscal 2025 and the service condition will be satisfied over a four-year period commencing on the IPO date with 25% vesting one year from the date of the IPO and the remainder vesting monthly thereafter. The awards expire ten years from issuance. The Company recognized stock-based compensation for these stock options of $0.2 million and $1.1 million in fiscal 2026 and fiscal 2025, respectively, and unrecognized stock-based compensation expense for these stock options was $0.2 million as of January 31, 2026.

As of January 31, 2026, the Company had stock options outstanding to purchase 122,773 shares of Class A common stock that vest upon the satisfaction of both a service and performance condition. The performance condition was satisfied upon the effectiveness of the IPO in fiscal 2025 and the service condition will be satisfied over a one-year period commencing one year from the date of the IPO. The awards expire ten years from issuance. The Company recognized stock-based compensation expense for these stock options of $1.5 million and $4.8 million in fiscal 2026 and fiscal 2025, respectively, and unrecognized stock-based compensation expense for these stock options was $0.5 million as of January 31, 2026.

During fiscal 2024, the Company did not recognize any stock-based compensation expense associated with stock options containing a liquidity event-related performance condition as the achievement of such condition was not deemed probable.

As of January 31, 2026, the Company had options to purchase 224,348 shares of Class A common stock outstanding that cliff vest upon the achievement of a performance condition, and the employees providing continuous service to the Company through the date the performance condition was met. The Company recognized $3.5 million and $3.7 million in stock-based compensation expense in fiscal 2026 and fiscal 2025, respectively. In September 2025, the audit committee of the board of directors concluded that the performance condition related to these stock options was met during the three months ended July 31, 2025 and, as a result, there was no remaining unrecognized stock-based compensation for these stock options as of January 31, 2026.

RSUs with Service-Only Conditions

RSUs subject to service-only vesting condition requirements consisted of the following:

	Restricted Stock Units	Weighted Average Grant Date Fair Value Per Share	Intrinsic Value (in thousands)
Unvested as of January 31, 2025	4,142,583	$ 65.19	$ 425,733
Granted	3,332,409	$ 115.08	
Released	(1,788,827)	$ 72.05	
Forfeited	(919,894)	$ 83.40	
Unvested as of January 31, 2026	4,766,271	$ 93.98	$ 373,390

RSUs vest at varying rates, but generally either over four years with 25% vesting upon completion of one year of service and the remainder vesting quarterly thereafter, or ratably on a quarterly basis over four years. RSUs with service-only conditions are settled in Class A common stock upon vesting. The weighted average grant date fair value per share of RSUs granted during fiscal 2026, fiscal 2025, and fiscal 2024 was $115.08, $64.27, and $62.26 respectively. The total fair value of RSUs vested during fiscal 2026, fiscal 2025, and fiscal 2024 was $188.7 million, $48.8 million, and $49.3 million, respectively. Total unrecognized stock-based compensation expense related to RSUs as of January 31, 2026 was $415.9 million which is expected to be recognized over a remaining weighted average period of approximately 2.99 years.

RSUs with Performance or Market Conditions

RSU activity for awards with performance or market vesting conditions consisted of the following:

	Restricted Stock Units	Weighted Average Grant Date Fair Value Per Share	Intrinsic Value (in thousands)
Unvested as of January 31, 2025	7,934,292	$ 44.03	$ 815,407
Granted	—	$ —	
Released	(622,031)	$ 58.12	
Forfeited	(168,499)	$ 54.63	
Unvested as of January 31, 2026	7,143,762	$ 42.56	$ 559,642

The Company had previously issued RSUs that cliff vest upon the achievement of a performance condition, and the employees providing continuous service to the Company through the date the performance condition was met. The Company recognized a credit to stock-based compensation expense related to these awards of $0.7 million in fiscal 2026, primarily attributable to forfeitures resulting from employee terminations and the accounting impact of modifications to certain equity awards. The Company recognized $0.6 million in stock-based compensation expense in fiscal 2025. In September 2025, the audit committee of the board of directors concluded that the performance condition related to these RSUs was met during the three months ended July 31, 2025 and, as a result, all of such RSUs vested and settled in Class A common stock. As of January 31, 2026, none of these RSUs remained outstanding, and there was no remaining unrecognized stock-based compensation expense for these RSUs.

As of January 31, 2026, the Company had 558,698 RSUs outstanding that vest upon the satisfaction of both a performance and service condition, where the performance condition was satisfied upon the effectiveness of the IPO and the service condition is satisfied over a period of approximately four years from the date of grant subject to the employee continuing to provide service to the Company through the RSU Release Date. In addition, the Company had 76,859 RSUs outstanding that vest upon the satisfaction of a performance and a service condition, where the performance condition was satisfied upon the completion of the IPO and the service condition will be satisfied over four quarterly periods commencing approximately one year after the date of the IPO. During fiscal 2026 and fiscal 2025, the Company recognized stock-based compensation expense of $16.0 million and $47.2 million, respectively, related to these awards and unrecognized stock-based compensation expense for these RSUs was $11.4 million as of January 31, 2026. These RSUs are to be settled in Class A common stock upon vesting.

As a result of the fiscal 2025 tender offer, the Company had 23,161 RSUs outstanding as of January 31, 2026 that vest upon the satisfaction of both a two-year service condition and a performance condition where the performance condition was satisfied upon the effectiveness of the IPO and the service condition is satisfied over a period of approximately two years from the date the tender offer closed, subject to the employee continuing to provide service to the Company through the RSU Release Date. During fiscal 2026 and fiscal 2025, the Company recognized stock-based compensation expense of $0.6 million and $1.4 million, respectively, related to these awards and unrecognized stock-based compensation expense for these RSUs was less than $0.1 million as of January 31, 2026. These RSUs are to be settled in Class A common stock upon vesting.

In October 2024, the Company granted each of the Co-Founders an award of 3,241,544 performance-based RSUs ("Co-Founder RSUs"). Each performance-based RSU represents the right to be issued a share of Class B common stock following vesting. The performance-based RSUs vest on or after 180 days following the completion of an initial public offering based on achieving volume weighted-average closing trading prices of the Company's common stock over a six-month or 90-day period, as applicable, ranging from $140.00 per share to $440.00 per share (the "stock price hurdle"), subject to the Co-Founders being employed as Chief Executive Officer, co-Chief Executive Officer or President as of the vesting date. Any RSUs for which the applicable stock price hurdle has not been achieved on or before October 21, 2034 will automatically be forfeited. The Company's estimate of the grant date fair value of these RSUs of $263.6 million was estimated using a Monte Carlo simulation model that incorporates the likelihood of achieving the stock price hurdles. The Company commenced recognition of stock-based compensation expense upon completion of the IPO in fiscal 2025 over the estimated weighted-average derived service period of approximately five years, and recognized aggregate stock-based compensation for the portion of the service period satisfied through January 31, 2025 during the fourth quarter of fiscal 2025. During fiscal 2026 and fiscal 2025, the Company recognized stock-based compensation expense of $53.6 million and $15.0 million, respectively, related to these awards. Unrecognized stock-based compensation expense for these RSUs was $195.0 million as of January 31, 2026 and is expected to be recognized over the remaining derived service period for each stock price hurdle tranche, unless the stock price hurdle is achieved prior to the end of derived service period in which case the expense for that stock price hurdle will be accelerated. As of January 31, 2026, the weighted average remaining derived service period for these RSUs was 3.83 years. These RSUs are to be settled in Class B common stock upon vesting.

During fiscal 2024, the Company did not recognize any stock-based compensation expense associated with RSUs containing a liquidity event-related performance condition as the achievement of such condition was not deemed probable.

14. Income Taxes

The domestic and foreign components of income (loss) before income taxes consists of the following (in thousands):

	Fiscal		
	2026	2025	2024
United States	$ (157,432)	$ (232,515)	$ (194,132)
Foreign	319	(4,261)	3,123
Loss before income taxes	$ (157,113)	$ (236,776)	$ (191,009)

The income tax provision consists of the following (in thousands, except percentages):

	Fiscal		
	2026	2025	2024
Current provision for income taxes			
U.S. Federal	$ (5)	$ 86	$ —
State	284	369	42
Foreign	770	681	2,268
Total–current provision for income taxes	1,049	1,136	2,310
Deferred provision for (benefit from) income taxes			
U.S. Federal	808	1,211	1,357
State	1,058	433	909
Foreign	(175)	(462)	(440)
Total–deferred provision for income taxes	1,691	1,182	1,826
Provision for (benefit from) income taxes	$ 2,740	$ 2,318	$ 4,136
Effective income tax rate	(1.7)%	(1.0)%	(2.2)%

A reconciliation of the U.S. Federal statutory rate to the Company's effective tax rate is as follows (in thousands, except percentages):

	Fiscal 2026	
Loss before income taxes	$ (157,113)	
Tax at federal statutory rate	(32,994)	21.0%
State income taxes, net of federal income tax effect[1]	1,061	(0.7)
Foreign tax effects	528	(0.3)
Nontaxable or nondeductible items		
Stock-based compensation expense	(43,024)	27.4
Non-deductible executive compensation	22,971	(14.6)
Other	2,006	(1.3)
Tax credits		
Research and development credits	(23,486)	14.9
Other	(163)	0.1
Changes in unrecognized tax benefits	336	(0.2)
Change in valuation allowance	75,762	(48.2)
Other	(257)	0.2
Effective income tax rate	$ 2,740	(1.7)%

[1] The states and local jurisdictions that contribute to the majority (greater than 50%) of the tax effect in this category include Texas, Colorado, Oregon, Illinois, New Jersey, and Pennsylvania.

	Fiscal	
	2025	2024
Loss before income taxes	$ (236,776)	$ (191,009)
Tax at federal statutory tax rate	(49,723)	(40,112)
State taxes (net of federal benefit of state deduction)	(7,106)	(7,334)
Change in valuation allowance	60,057	63,276
Uncertain tax positions	3,916	3,463
Non-deductible expenses	1,435	345
Equity compensation	2,501	4,451
Non-deductible executive compensation	9,687	—
Tax credits	(19,354)	(17,317)
Other	905	(2,636)
Provision for income taxes	$ 2,318	$ 4,136
Effective income tax rate	(1.0)%	(2.2)%

The temporary differences, which give rise to the Company's deferred tax assets and liabilities consisted of the following (in thousands):

	As of January 31, 2026	As of January 31, 2025
Deferred tax assets:		
Net operating loss carryforwards	$ 199,698	$ 108,877
Research and development and other tax credits	92,412	58,126
Lease liabilities	12,906	15,340
Stock-based compensation	14,704	30,911
Depreciable and amortizable assets	19,900	13,025
Accrued bonus	14,474	13,440
Other	10,446	8,981
Capitalized research and development	88,473	93,512
Interest expense carryforward	9,115	12,922
Deferred tax assets	462,128	355,134
Valuation allowance	(416,021)	(317,872)
Deferred tax assets, net	$ 46,107	$ 37,262
Deferred tax liabilities:		
Right-of-use assets	$ (4,438)	$ (6,020)
Deferred contract costs	(6,835)	(5,321)
Goodwill	(43,582)	(31,646)
Deferred tax liabilities	(54,855)	(42,987)
Deferred tax liabilities, net	$ (8,748)	$ (5,725)

In determining the need for a valuation allowance, management reviewed all available positive and negative evidence, primarily the prior and forecasted losses of the Company, and determined its U.S. deferred tax assets are not realizable under the more-likely-than-not measurement, and as such, a full valuation allowance was recorded against U.S. deferred tax assets as of January 31, 2026 and 2025, respectively.

As a result of the Company's certain prior acquisitions, the Company generated indefinite-lived deferred tax liabilities from tax amortizable goodwill, which are not an available source of income for the realization of definite-lived deferred tax assets.

The following table summarizes the change in the Company's valuation allowance (in thousands):

	Fiscal 2026	Fiscal 2025	Fiscal 2024
Balance at the beginning of the year	$ 317,872	$ 242,572	$ 179,296
Increase recognized in income tax expense	98,054	60,057	63,276
Increase related to business combinations	95	15,243	—
Balance at the end of the year	$ 416,021	$ 317,872	$ 242,572

As of January 31, 2026, the Company had cumulative U.S. net operating losses ("NOLs") consisting of carryforwards for federal income tax purposes of $795.1 million, which have an indefinite carryforward period. As of January 31, 2026, the Company had cumulative state NOL carryforwards of $470.1 million. State NOL carryforwards will begin to expire in fiscal 2028.

As of January 31, 2026, the Company has federal research tax credit carryforwards of $60.1 million and state research tax credit carryforwards of $30.9 million. The Company's federal research tax credit carryforwards will begin to expire in fiscal 2037, while its state research tax credit carryforwards will begin to expire in fiscal 2029. As of January 31, 2026, the Company has other state tax credit carryforwards of $1.0 million. The carryforwards will begin to expire in fiscal 2027.

NOLs and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. The Company conducted a formal study through January 31, 2026 that concluded that there had been prior ownership changes and that the Company's utilization of pre-change tax attribute carryforwards will be subject to annual limitations. However, it is not expected that the annual limitations will result in the expiration of tax attribute carryforwards prior to utilization. Similar provisions of state tax law may also apply to limit the use of the Company's state tax attribute carryforwards.

Uncertain Tax Benefits

The Company has provided what it believes to be an appropriate amount of tax for items that involve interpretation of the tax law. However, events may occur in the future that will cause the Company to reevaluate its current reserves and may result in an adjustment to the reserve for taxes.

The following table summarizes the change in the Company’s reserve for unrecognized tax benefits (in thousands):

	Fiscal		
	2026	**2025**	**2024**
Balance at the beginning of the year	$ 14,662	$ 10,535	$ 7,072
Increase due to new tax positions	8,215	3,683	3,163
Increase due to existing tax positions	504	233	300
Decrease due to existing tax positions	(10)	—	—
Increase due to acquired tax positions	5	211	—
Balance at the end of the year	$ 23,376	$ 14,662	$ 10,535

As of January 31, 2026, the Company had $23.4 million of gross unrecognized tax benefits, of which an immaterial amount would impact the effective tax rate, if recognized. The remaining gross unrecognized tax benefits relate to income tax positions which, if recognized, would not impact the effective rate due to the valuation allowance against its federal and state deferred taxes.

Cash paid for income taxes, net of refunds, by jurisdiction for fiscal 2026 is as follows (in thousands):

	Fiscal
	2026
U.S. Federal	$ 129
State	
Pennsylvania	103
Texas	100
Minnesota	43
Florida	42
Other	144
Foreign	
Armenia	464
Canada	(200)
Total income taxes paid, net	$ 825

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. No tax years for the Company are currently under examination by the U.S. Internal Revenue Service or state and local tax authorities for income tax purposes. Due to net operating loss and tax credit carryforwards, all years are open for examination and may become subject to examination in the future.

The Company also files income tax returns in Armenia, starting in 2019. The Company’s tax return for 2021, through 2025 are subject to regular audit by the Armenian tax authorities for income tax purposes in fiscal 2027.

The Company also files income tax returns in Canada, starting in 2023. No tax years for the Company are currently under examination by the Canadian tax authorities for income tax purposes. The Company's fiscal 2023 through fiscal 2025 remain open for examination and assessment.

15. Net Loss Per Share

The rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock are identical, except with respect to voting, conversion, and transfer rights. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis to each class of common stock and the resulting basic and diluted net loss per share attributable to common stockholders are the same for both Class A and Class B common stock on both an individual and combined basis.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Fiscal		
	2026	**2025**	**2024**
Net loss	$ (159,853)	$ (239,094)	$ (195,145)
Accretion of NCPS	—	(48,703)	(45,873)
Down round adjustment for Series F, G and H-1 redeemable convertible preferred stock upon completion of IPO	—	(12,621)	—
Ratchet adjustment for Series H redeemable convertible preferred stock upon completion of IPO	—	(30,994)	—
Extinguishment of NCPS	—	(28,313)	—
Net loss attributable to common stockholders	(159,853)	(359,725)	(241,018)
Weighted-average shares outstanding used in computing net loss per share, basic and diluted	92,378,699	42,148,552	33,267,131
Net loss per share, basic and diluted	$ (1.73)	$ (8.53)	$ (7.24)

The following potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders as of January 31, 2026, 2025 and 2024 because including them would have been anti-dilutive:

	As of January 31,		
	2026	**2025**	**2024**
Redeemable convertible preferred stock	—	—	42,465,855
Stock options with service-only conditions	3,764,038	5,806,607	6,804,979
Unvested RSUs with service-only conditions	4,766,271	4,142,583	2,767,978
Stock options with performance or market conditions	687,797	800,248	1,176,924
Unvested early exercise of options	29,108	33,838	46,714
Unvested RSAs with service-only conditions	52,054	—	88,477
Acquisition indemnity shares withheld	—	41,959	—
Unvested RSUs with performance conditions	7,143,762	7,934,292	578,651

16. Employee Benefit Plan

The Company has an employee savings and retirement plan (the "401(k) Plan") for its eligible employees. The 401(k) Plan is available to all U.S. employees and provides employees with tax-deferred salary deductions and alternative investment options. Employees may contribute up to the federal limitation for that year. For fiscal 2026, fiscal 2025, and fiscal 2024, the Company expensed $10.5 million, $10.0 million, and $8.4 million, respectively, for discretionary employer matching contributions, of which $2.2 million and $2.1 million was accrued for and included in accrued personnel-related expenses as of January 31, 2026 and 2025 respectively.

The Company also has employee savings and retirement plans in other countries, which are not material.

17. Restructuring

In fiscal 2026, the Company did not have restructuring costs.

In March 2024, the Company committed to a plan to align its investments more closely with its strategic priorities by reducing the Company's workforce by 42 employees. The Company incurred total pre-tax charges of approximately $2.5 million of employee-related costs, including severance and other termination benefits, which were paid in fiscal 2025.

In February 2023, the Company committed to a plan to align its investments more closely with its strategic priorities by reducing the Company's workforce by 221 employees. The Company incurred total pre-tax charges of approximately $8.2 million of employee-related costs, including severance and other termination benefits, which were paid in fiscal 2024.

The restructuring charge by line item in the consolidated statements of operations for these events is summarized as follows (in thousands):

	Fiscal	
	2025	2024
Platform cost of revenue	$ 386	$ 1,217
Professional services cost of revenue	129	2,181
Sales and marketing	292	1,674
Research and development	991	1,546
General and administrative	698	1,564
Total restructuring costs	$ 2,496	$ 8,182

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Limitations on Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

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 Exchange Act), as of January 31, 2026.

Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of January 31, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

As of January 31, 2026, our management assessed the effectiveness of our internal control over financial reporting using the criteria set forth in the *Internal Control – Integrated Framework* (2013) as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation under the COSO criteria, our management concluded that our internal control over financial reporting was effective as of January 31, 2026.

The effectiveness of our internal control over financial reporting as of January 31, 2026 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing under Item 8.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act during the quarter ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

a. Disclosure in lieu of reporting on a Current Report on Form 8-K

None

b. Insider trading arrangements and policies.

During the three months ended January 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, except as follows:

On January 12, 2026, Tim Cabral, a member of our board of directors, adopted a Rule 10b5-1(c) trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c). Mr. Cabral's Rule 10b5-1 trading plan provides for the sale, from time to time, of up to a maximum of 18,000 shares of our Class A common stock. Mr. Cabral's Rule 10b5-1 trading plan expires on January 12, 2027.

On January 15, 2026, Ara Mahdessian, our Chief Executive Officer and a member of our board of directors, adopted a Rule 10b5-1(c) trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c). Mr. Mahdessian's Rule 10b5-1 trading plan provides for the sale, from time to time, of up to a maximum of 450,000 shares of our Class A common stock. Mr. Mahdessian's Rule 10b5-1 trading plan expires on January 22, 2027.

On January 15, 2026, Vahe Kuzoyan, our President and a member of our board of directors, adopted a Rule 10b5-1(c) trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c). Mr. Kuzoyan's Rule 10b5-1 trading plan provides for the sale, from time to time, of up to a maximum of 295,000 shares of our Class A common stock. Mr. Kuzoyan's Rule 10b5-1 trading plan expires on January 20, 2027.

On January 15, 2026, Dave Sherry, our Chief Financial Officer, adopted a Rule 10b5-1(c) trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c). Mr. Sherry's Rule 10b5-1 trading plan provides for the sale, from time to time, of up to a maximum of 54,552 shares of our Class A common stock. Mr. Sherry's Rule 10b5-1 trading plan expires on January 15, 2027.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Code of Ethics

We have adopted a Code of Business Conduct (the "Code") that applies to our officers, directors and employees, which is available on our website (investors.servicetitan.com) under "Governance." The Code is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002, as amended, and Item 406 of Regulation S-K. We intend to satisfy the disclosure required by the SEC or Nasdaq listing standards regarding any amendments to, or waivers from, a provision of our Code by posting such information on our website (investors.servicetitan.com). The information contained on our website is not incorporated by reference into this Form 10-K. We granted no waivers under our Code in fiscal 2026.

Insider Trading Policy

We have adopted insider trading policies and procedures governing the purchase, sale and other dispositions of our securities by directors, officers and employees that are designed to promote compliance with insider trading laws, rules and regulations, and applicable Nasdaq listing standards, as well as procedures designed to further the foregoing purposes. A copy of our insider trading policy is filed with this Annual Report on Form 10-K as Exhibit 19.1.

The remaining information required by this Item 10 is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after January 31, 2026.

Information About our Executive Officers & Directors

The following table provides information regarding our executive officers and members of our board of directors (ages are calculated as of March 23, 2026).

Name	Age	Position	Principal Employment
Ara Mahdessian	40	Co-Founder, Chief Executive Officer, Chairperson of the Board	Same
Vahe Kuzoyan	42	Co-Founder, President and Director	Same
Dave Sherry	42	Chief Financial Officer	Same
Nina Achadjian	40	Director	Partner at Index Ventures
Michael Brown	53	Director	Partner at Battery Ventures
Tim Cabral	58	Lead Independent Director	Former Chief Financial Officer at Veeva Systems Inc.
Byron Deeter	51	Director	Partner at Bessemer Venture Partners
Ilya Golubovich	40	Director	Chief Business Officer at A2VE Capital Advisors Ltd.
William Griffith	54	Director	Partner at ICONIQ Capital, LLC
William Hsu	50	Director	Partner at Mucker Capital

Item 11. Executive Compensation.

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after January 31, 2026.

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 the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after January 31, 2026.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after January 31, 2026.

Item 14. Principal Accountant Fees and Services.

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after January 31, 2026.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as a part of this Annual Report on Form 10-K:

(1) Financial Statements.

Our Consolidated Financial Statements are listed in the "Index to Consolidated Financial Statements" under Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules.

All financial statement schedules have been omitted, as the information is not applicable or is not required under the related instructions, or because the information required is already included in the financial statements or the notes thereto.

(3) Exhibits.

We have filed the exhibits listed on the accompanying Exhibit Index, which is incorporated herein by reference.

Exhibit Index

Exhibit Number	Description	Incorporation by Reference				Provided Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of ServiceTitan, Inc.	8-K	001-42434	3.1	12/13/2024	
3.2	Amended and Restated Bylaws of ServiceTitan, Inc.	8-K	001-42434	3.2	12/13/2024	
4.1*	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.					X
4.2	Form of Class A Common Stock Certificate of ServiceTitan, Inc.	S-1	333-283296	4.2	11/18/2024	
4.3	Form of Class B Common Stock Certificate of ServiceTitan, Inc.	S-8	333-283742	4.6	12/12/2024	
4.4	Amended and Restated Investors' Rights Agreement, by and among ServiceTitan, Inc. and certain holders of its capital stock, dated as of July 27, 2023.	S-1	333-283296	4.3	11/18/2024	
10.1+	Form of Indemnification and Advancement Agreement between ServiceTitan, Inc. and each of its directors and executive officers.	S-1	333-283296	10.1	11/18/2024	
10.2+*	ServiceTitan, Inc. 2024 Incentive Award Plan and related form agreements.					X
10.3+*	ServiceTitan, Inc. 2024 Employee Stock Purchase Plan and related form agreements.					X
10.4+	Conduit Tech, Inc. 2022 Stock Plan	S-8	333-290997	99.1	10/21/2025	
10.5+	ServiceTitan, Inc. 2015 Stock Plan and related form agreements.	S-1	333-283296	10.4	11/18/2024	
10.6+	ServiceTitan, Inc. 2007 Stock Plan and related form agreements.	S-1	333-283296	10.5	11/18/2024	
10.7	Office Lease, by and between ServiceTitan, Inc. and BRE Brand Central Holdings L.L.C. (as succeeded by SPUS8 Glendale, LP), dated as of June 30, 2015, as amended April 17, 2017,	S-1	333-283296	10.6	11/18/2024	

	November 9, 2017, March 19, 2018 and June 11, 2020.					
10.8	Office Lease, by and between ServiceTitan, Inc. and BCSP 800 North Brand Property LLC, dated as of January 10, 2019, as amended April 24, 2019, October 18, 2019, January 1, 2020, January 17, 2020, January 22, 2020, April 5, 2021, September 9, 2021, December 20, 2021, January 19, 2022, June 10, 2024, July 10, 2024 and July 17, 2024.	S-1	333-283296	10.7	11/18/2024	
10.9*	Credit Agreement, by and among ServiceTitan, Inc., Wells Fargo Bank, National Association, as administrative agent and collateral agent, each lender from time to time party thereto, each swing line lender and each letter of credit issuer from time to time party thereto, dated as of January 23, 2023, as amended by Amendment Number One, dated as of September 27, 2024 and Amendment Number Two, dated as of January 30, 2026.					X
10.10(a)+	ServiceTitan, Inc. Change in Control and Severance Policy.	S-1	333-283296	10.9(a)	11/18/2024	
10.10(b)+	Form of Participation Agreement for ServiceTitan, Inc. Change in Control and Severance Policy.	S-1	333-283296	10.9(b)	11/18/2024	
10.11+	Amended and Restated Employment Offer Letter, by and between ServiceTitan, Inc. and David Sherry, dated as of November 15, 2024.	S-1	333-283296	10.10	11/18/2024	
10.12	Exchange Agreement, by and among ServiceTitan, Inc. and the stockholders listed therein, dated as of December 2, 2024.	S-1/A	333-283296	10.11	12/10/2024	
10.13+	ServiceTitan, Inc. Non-Employee Director Compensation Program.	S-1	333-283296	10.12	11/18/2024	
19.1	ServiceTitan, Inc. Insider Trading Policies and Procedures.	10-K	001-42434	19.1	4/2/2025	
21.1*	List of subsidiaries of ServiceTitan, Inc.					X
23.1*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.					X
31.1*	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.					X
31.2*	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.					X
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X

97.1*	ServiceTitan, Inc. Policy for Recovery of Erroneously Awarded Compensation.	X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	

+ Indicates management contract or compensatory plan.

* Filed herewith.

** The certifications attached as Exhibit 32.1 and 32.2 that accompany this Annual Report on Form 10-K are deemed furnished and not “filed” with the Securities and Exchange Commission, and shall not be incorporated by reference into any filing of ServiceTitan, 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 Annual Report on Form 10-K, irrespective of any general incorporation language contained in any such filing.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

ServiceTitan, Inc.

Date: March 25, 2026

By: /s/ Dave Sherry
Dave Sherry
Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

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.

Name	Title	Date
/s/ Ara Mahdessian **Ara Mahdessian**	Chief Executive Officer and Director (*Principal Executive Officer*)	March 25, 2026
/s/ Dave Sherry **Dave Sherry**	Chief Financial Officer (*Principal Financial Officer*)	March 25, 2026
/s/ Michele O‘Connor **Michele O’Connor**	Chief Accounting Officer (*Principal Accounting Officer*)	March 25, 2026
/s/ Vahe Kuzoyan **Vahe Kuzoyan**	President and Director	March 25, 2026
/s/ Nina Achadjian **Nina Achadjian**	Director	March 25, 2026
/s/ Michael Brown **Michael Brown**	Director	March 25, 2026
/s/ Tim Cabral **Tim Cabral**	Director	March 25, 2026
/s/ Byron Deeter **Byron Deeter**	Director	March 25, 2026
/s/ Ilya Golubovich **Ilya Golubovich**	Director	March 25, 2026
/s/ William Griffith **William Griffith**	Director	March 25, 2026
/s/ William Hsu **William Hsu**	Director	March 25, 2026