UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended April 30, 2025

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: 001-38056

YEXT, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-8059722**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

61 Ninth Avenue
New York, NY 10011
(Address of principal executive offices, including zip code)
(212) 994-3900
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	YEXT	New York Stock Exchange

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 is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act). Yes ☐ No ☒

As of May 27, 2025, the registrant had122,397,716 shares of common stock, $0.001 par value per share outstanding.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains, and our officers and representatives may from time to time make, 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. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “plan,” “intend,” “can,” “should,” “could,” “would,” “expect,” “possible,” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. Forward-looking statements included in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding:

- our future revenue, cost of revenue, operating expenses and cash flows;
- anticipated trends, growth rates and challenges in our business and in the markets in which we operate;
- the effect of general macroeconomic conditions, including, but not limited to, the impact of foreign currency fluctuations, interest rates, inflation, recession risks and geopolitical events and shifts, including substantial changes in U.S. government policies, tariff and export restrictions, trade agreements and spending priorities on our business, operations, and financial results and the business and operations of our customers and potential customers;
- our beliefs, objectives and strategies for future operations, including plans to invest in international expansion, research and development, and our sales and marketing teams, and the impact of such investments on our operations;
- changes in management and anticipated effects thereof;
- effects of current and prospective acquisitions and the integrations thereof, including that of our recent acquisitions such as Hearsay Social, Inc. (“Hearsay”);
- our ability to increase sales of our products;
- maintaining and expanding our end-customer base and our relationships with our Publisher Network; and
- sufficiency of cash to meet cash needs for at least the next 12 months.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the 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 Quarterly Report on Form 10-Q, 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 investors are cautioned not to unduly rely upon these statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, whether written or oral, except as required by law.

In this Quarterly Report on Form 10-Q, the words “we,” “us,” “our” and “Yext” refer to Yext, Inc. and its wholly owned subsidiaries, unless the context requires otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

YEXT, INC.

Condensed Consolidated Balance Sheets

(In thousands, except share and per share data)

(Unaudited)

	April 30, 2025	January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 114,994	$ 123,133
Restricted cash, current	17,021	9,671
Accounts receivable, net of allowances of $1,966 and $2,014, respectively	71,464	112,942
Prepaid expenses and other current assets	23,113	18,094
Costs to obtain revenue contracts, current	20,386	21,961
Total current assets	246,978	285,801
Property and equipment, net	37,871	39,689
Operating lease right-of-use assets	65,903	67,452
Restricted cash, non-current	—	5,850
Costs to obtain revenue contracts, non-current	10,185	11,145
Goodwill	110,667	96,782
Intangible assets, net	97,250	94,247
Other long term assets	3,502	9,112
Total assets	$ 572,356	$ 610,078
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 72,364	$ 70,022
Unearned revenue, current	210,695	229,144
Operating lease liabilities, current	18,869	18,604
Contingent consideration, current	25,313	26,944
Total current liabilities	327,241	344,714
Operating lease liabilities, non-current	73,902	76,809
Contingent consideration, non-current	21,787	18,056
Other long term liabilities	7,401	17,306
Total liabilities	430,331	456,885
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, $0.001 par value per share; 50,000,000 shares authorized at April 30, 2025 and January 31, 2025; zero shares issued and outstanding at April 30, 2025 and January 31, 2025	—	—
Common stock, $0.001 par value per share; 500,000,000 shares authorized at April 30, 2025 and January 31, 2025; 153,957,539 and 153,017,243 shares issued at April 30, 2025 and January 31, 2025, respectively; 123,466,124 and 126,999,461 shares outstanding at April 30, 2025 and January 31, 2025, respectively	154	153
Additional paid-in capital	1,009,084	996,477
Accumulated other comprehensive loss	(2,686)	(5,969)
Accumulated deficit	(706,350)	(707,120)
Treasury stock, at cost	(158,177)	(130,348)
Total stockholders' equity	142,025	153,193
Total liabilities and stockholders' equity	$ 572,356	$ 610,078

See the accompanying notes to the condensed consolidated financial statements.

YEXT, INC.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(In thousands, except share and per share data)
(Unaudited)

	Three months ended April 30,	
	2025	2024
Revenue	$ 109,483	$ 95,990
Cost of revenue	27,105	21,546
Gross profit	82,378	74,444
Operating expenses:		
Sales and marketing	36,209	43,254
Research and development	21,896	17,059
General and administrative	23,155	19,557
Total operating expenses	81,260	79,870
Income (loss) from operations	1,118	(5,426)
Interest income	632	2,360
Interest expense	(642)	(392)
Other expense, net	(355)	(138)
Income (loss) from operations before income taxes	753	(3,596)
Benefit from (provision for) income taxes	17	(221)
Net income (loss)	$ 770	$ (3,817)
Net income (loss) per share attributable to common stockholders, basic and diluted	$ 0.01	$ (0.03)
Weighted-average number of shares used in computing net income (loss) per share attributable to common stockholders, basic	125,651,595	125,387,162
Weighted-average number of shares used in computing net income (loss) per share attributable to common stockholders, diluted	131,272,117	125,387,162
Other comprehensive income (loss):		
Foreign currency translation adjustment	$ 3,283	$ (417)
Unrealized loss on marketable securities, net	—	(8)
Total comprehensive income (loss)	$ 4,053	$ (4,242)

See the accompanying notes to the condensed consolidated financial statements.

YEXT, INC.

Condensed Consolidated Statements of Stockholders' Equity
(In thousands)
(Unaudited)

Three Months Ended April 30, 2025

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balance, January 31, 2025	126,999	$ 153	$ 996,477	$ (5,969)	$ (707,120)	$ (130,348)	$ 153,193
Exercise of stock options	32	—	118	—	—	—	118
Vested restricted stock units converted to common shares, net of shares withheld for employee taxes	541	1	(2,148)	—	—	—	(2,147)
Issuance of restricted stock	12	—	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	356	—	1,864	—	—	—	1,864
Stock-based compensation	—	—	12,773	—	—	—	12,773
Repurchase of common stock	(4,474)	—	—	—	—	(27,829)	(27,829)
Other comprehensive income	—	—	—	3,283	—	—	3,283
Net income	—	—	—	—	770	—	770
Balance, April 30, 2025	123,466	$ 154	$ 1,009,084	$ (2,686)	$ (706,350)	$ (158,177)	$ 142,025

Three Months Ended April 30, 2024

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balance, January 31, 2024	124,867	$ 148	$ 942,622	$ (4,183)	$ (679,172)	$ (112,241)	$ 147,174
Exercise of stock options	93	—	283	—	—	—	283
Vested restricted stock units converted to common shares, net of shares withheld for employee taxes	636	1	(2,047)	—	—	—	(2,046)
Issuance of restricted stock	20	—	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	513	—	2,351	—	—	—	2,351
Stock-based compensation	—	—	12,154	—	—	—	12,154
Other comprehensive loss	—	—	—	(425)	—	—	(425)
Net loss	—	—	—	—	(3,817)	—	(3,817)
Balance, April 30, 2024	126,129	$ 149	$ 955,363	$ (4,608)	$ (682,989)	$ (112,241)	$ 155,674

See the accompanying notes to the condensed consolidated financial statements.

YEXT, INC.

Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three months ended April 30,	
	2025	**2024**
Operating activities:		
Net income (loss)	$ 770	$ (3,817)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	6,855	2,963
Bad debt expense	286	28
Stock-based compensation expense	12,659	12,065
Amortization of operating lease right-of-use assets	2,315	2,110
Adjustments to contingent consideration	1,800	—
Other, net	432	366
Changes in operating assets and liabilities, net of assets acquired and liabilities assumed in business acquisitions:		
Accounts receivable	43,140	54,316
Prepaid expenses and other current assets	(4,985)	(660)
Costs to obtain revenue contracts	3,234	4,270
Other long term assets	5,863	80
Accounts payable, accrued expenses and other current liabilities	834	(4,028)
Unearned revenue	(21,688)	(26,697)
Operating lease liabilities	(3,509)	(2,847)
Other long term liabilities	(10,281)	160
Net cash provided by operating activities	37,725	38,309
Investing activities:		
Capital expenditures	(562)	(647)
Cash paid in acquisitions, net of cash acquired	(18,801)	—
Net cash used in investing activities	(19,363)	(647)
Financing activities:		
Proceeds from exercise of stock options	118	283
Repurchase of common stock	(27,635)	—
Payments for taxes related to net share settlement of stock-based compensation awards	(2,137)	(2,039)
Payments of deferred financing costs	(59)	(338)
Proceeds, net from employee stock purchase plan withholdings	690	920
Net cash used in financing activities	(29,023)	(1,174)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4,022	(558)
Net (decrease) increase in cash, cash equivalents and restricted cash	(6,639)	35,930
Cash, cash equivalents and restricted cash at beginning of period	138,654	210,184
Cash, cash equivalents and restricted cash at end of period	$ 132,015	$ 246,114

Supplemental reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets:

	Three months ended April 30,	
(in thousands)	**2025**	**2024**
Cash and cash equivalents	$ 114,994	$ 246,114
Restricted cash, current and non-current	17,021	—
Total cash, cash equivalents and restricted cash	$ 132,015	$ 246,114

See the accompanying notes to the condensed consolidated financial statements.

YEXT, INC.

Notes to Condensed Consolidated Financial Statements

1. Organization and Description of Business

Description of Business

Yext, Inc. ("Yext" or the "Company") empowers businesses to manage their knowledge so they can deliver relevant, actionable answers to consumer questions as well as consistent, accurate and engaging experiences to customers throughout the digital ecosystem. The Company's digital presence platform (also known as the Answers Platform) lets businesses structure and organize information about their brands in the Company's knowledge graph, Yext Content (also known as the Knowledge Graph), which is then delivered across first- and third-party websites and applications through its network of over 200 service and application providers, which the Company refers to as its Publisher Network. The Company's platform powers all of the Company's key products, including Listings, Reviews, Pages, and Search, each with robust analytics capabilities for businesses to easily track performance across customer experiences.

Fiscal Year

The Company's fiscal year ends on January 31st. References to fiscal 2026, for example, are to the fiscal year ending January 31, 2026.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2025, filed with the SEC on March 13, 2025 (the "Form 10-K"). The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated balance sheet as of January 31, 2025, included herein, was derived from the audited financial statements as of that date, but does not include all disclosures including certain notes required by GAAP on an annual reporting basis.

In the opinion of management, the accompanying condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, comprehensive income (loss) and cash flows for the interim periods. The results for the three months ended April 30, 2025 are not necessarily indicative of the results to be expected for any subsequent quarter, the fiscal year ending January 31, 2026, or any other period.

The following accounting policies should be read in conjunction with the Company's significant accounting policies as described in the Form 10-K.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, which requires identifiable assets acquired and liabilities assumed in the acquiree, to be measured at their fair values, as of the acquisition date. Any excess of the fair value of consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill.

The determination of fair value requires management to make significant estimates, particularly with respect to intangible assets. These estimates are inherently uncertain and subject to change as additional information is obtained during the measurement period, which lasts for up to one year from the acquisition date. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statements of operations and comprehensive income (loss). See Note 4 "Business Combinations" for details.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of those financial statements and the reported amounts of revenue and expense during the reporting period. These estimates include, but are not limited to, the standalone selling prices of performance obligations, the incremental borrowing rate associated with lease liabilities, the useful life of capitalized costs to obtain revenue contracts, income taxes including tax-related valuation allowances, the valuation and assumptions underlying stock-based compensation, the fair value of acquired assets and assumed liabilities from business combinations, contingent consideration, as well as the fair value of acquiree exchanged stock-based compensation awards, and useful lives and recoverability of intangible assets. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates and such differences could be material to the financial position and results of operations.

Segment Information

The Company is the provider of the platform and operates as one operating segment. An operating segment is defined as a component of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker ("CODM"). The CODM of the Company is the Chief Executive Officer. The CODM evaluates the Company's financial information, resources and performance on a consolidated basis. Since the Company operates as one operating segment, all required financial segment information can be found in the condensed consolidated financial statements.

Concentration of Credit Risk

Certain financial instruments that could be exposed to a concentration of credit risk include cash and cash equivalents and accounts receivable. The Company deposits its cash with financial institutions, and such deposits, at times, may exceed federally insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents to date. Collateral is not required for accounts receivable. As of April 30, 2025 and January 31, 2025, no single customer accounted for more than 10% of the Company's accounts receivable. No single customer accounted for more than 10% of the Company's total revenue for three months ended April 30, 2025 and 2024, respectively.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for the Company’s annual periods beginning in fiscal 2026, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is currently evaluating the impact of ASU 2023-09.

In November 2024, the FASB issued 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement. The updated standard is effective for the Company's annual periods beginning in fiscal 2028 and interim periods beginning in the first quarter of fiscal 2029. Early adoption is permitted. ASU 2024-03 is required to be applied prospectively, with retrospective application permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

3. Revenue

Performance Obligations

The Company has identified that it hastwo distinct performance obligations: subscription and associated support to the Company's platform and professional services. The Company's revenue is predominantly related to its subscription and associated support to the Company's platform. Professional services revenue accounted for approximately 7% of the Company's total revenue for both the three months ended April 30, 2025 and 2024.

Geographic Region

The Company disaggregates its revenue from contracts with customers by geographic region, as it believes this best depicts how the nature, amount, timing, and uncertainty of its revenues and cash flows are affected by economic factors. Revenue by geographic region is determined based on the region of the Company's contracting entity, which may be different than the region of its customers. The following table presents the Company's revenue by geographic region:

	Three months ended April 30,	
(in thousands)	**2025**	**2024**
North America	$ 88,850	$ 75,357
International	20,633	20,633
Total revenue	$ 109,483	$ 95,990

North America revenue is attributable to the United States. International revenue is predominantly attributable to European countries, but also includes Japan.

The Company's revenue attributable to the United States represented81% of total revenue, revenue attributable to the United Kingdom, which serves as the Company's main contracting entity for Europe, represented 18% of total revenue, and no other individual country represented more than 10% of total revenue for the three months ended April 30, 2025.

The Company's revenue attributable to the United States represented79% of total revenue, revenue attributable to the United Kingdom, which serves as the Company's main contracting entity for Europe, represented 20% of total revenue, and no other individual country represented more than 10% of total revenue for the three months ended April 30, 2024.

Contract Assets

The Company records a contract asset when revenue is recognized prior to being billed. Contract assets were $1.1 million as of April 30, 2025 and $1.7 million as of January 31, 2025. Contract assets are included in prepaid expenses and other current assets on the condensed consolidated balance sheet.

Contract Liabilities

A contract liability is an obligation to transfer goods or services for which consideration has been received or is due to a customer. The Company's contract liabilities consist primarily of unearned revenue and, to a lesser extent, customer deposits.

As of April 30, 2025, unearned revenue, current was $210.7 million, while unearned revenue, non-current, which is included within other long term liabilities on the Company's condensed consolidated balance sheet, was $0.4 million. Revenue recognized of $91.0 million during the three months ended April 30, 2025 was included in unearned revenue at the beginning of the period.

Customer deposits represent payments received in advance in instances where a revenue contract is cancelable in nature, and therefore the Company does not have an unconditional obligation to transfer control to a customer. As of April 30, 2025 and January 31, 2025, customer deposits of $1.4 million and $0.2 million are included in accounts payable, accrued expenses and other current liabilities on the Company's condensed consolidated balance sheet, respectively.

Remaining Performance Obligations

The transaction price allocated to remaining performance obligations represents amounts under non-cancelable contracts expected to be recognized as revenue in future periods, and may be influenced by several factors, including seasonality, the timing of renewals, and contract terms. As of April 30, 2025, the Company had $469.2 million of remaining performance obligations, of which $428.6 million is expected to be recognized as revenue over the nexttwenty-four months, with the remaining balance expected to be recognized thereafter. As of January 31, 2025, the Company had $490.1 million of remaining performance obligations.

4. Business Combinations

Hearsay Acquisition

On August 1, 2024, Yext completed its acquisition of Hearsay pursuant to an Agreement and Plan of Merger dated June 10, 2024. At the effective time of the acquisition, each outstanding share of Hearsay stock was canceled and converted to a right to receive cash consideration, and Hearsay became a wholly owned subsidiary of Yext. The acquisition is intended to produce an end-to-end digital presence platform, combining Yext’s digital presence management capabilities with Hearsay's compliant engagement solutions across social media, websites, text, and voice.

During the three months ended April 30, 2025, the Company finalized the accounting for its acquisition of Hearsay.The fair value of consideration transferred for Hearsay as of the acquisition date consisted of the following:

(in thousands)		
Cash consideration and liabilities incurred	$	132,462
Contingent consideration[(1)]		39,800
Fair value of outstanding employee awards assumed		7,825
Other transaction related payments[(2)]		640
Total consideration transferred	$	180,727

(1) Inclusive of $0.3 million measurement period adjustment recorded during the three months ended April 30, 2025.

(2) Inclusive of post-closing adjustments of less than $0.1 million.

Cash consideration and liabilities incurred of $132.5 million includes the base purchase price of $125.0 million and customary adjustments set forth in the merger agreement. The cash consideration includes $17.2 million of payments held in escrow as partial security for certain indemnification obligations of the former holders of Hearsay equity. Amounts held in escrow were reflected on the Company's condensed consolidated balance sheet at the acquisition date within restricted cash (current and non-current) as the funds are owned by the Company until settlement. In connection with the amounts held in escrow, the Company recognized a corresponding liability on its condensed consolidated balance sheet at the acquisition date at its present value of $16.6 million to reflect the amounts payable to former Hearsay equity holders following the resolution of contingencies surrounding the amounts held in escrow. The liability will be accreted to its contractual value over the estimated escrow period with changes in the liability being recorded within interest expense on the Company's condensed consolidated statements of operations and comprehensive income (loss). During the three months ended April 30, 2025, interest expense of $0.5 million was recognized. As of April 30, 2025, the remaining amounts of $15.5 million held in escrow is estimated to be released during the fiscal year ended January 31, 2026.

The purchase price also includes $39.8 million of contingent consideration related to an earnout arrangement, inclusive of a $0.3 million measurement period adjustment recorded during the three months ended April 30, 2025 based on refined estimates. Under the terms of the earnout arrangement, the Company may be required to pay up to $75.0 million to the former holders of Hearsay's outstanding equity interests, subject to the achievement of certain Annual Recurring Revenue ("ARR") milestones over a two-year period, which will end in September 2026. The portion of the earnout arrangement included within contingent consideration excludes amounts attributable to employees of Hearsay that held unvested awards as of the acquisition date, for which earnout payments are subjected to future service. Accordingly, these amounts represent compensation expense in the post-acquisition period. Payment of the earnout can be settled in cash or shares at the Company's election. The Company estimated the fair value of the contingent consideration as of the acquisition date. This estimate incorporated projected ARR values inclusive of revenue synergies and growth rates, as well as other key inputs. The key inputs as of the acquisition date are outlined below:

Volatility	15%
Revenue beta	0.35
Expected timing of payment	FY 2026 - FY 2027
Discount rate	5.90% - 6.20%

See Note 6 "Fair Value of Financial Instruments" for additional details on the fair value of contingent consideration.

The Company also issued approximately 2.1 million replacement equity awards with a fair value of $11.8 million, of which (i) $7.8 million was allocated to consideration transferred for pre-acquisition services, inclusive of employer related payroll taxes, and (ii) $4.2 million was allocated to the post-acquisition period and expensed over the remaining requisite service period associated with the awards. The value attributed to consideration transferred was based on the fair value of Hearsay options prior to the exchange. Approximately 1.5 million equity awards that were granted also vested on the acquisition date, and $0.6 million was recognized in the post-acquisition period immediately to reflect the excess of the fair value of the replacement awards over the fair value of the Hearsay options. These awards were subsequently net settled, which represents an event that is separate from the acquisition.

In addition, the Company recognized other transaction related payments of $0.6 million in the consideration which are comprised primarily of post-closing adjustments, including working capital.

The Company is also required to make additional payments related to a $20.0 million incentive pool that can be settled in cash or shares at the Company's election, shortly after the first anniversary of the acquisition date. Approximately $8.8 million of this pool is to be paid to Hearsay founders and early employees, and is not contingent on future service being provided. This amount was recognized immediately in the post-acquisition period in operating expenses, within general and administrative expenses on the Company's condensed consolidated statements of operations and comprehensive income (loss). The remaining amount of the incentive pool is allocated to employees generally subject to continued employment of one-year from the acquisition date. In addition, a transaction bonus of $1.5 million is payable to individuals determined by Hearsay and deemed to be compensation expense attributable to the post-acquisition period. Amounts attributable to the remaining incentive pool and transaction bonus will be expensed in the post-acquisition period over the requisite service period.

Acquisition-related costs related to Hearsay totaled $11.2 million. These costs were expensed as incurred and include $8.8 million related to the portion of the incentive pool attributable to Hearsay founders and early employees, as well as professional fees. Acquisition-related costs are presented within general and administrative expense in the Company's condensed consolidated statement of operations and comprehensive income (loss).

The following table summarizes the purchase price allocation of the fair values of the assets acquired and liabilities assumed at the acquisition date:

(amounts in thousands)		
Assets acquired:		
Cash and cash equivalents	$	26,362
Accounts receivable, net		5,619
Prepaid expenses and other current assets		2,454
Property and equipment, net		399
Operating lease right-of-use assets		414
Other long term assets [1]		5,942
Liabilities assumed:		
Accounts payable, accrued expenses, and other current liabilities		(5,127)
Operating lease liabilities, current		(74)
Unearned revenue, current		(37,672)
Operating lease liabilities, non-current		(340)
Other long term liabilities [1][2]		(11,340)
Identifiable intangible assets acquired [3]		101,850
Net assets acquired	$	88,487
Goodwill	$	92,240
Total consideration [4][5]	$	180,727

(1) Other long term assets includes a $5.9 million indemnification asset, with the underlying indemnified liability of $6.2 million recorded within other long term liabilities.
(2) Included within other long term liabilities is a deferred tax liability of $3.6 million.
(3) Inclusive of measurement period adjustments of $0.7 million recorded during the three months ended April 30, 2025 .
(4) Inclusive of post-closing adjustments of less than $0.1 million.
(5) Inclusive of measurement period adjustments of $0.3 million related to contingent consideration recorded during the three months ended April 30, 2025

The Company determined the fair value of assets acquired and liabilities assumed by using available market information and various valuation methods that require judgement related to estimates. During the fiscal year ended January 31, 2025, the Company refined its estimates pertaining to the valuation of intangible assets which resulted in an increase of $9.9 million in intangible assets, a $1.7 million increase in deferred tax liabilities, as well as an increase to the useful life of customer relationships from12 years to 13 years. During the three months ended April 30, 2025, the Company further refined its estimates in connection with finalizing its valuation of intangible assets. Additional measurement period adjustments were recorded resulting in an increase of $0.7 million in intangible assets and a $0.2 million increase in deferred tax liabilities. See Note 7 "Goodwill and Intangible Assets" for additional information.

Pursuant to the terms of the merger agreement, the Company was indemnified by the sellers for the pre-acquisition contingent liability assumed in the acquisition associated with the Canadian Good and Services Tax (“GST”) and Harmonized sales tax (“HST”) related to certain historical foreign sales transactions. The indemnification of the indirect tax liability is capped at $5.9 million and an escrow fund was established in the same amount. At the acquisition date, the associated indirect tax liability was recorded at the estimated fair value of $6.2 million within other long term liabilities, and the Company recorded an indemnification asset up to the amount of the escrow fund balance of $5.9 million. In October 2024, initial filings to settle this matter with the Canada Revenue Agency were initiated and to date, payments of $2.0 million have been made. During the three months ended April 30, 2025, the Company was notified by the Canada Revenue Agency that the matter was effectively settled, at which point the remaining indirect tax liability was released.

Goodwill represents the excess of the purchase consideration over the fair value of the underlying net identifiable assets and is attributable primarily to expected synergies and the assembled workforce of Hearsay. Goodwill is not deductible for income tax purposes.

Intangible Assets

The following table sets forth the amounts allocated to the intangible assets identified and their estimated useful lives as of the acquisition date:

Identifiable Intangible Assets Acquired		Fair Value (In thousands)	Estimated Useful Life (In years)	Classification of Amortization
Customer relationships	$	76,200	13	Sales and marketing
Technology		24,800	3	Cost of revenue
Trademark		850	3	Sales and marketing
Total	$	101,850		

The fair values of the identifiable intangible assets are based on management's estimates as of the acquisition date. The fair value of the intangible assets was determined using the excess earnings method and the relief from royalty method, under the income approach. The Company applied judgment in estimating the fair value of customer relationships using the excess earnings method, which involved the use of significant assumptions with respect to revenue, EBITDA, attrition rate, research and development addback, technology royalty rate, and discount rate. The fair value of the developed technology and trademark was estimated using the relief from royalty method, which incorporates assumptions including royalty rates, annual obsolescence, tax rates, and discount rates.

Pro Forma Results

The unaudited pro forma financial information presented below was derived from historical financial records of Yext and Hearsay and presents the operating results for the periods presented as if the acquisition occurred on February 1, 2023. The pro forma results include adjustments to record additional compensation expense, adjust commission expense, and adjust for the impact of purchase accounting adjustments including amortization and depreciation expense, and the related tax effects.

Accordingly, the following unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operations of the combined company would have been if the acquisition had occurred at the beginning of fiscal year 2024, nor are they indicative of future results of operations:

(in thousands)	Three months ended April 30,	
	2024	
Revenue	$	111,144
Net loss	$	(8,685)

Places Scout Acquisition

On February 7, 2025, the Company completed its acquisition of KabanaSoft, LLC, doing business as Places Scout ("Places Scout"), for a purchase price of $20.3 million in cash, subject to customary adjustments as set forth in the Unit Purchase Agreement. The acquisition strengthens the Company's ability to provide best-in-class competitive intelligence, benchmarking, and AI-powered insights.

The preliminary purchase price of $20.3 million was allocated to intangible assets including technology and customer relationships, totaling $5.6 million and $0.9 million, respectively, and the remaining $13.8 million was allocated to goodwill. The Company expects to finalize the valuation as soon as practicable, but not later than one year from the acquisition date. The goodwill recognized is deductible for income tax purposes.

In connection with the acquisition, the Company also agreed to grant approximately $10.0 million of incentive equity awards to certain key employees of Places Scout. These awards are subject to continued employment and are expensed in the post-acquisition period over the requisite service period associated with the awards of two years.

Pro forma results of operations for this acquisition were not presented as the effects were not material to the Company's financial results.

5. Investments in Marketable Securities

The following tables summarize the Company's investments in marketable securities:

	April 30, 2025			
(in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	$ 44,840	$ —	$ —	$ 44,840
Total marketable securities	$ 44,840	$ —	$ —	$ 44,840

	January 31, 2025			
(in thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	$ 36,371	$ —	$ —	$ 36,371
Total marketable securities	$ 36,371	$ —	$ —	$ 36,371

As of April 30, 2025 and January 31, 2025, the Company's marketable securities have a maturity of 90 days or less and are classified as cash and cash equivalents. During the three months ended April 30, 2025 and 2024, the Company had no material reclassification adjustments from accumulated other comprehensive loss to net income.

The Company classifies interest income on investments in marketable securities, amortization of premiums and discounts, and realized gains and losses on securities available for sale within interest income in the condensed consolidated statements of operations and comprehensive income (loss).

The Company regularly reviews its debt securities and monitors the surrounding economic conditions to assess the risk of expected credit losses. As of April 30, 2025 and January 31, 2025, the unrealized losses and the related risk of expected credit losses were not significant.

6. Fair Value of Financial Instruments

Fair value is 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. Subsequent changes in fair value of these financial assets and liabilities are recognized in earnings or other comprehensive (loss) income when they occur. When determining the fair value measurements for assets and liabilities which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurement or assumptions that market participants would use in pricing the assets or liabilities, such as inherent risk, transfer restrictions, and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 inputs are based on quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs are based on unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The Company's assets and liabilities measured at fair value on a recurring basis, by level, within the fair value hierarchy are as follows:

	April 30, 2025			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Money market funds	$ 44,840	$ —	$ —	$ 44,840
Total assets	$ 44,840	$ —	$ —	$ 44,840
Liabilities:				
Contingent consideration[(1)]	$ —	$ —	$ 47,100	$ 47,100
Total liabilities	$ —	$ —	$ 47,100	$ 47,100

	January 31, 2025			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Money market funds	$ 36,371	$ —	$ —	$ 36,371
Total assets	$ 36,371	$ —	$ —	$ 36,371
Liabilities:				
Contingent consideration	$ —	$ —	$ 45,000	$ 45,000
Total liabilities	$ —	$ —	$ 45,000	$ 45,000

(1) As of April 30, 2025, contingent consideration includes $25.3 million classified as current and $21.8 million classified as non-current.

The Company’s cash equivalents and marketable securities for the periods presented were valued using quoted market prices and were classified as Level 1.

As of April 30, 2025, the Company measured its contingent consideration associated with the Hearsay acquisition, on a recurring basis using significant unobservable inputs, classified as Level 3.

Contingent Consideration

The Company records contingent consideration resulting from a business combination at its fair value on the acquisition date. The Company generally determines the fair value of contingent consideration using the Real Options Method that employs a Monte Carlo simulation model. Each reporting period thereafter, these obligations are revalued and changes in their fair values are recorded within general and administrative expenses within the condensed consolidated statements of operations and comprehensive income (loss). Changes in the fair value of the contingent consideration can result from changes in assumed discount periods and rates, and from changes pertaining to the estimated or actual achievement of the defined milestones. Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, future business and economic conditions, as well as changes in any of the assumptions described above, can materially impact the fair value and corresponding changes in fair value of the contingent consideration the Company records in any given period.

In connection with the Hearsay acquisition, the estimated fair value of the contingent consideration incorporates projected ARR values inclusive of revenue synergies and growth rates, as well as other key inputs. The key inputs as of April 30, 2025 are outlined below:

Volatility	13.1%
Revenue beta	0.29
Expected timing of payment	FY 2026 - FY 2027
Discount rate	6.51% - 6.86%

A rollforward of the fair value of the contingent consideration liability for the three months ended April 30, 2025 is as follows:

(in thousands)	
Balance as of January 31, 2025	$ 45,000
Measurement period adjustment	300
Change in fair value	1,800
Balance as of April 30, 2025	$ 47,100

7. Goodwill and Intangible Assets

Goodwill

Goodwill is not amortized but is subject to periodic testing for impairment at the reporting unit level, which is at or one level below the operating segment level. The Company operates as one operating segment, which represents its one reporting unit. The test for impairment is conducted annually each November 1st, or more frequently if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

During the three months ended April 30, 2025, the Company completed its acquisition of Places Scout and recorded additional measurement period adjustments related to the Hearsay acquisition, resulting in the following changes in the carrying amount of goodwill. See Note 4 "Business Combinations" for additional information.

The following table presents a reconciliation of the beginning and ending balances of goodwill:

(in thousands)		
Balance as of January 31, 2025	$	96,782
Goodwill acquired - Places Scout		13,801
Measurement period adjustments related to Hearsay acquisition		(189)
Effect of foreign currency translation on Goodwill acquired		273
Balance as of April 30, 2025	$	110,667

The Company determined that no events occurred or circumstances changed that would more likely than not reduce the fair value of the Company's reporting unit below its carrying amount during the reporting periods ended April 30, 2025 and January 31, 2025. However, if certain events occur or circumstances change, it may be necessary to record impairment charges in the future.

Intangible Assets

The Company's intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives, which range from approximately 2 to 15 years. Intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company has no indefinite-lived intangible assets.

The Company determined that no events occurred or circumstances changed during the reporting periods ended April 30, 2025 and 2024 that would indicate that its intangible assets with finite lives may not be recoverable. However, if certain events occur or circumstances change, it may be necessary to record impairment charges in the future.

Amortization expense was $4.1 million and less than $0.1 million for the three months ended April 30, 2025 and 2024, respectively.

The gross carrying amount and accumulated amortization of intangible assets other than goodwill are as follows:

	As of April 30, 2025			
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
Domains	$ 365	$ (226)	$ 139	5.8
Customer relationships [1]	77,100	(4,546)	72,554	12.1
Technology [2]	30,400	(6,480)	23,920	2.8
Trademarks [3]	850	(213)	637	2.3
Total as of April 30, 2025	$ 108,715	$ (11,465)	$ 97,250	9.8

	As of January 31, 2025			
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
Domains	$ 365	$ (221)	$ 144	6.0
Customer relationships	76,200	(2,931)	73,269	12.5
Technology	24,200	(4,033)	20,167	2.5
Trademarks	800	(133)	667	2.5
Total as of January 31, 2025	$ 101,565	$ (7,318)	$ 94,247	10.1

(1) Includes amounts recognized in connection with the acquisitions of Hearsay and Places Scout of $76.2 million and $0.9 million, respectively.
(2) Includes amounts recognized in connection with the acquisitions of Hearsay and Places Scout of $24.8 million and $5.6 million, respectively.
(3) Includes amounts recognized in connection with the acquisition of Hearsay of $0.9 million.

8. Property and Equipment, Net

Property and equipment are recorded at cost and depreciated or amortized on a straight-line basis over their estimated useful lives.Property and equipment, net consisted of the following:

(in thousands)	April 30, 2025	January 31, 2025
Computer software	$ 24,296	$ 24,086
Office equipment	23,562	23,529
Furniture and fixtures	7,850	7,894
Leasehold improvements	60,296	59,944
Construction in progress	39	27
Software in progress	996	548
Total property and equipment, gross	117,039	116,028
Less: accumulated depreciation	(79,168)	(76,339)
Total property and equipment, net	$ 37,871	$ 39,689

As of April 30, 2025 and January 31, 2025, the Company's property and equipment, net attributable to the United States was91% in both periods. No other individual country represented more than 10% of the total property and equipment, net as of those periods. Depreciation expense was $2.7 million and $3.0 million for the three months ended April 30, 2025 and 2024, respectively.

9. Accounts Payable, Accrued Expenses and Other Current Liabilities

Accounts payable, accrued expenses and other current liabilities consisted of the following:

(in thousands)	April 30, 2025	January 31, 2025
Accounts payable	$ 6,887	$ 4,771
Accrued employee compensation [1]	24,827	29,153
Accrued Publisher Network fees	2,762	4,051
Accrued professional services and associated costs	2,724	3,131
Accrued employee stock purchase plan withholdings liability	391	1,565
Other current liabilities [2][3]	34,773	27,351
Total accounts payable, accrued expenses and other current liabilities	$ 72,364	$ 70,022

(1) As of April 30, 2025, accrued employee compensation included $8.9 million related to the portion of the incentive pool and other retention arrangements where continuing service is required arising from the Hearsay acquisition.

(2) As of April 30, 2025, other current liabilities included $15.5 million payable to Hearsay owners in connection with escrow funds held by Yext related to indemnity claims in connection with the Hearsay acquisition.

(3) As of April 30, 2025, other current liabilities included $8.8 million related to the incentive pool allocated to founders and early employees in connection with the Hearsay acquisition.

10. Stock-Based Compensation

Stock-Based Compensation Expense

Stock-based compensation represents the cost related to stock-based awards granted in lieu of monetary payment. The Company measures stock-based compensation associated with stock-based awards issued to employees at the grant date, based on the estimated fair value of the award, and recognizes expense, net of estimated forfeitures, over the requisite service period of the applicable award generally using the straight-line method or accelerated attribution method.

The following table summarizes the Company's stock-based compensation expense for equity classified awards for the periods presented:

	Three months ended April 30,	
(in thousands)	2025	2024
Equity classified awards:		
Cost of revenue	$ 671	$ 688
Sales and marketing	2,411	2,751
Research and development	3,134	2,783
General and administrative	6,443	5,843
Total stock-based compensation expense	$ 12,659	$ 12,065

In addition, certain liability classified awards were granted in connection with the Hearsay acquisition and relate to portions of the incentive pool and earnout that generally vest over one year from the Hearsay acquisition date. These awards may be settled in cash or shares at the Company's election, and are measured at fair value at each reporting date based on their expected value, with compensation cost being recognized over the related service period. The corresponding liabilities associated with these awards are included within accounts payable, accrued expenses and other current liabilities, and other long term liabilities on the Company's condensed consolidated balance sheet depending on the estimated settlement date of the award. The following table summarizes the Company's compensation expense for liability classified awards for the periods presented:

	Three months ended April 30,	
(in thousands)	2025	2024
Liability classified awards:		
Cost of revenue	$ 491	$ —
Sales and marketing	473	—
Research and development	687	—
General and administrative	181	—
Total compensation expense	$ 1,832	$ —

Stock Options

The following table summarizes the activity related to the Company's stock options:

	Options Outstanding						
	Outstanding Stock Options	Weighted-Average Exercise Price		Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)	
Balance, January 31, 2025	1,566,134	$	6.78	1.48	$	450
Granted	—	$	—			
Exercised	(32,325)	$	3.64			
Forfeited or canceled	(17,000)	$	8.34			
Balance, April 30, 2025	1,516,809	$	6.82	1.23	$	570
Vested and expected to vest	1,516,809	$	6.82	1.23	$	570
Exercisable, April 30, 2025	1,516,809	$	6.82	1.23	$	570

Restricted Stock and Restricted Stock Units

The following table summarizes the activity related to the Company's restricted stock and restricted stock units ("RSUs"):

	Outstanding	Weighted-Average Grant Date Fair Value	
Balance, January 31, 2025	10,315,199	$	6.37
Granted	2,731,998	$	6.43
Vested and converted to shares	(887,298)	$	6.95
Forfeited or canceled	(232,559)	$	6.04
Balance, April 30, 2025	11,927,340	$	6.35

Performance-Based Restricted Stock Units ("PSUs")

During the three months ended April 30, 2025, the Company granted625,000 PSUs to an executive which vest over approximately atwo-year period based upon continued service and the achievement of pre-determined ARR and Adjusted EBITDA margin growth metrics. The total number of shares that are eligible to vest ranges from 0% to 250% of the target PSUs.

The Company measures the fair value of PSUs on the grant date of the award, and stock-based compensation expense is recognized using the accelerated attribution method over the requisite service period. For PSUs with performance conditions, stock-based compensation is recognized when it becomes probable that the underlying performance targets will be achieved.

The following table summarizes the activity related to the Company's PSUs:

	Number of PSUs	Weighted-Average Grant Date Fair Value	
Balance, January 31, 2025	3,495,000	$	5.97
Granted	625,000	$	6.14
Vested	—	$	—
Forfeited or canceled	—	$	—
Balance, April 30, 2025	4,120,000	$	5.99

11. Debt

On March 11, 2020, the Company entered into a credit agreement (the "Credit Agreement") with Silicon Valley Bank ("SVB"). In January 2021, the Company amended the Credit Agreement which modified the conditions pursuant to which subsidiaries are required to become guarantors. On December 22, 2022, the Company entered into a second amendment ("Amendment No. 2") to the Credit Agreement, dated March 11, 2020, and on July 26, 2024, the Company entered into a third amendment ("Amendment No. 3") to the Credit Agreement, collectively referred to as the Credit Facility. No significant debt issuance costs were incurred in association with Amendment No.2 and Amendment No.3.

Amendment No. 2 amended the Credit Facility to, among other things (i) extend the maturity date of the Credit Facility to December 22, 2025, (ii) amend the interest rate provisions to replace LIBOR with SOFR as the interest rate benchmark, and (iii) amend the recurring revenue growth rate financial covenant.

Amendment No. 3 amended the Credit Facility to, among other things (i) amend the interest rate applicable to loans under the Credit Facility, and (ii) replace the consolidated quick ratio and recurring revenue growth rate financial covenants with consolidated total leverage ratio and minimum liquidity financial covenants.

The Credit Facility provides for a senior secured revolving loan facility of up to $50.0 million that matures on December 22, 2025, with the right subject to certain conditions to add an incremental revolving loan facility of up to $50.0 million in the aggregate. The revolving loan facility provides for borrowings up to the amount of the facility with sub-limits of up to (i) $30.0 million to be available for the issuance of letters of credit and (ii) $10.0 million to be available for swingline loans.

As amended, the revolving loans bear interest, at the Company’s election, at an annual rate based on SOFR or a base rate. Loans based on SOFR shall bear interest at a rate between SOFR plus 1.75% and SOFR plus 2.25%, depending on the Company’s consolidated total leverage ratio and subject to a SOFR floor of 1.00%. Loans based on the base rate shall bear interest at a rate between the base rate minus 1.25% and the base rate minus 0.75%, depending on the Company’s consolidated total leverage ratio. The Company is also obligated to pay a commitment fee on the unused portion of the facility at a rate of 0.25% per annum.

The obligations under the Credit Facility are secured by a lien on substantially all of the Company's tangible and intangible property and by a pledge of all of the Company's equity interests of material direct and indirect domestic subsidiaries and 66% of each class of capital stock of any material first-tier foreign subsidiaries, subject to limited exceptions.

The Credit Facility contains customary affirmative and negative covenants and restrictions, as well as financial covenants that require us to maintain minimum liquidity of $35.0 million at all times and a consolidated total leverage ratio of no greater than 3.00 to 1.00, tested on a quarterly basis.

As of April 30, 2025, the Company was in compliance with all debt covenants. As of such date, the $50.0 million revolving loan facility had $36.8 million available and $13.2 million in letters of credit allocated as security in connection with office space.

On May 15, 2025, the Company entered into a credit agreement with funds and accounts managed by BlackRock as lenders, and Acquiom Agency Services LLC, as Administrative Agent (the “May 2025 Credit Agreement”), which provides for term loan facilities in aggregate principal amounts of up to $200.0 million with a maturity date of May 15, 2030. In connection with entry into the May 2025 Credit Agreement, the Company used a portion of the proceeds under the May 2025 Credit Agreement to pay all outstanding principal, interest and other amounts owing under its existing Credit Facility with SVB, which was then terminated. See Note 16 "Subsequent Events" for additional information.

12. Income Taxes

The Company calculates its year-to-date benefit from (provision for) income taxes by applying the estimated annual effective tax rate ("AETR") to year-to-date income or loss from operations before income taxes and adjusts for discrete tax items recorded in the period. During the three months ended April 30, 2025, the Company recorded a benefit from income taxes of less than $0.1 million, compared to an income tax provision of $0.2 million recorded for the three months ended April 30, 2024.

The Company's effective tax rate generally differs from the U.S. federal statutory tax rate primarily due to full valuation allowances related to the Company's net deferred tax assets in the U.S. and certain foreign jurisdictions, U.S. state income taxes, and foreign rate differential on profitable jurisdictions. The Company regularly evaluates the realizability of its deferred tax assets and establishes a valuation allowance on a jurisdictional basis if it is more likely than not that some or all the deferred tax assets will not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, loss carryback, and tax-planning strategies. Generally, more weight is given to objectively verifiable evidence, such as the cumulative loss in recent years, as a significant piece of negative evidence to overcome. To the extent sufficient positive evidence becomes available, a portion of the valuation allowance against certain net deferred tax assets could be released in the future and would result in a non-cash income tax benefit in the period of release.

13. Commitments and Contingencies

Contractual Obligations

The Company is obligated to make payments under certain non-cancelable contractual obligations in the normal course of business. The Company's contractual obligations primarily relate to its operating lease arrangements for office space. Its other contractual obligations include contracts with its Publisher Network application providers, which generally have a term of one year, although some have a term of several years, and its software vendors, among others. These obligations represent minimum contractual payments, or the Company's best estimate for variable elements based on historical payments. The Company's contractual obligations have various expiry dates between fiscal years 2026 and 2035.

As of April 30, 2025, the Company's contractual obligations are as follows (in thousands):

Fiscal year ending January 31:	**Leases**	**Other**
2026 (remainder of fiscal year)	$ 14,619	$ 34,150
2027	19,547	22,404
2028	19,639	13,225
2029	19,479	24
2030	17,357	17
2031 and thereafter	19,209	98
Total	$ 109,850	$ 69,918

In connection with the acquisition of Hearsay, the Company may also be required to pay up to $75.0 million to the former holders of Hearsay's outstanding equity interests, subject to the achievement of certain ARR milestones over a two-year period, as well as make payments up to $20.0 million related to an incentive pool. Payments can be settled in cash or shares at the Company's election and are estimated to occur in fiscal years 2026 and 2027. See Note 4 "Business Combinations" for additional information.

Additionally, as of April 30, 2025, escrow balances pertaining to the Hearsay acquisition of $15.5 million and Places Scout acquisition of $1.5 million, are expected to be released during fiscal year 2026 and 2027, respectively. These amounts are held as partial security for certain indemnification obligations, and will be released following the resolution of the related contingencies.

Legal Proceedings

The Company is and may be involved in various legal proceedings arising in the normal course of business. Although the results of litigation and claims cannot be predicted with certainty, currently, in the opinion of the Company, the likelihood of any material adverse impact on the Company's results of operations, cash flows or the Company's financial position for any such litigation or claims is deemed to be remote. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense costs, diversion of management resources and other factors.

Warranties and Indemnifications

The Company's platform is in some cases warranted to perform in a manner consistent with general industry standards that are reasonably applicable and materially in accordance with the Company's product specifications.

The Company's arrangements generally include certain provisions for indemnifying customers against liabilities if its products or services infringe a third-party's intellectual property rights and/or if the Company breaches its contractual agreements with a customer or in instances of negligence, fraud or willful misconduct by the Company. To date, the Company has not incurred any material costs as a result of such obligations and has not accrued any significant liabilities related to such obligations in the accompanying condensed consolidated financial statements.

The Company has also agreed to indemnify certain of its directors and executive officers for costs associated with any fees, expenses, judgments, fines and settlement amounts incurred by any of these persons in any action or proceeding to which any of those persons is, or is threatened to be, made a party by reason of the person's service as a director or officer, including any action by the Company, arising out of that person's services as the Company's director or officer or that person's services provided to any other company or enterprise at the Company's request. The Company maintains director and officer insurance coverage that would generally enable the Company to recover a portion of future amounts paid. The Company may also be subject to indemnification obligations by law with respect to the actions of its employees under certain circumstances and in certain jurisdictions.

14. Net Income (Loss) Per Share Attributable to Common Stockholders

The Company computes basic net income (loss) per share using the weighted average number of common shares outstanding. The Company computes diluted net income (loss) per share using the weighted average number of common shares outstanding plus the effect of potentially dilutive shares using the treasury stock method or the if-converted method depending on the arrangement.

The following table sets forth the computation of the basic and diluted net income (loss) per share attributable to common stockholders:

(in thousands, except share and per share data)	Three months ended April 30, 2025	Three months ended April 30, 2024
Numerator:		
Net income (loss) attributable to common stockholders	$ 770	$ (3,817)
Denominator:		
Weighted-average common shares outstanding, basic	125,651,595	125,387,162
Dilutive effect of employee share-based awards	4,239,967	—
Dilutive effect of incentive pool	1,380,555	—
Weighted-average common shares outstanding, diluted	131,272,117	125,387,162
Net income (loss) Per Share:		
Net income (loss) per share attributable to common stockholders, basic	$ 0.01	$ (0.03)
Net income (loss) per share attributable to common stockholders, diluted	$ 0.01	$ (0.03)

Since the Company was in a net loss position for the three months ended April 30, 2024, net loss per share attributable to common stockholders was the same on a basic and diluted basis, as the inclusion of all potential common equivalent shares outstanding would have been anti-dilutive. Anti-dilutive common equivalent shares were as follows:

	As of April 30, 2025	As of April 30, 2024
Options to purchase common stock	682,667	1,925,888
Restricted stock and restricted stock units	9,690,900	10,981,032
Shares estimated to be purchased under ESPP	—	428,757
Performance-based restricted stock units	1,390,000	3,555,000
Total anti-dilutive common equivalent shares	11,763,567	16,890,677

The Company uses the if-then converted method for calculating the potentially dilutive effects of the earnout arrangement and incentive pool entered into in connection with the acquisition of Hearsay. For the three months ended April 30, 2025 diluted net income per share excluded the effect of the earnout arrangement as it was anti-dilutive. See Note 4 "Business Combinations" for additional information related to the earnout and incentive pool.

15. Segment Information

The Company operates as one operating segment for which the CODM uses consolidated net income (loss) to measure segment profit or loss. This measure of segment profit or loss is used by the CODM to allocate resources and assess performance. See Note 2 "Summary of Significant Accounting Policies" for more information about the Company's segment policy.

The following table is a summary of the significant expenses and consolidated net income (loss) provided to the CODM:

	Three months ended April 30,	
(in thousands)	**2025**	**2024**
Revenue	$ 109,483	$ 95,990
Less:		
Cost of revenue [(1)]	23,460	20,858
Sales and marketing [(1)]	31,607	40,503
Research and development [(1)]	18,074	14,276
General and administrative [(1)]	14,376	13,714
Other segment expenses [(2)]	21,196	10,456
Consolidated net income (loss)	$ 770	$ (3,817)

(1) Excludes stock-based compensation expense, amortization of acquired intangibles and acquisition-related costs inclusive of transaction and related costs, subsequent fair value movements in contingent consideration, and compensation arrangements. The significant expense categories align with the information that is regularly provided to the CODM.

(2) Other segment expenses include stock-based compensation expense, amortization of acquired intangibles and acquisition-related costs inclusive of transaction and related costs, subsequent fair value movements in contingent consideration, and compensation arrangements. Other segment expenses also include interest (income) expense, net, benefit from (provision for) income taxes and other expense (income), net.

16. Subsequent Events

BlackRock Credit Agreement

On May 15, 2025 (the “Closing Date”), the Company entered into the May 2025 Credit Agreement which provides for (i) a senior secured initial term loan facility (the “Initial Term Loan Facility”) in an aggregate principal amount of up to $100,000,000, (ii) a secured delayed draw term loan facility in an aggregate principal amount of up to $50,000,000 (the “Delayed Draw Term Loan Facility”), and (iii) an uncommitted secured discretionary delayed draw term loan facility in an aggregate principal amount of up to $50,000,000 (the “Discretionary Delayed Draw Term Loan Facility”, and together with the Initial Term Loan Facility and the Delayed Draw Term Loan Facility, the “Term Loan Facilities”). The Term Loan Facilities mature on May 15, 2030. The Company will use the proceeds of the term loans made under the Initial Term Loan Facility (the “Initial Term Loans”) to repay existing debt and related fees and expenses associated with Term Loan Facilities, with the remainder available for general corporate purposes. The proceeds of the term loans made under the Delayed Draw Term Loan Facility (the “Delayed Draw Term Loans”) may be used for general corporate purposes. The Company borrowed $100,000,000 of Initial Term Loans on the Closing Date. The Delayed Draw Term Loans may be borrowed by the Company, subject to the satisfaction of certain conditions, during the period from the Closing Date through November 15, 2026.

Under the May 2025 Credit Agreement, the Term Loan Facilities bear interest, at the Company's option, at an annual rate based on an adjusted term SOFR rate or a base rate. Term Loans based on the adjusted term SOFR rate shall bear interest at a per annum rate equal to term SOFR plus 5.25% (subject to a 1.00% floor). Term Loans based on the base rate shall bear interest at a per annum rate equal to the greatest of (i) the prime rate then in effect, (ii) the greater of the federal funds effective rate then in effect, plus 0.50% per annum, (iii) an adjusted term SOFR rate determined on the basis of a one-month interest period, plus 1.00% per annum, and (iv) 2.00%, in each case, plus a margin of 4.25%. Interest is due and payable in arrears quarterly for Term Loans bearing interest at the base rate and at the end of an interest period (or quarterly, in the case of any interest period longer than 3 months) in the case of Term Loans bearing interest at the adjusted term SOFR rate.

The obligations under the May 2025 Credit Agreement are guaranteed by certain subsidiaries of the Company and secured by a lien on substantially all of the property of the Company and certain subsidiary guarantors.

The May 2025 Credit Agreement contains customary affirmative and negative covenants and restrictions typical for a financing of this type that, among other things, restricts the Company and its subsidiaries’ ability to incur additional debt, pay dividends and make distributions, make certain investments and acquisitions, repurchase its stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of its business, enter into sale-leaseback transactions, transfer and sell material assets and merge or consolidate. The May 2025 Credit Agreement also contains financial covenants that require the Company to maintain minimum qualified cash of at least $35,000,000 at all times and minimum consolidated EBITDA for relevant test periods, tested on a quarterly basis. The May 2025 Credit Agreement contains customary events of default relating to, among other things, payment defaults, breach of covenants, cross acceleration to material indebtedness, bankruptcy-related defaults, judgment defaults, and the occurrence of certain change of control events. Non-compliance with one or more of the covenants and restrictions or the occurrence of an event of default could result in the full or partial principal balance of the May 2025 Credit Agreement becoming immediately due and payable and termination of the commitments.

In addition, the Term Loans are subject to certain mandatory prepayment events, including an excess cash flow sweep of up to 30% for excess cash flow periods in which the Company's annualized recurring revenue is less than $350,000,000.

Termination of existing Credit Facility

On May 15, 2025, in connection with entry into the May 2025 Credit Agreement, the Company used a portion of the proceeds of the Initial Term Loans under the May 2025 Credit Agreement to pay all outstanding principal, interest and other amounts owing under its existing Credit Facility, which was then terminated.

Item 2. 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 our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, filed with the Securities and Exchange Commission ("SEC") on March 13, 2025. As discussed in the section titled "Special Note Regarding Forward Looking Statements," the following discussion and analysis contains forward looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed in the section titled "Risk Factors" under Part II, Item 1A in this Quarterly Report on Form 10-Q.

Overview

Yext empowers businesses to manage their knowledge so they can deliver relevant, actionable answers to consumer questions as well as consistent, accurate and engaging experiences to customers throughout the digital ecosystem. Our digital presence platform (also known as the Answers Platform) lets businesses structure and organize information about their brands in our knowledge graph, Yext Content (also known as the Knowledge Graph), which is then delivered across first-and third-party websites and applications through our network of over 200 service and application providers, which we refer to as our Publisher Network. These publishers include, among others, Amazon Alexa, Apple, Bing, Facebook, Google, and Yelp. Our platform powers all of our key products, including Listings, Reviews, Pages and Search, each with robust analytics capabilities for businesses to easily track performance across customer experiences. It is our mission to empower businesses to easily manage every aspect of their digital presence to make meaningful connections with their customers across every digital touchpoint.

We sell our platform throughout the world to customers of all sizes, including our enterprise, mid-size, and third-party reseller customers. In transactions with resellers, we are only party to the transaction with the reseller and are not a party to the reseller's transaction with its customer.

Revenue is a function of the number of customers, the number of licenses or capacity purchased by each customer, the package to which each customer subscribes, the price of the package and renewal rates. We offer subscriptions in a discrete range of packages, with pricing based on specified feature sets and the number of licenses managed by the customer as well as on a capacity-basis.

In August 2024, we acquired Hearsay Social, Inc., a digital client engagement platform for financial services ("Hearsay"). See Note4 "Business Combinations" to our condensed consolidated financial statements for additional information.

Fiscal Year

Our fiscal year ends on January 31st. References to fiscal 2026, for example, are to the fiscal year ending January 31, 2026.

Macroeconomic Conditions

Our results of operations have been and may continue to be influenced by general macroeconomic conditions, including, but not limited to, the impact of foreign currency fluctuations, interest rates, inflation, recession risks, tariffs and other trade restrictions, geopolitical events and shifts, and changes in government administration policy positions. Fluctuations in foreign exchange rates and rising inflation have had, and may continue to have an adverse impact on our financial condition and operating results in future periods. The extent to which such disruptions will continue in future periods remains uncertain, which has had and may continue to have an adverse impact on our financial condition and operating results in future periods. We continue to be committed to our business, the strength of our platform, our ability to continue to execute on our strategy, and our efforts to support our customers.

Near-term revenues are relatively predictable as a result of our subscription-based business model. However, if the macroeconomic uncertainty continues or further increases, we may continue to experience a negative impact on existing and potential customers, that may reduce, suspend or delay technology spending, request to renegotiate contracts to obtain concessions such as, extended billing and payment terms; shorten the duration of contracts; or elect not to renew their subscriptions which could materially adversely impact our business, financial condition and results of operations in future periods. Therefore, changes in our contracting activity in the near term may not be fully reflected in our results of operations and overall financial performance until future periods.

Recent Developments

On February 7, 2025, we completed an acquisition of KabanaSoft, LLC, doing business as Places Scout (“Places Scout”), for a purchase price of $20.3 million in cash, subject to customary adjustments as set forth in the Unit Purchase Agreement. The acquisition strengthens Yext’s ability to provide best-in-class competitive intelligence, benchmarking, and AI-powered insights. In addition, subject to the terms of the Unit Purchase Agreement, we agreed to grant approximately $10.0 million of incentive equity, based on current trading prices of Yext’s common stock, to certain key employees of Places Scout.

On May 15, 2025, we entered into a credit agreement with funds and accounts managed by BlackRock as lenders, and Acquiom Agency Services LLC, as Administrative Agent (the “May 2025 Credit Agreement”), which provides for term loan facilities in aggregate principal amounts of up to $200.0 million. In connection with entry into the May 2025 Credit Agreement, we used a portion of the proceeds under the May 2025 Credit Agreement to pay all outstanding principal, interest and other amounts owing under our existing credit facility with Silicon Valley Bank, which was then terminated. See Note 16 "Subsequent Events" to our condensed consolidated financial statements for additional information.

See Part II Item 1A “Risk Factors” for further discussion of the possible impact of the current macroeconomic conditions and recent developments on our business.

Key Metrics

We monitor the following key operational and financial metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions.

Annual Recurring Revenue ("ARR")

Annual recurring revenue, or ARR, for Direct customers is defined as the annualized recurring amount of all contracts in our enterprise, mid-size and small business customer base as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription. Contracts include portions of professional services contracts that are recurring in nature.

ARR for Third-party Reseller customers is defined as the annualized recurring amount of all contracts with Third-party Reseller customers as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription. The calculation includes the annualized contractual minimum commitment and amounts related to usage above the contractual minimum commitment. Contracts include portions of professional services contracts that are recurring in nature. See Part II Item 1A “Risk Factors" for further discussion of Third-party reseller customers.

Total ARR is defined as the annualized recurring amount of all contracts executed as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription, and where relevant, includes the annualized contractual minimum commitment and amounts related to usage above the contractual minimum commitment. Contracts include portions of professional services contracts that are recurring in nature.

We calculate usage by annualizing monthly amounts in excess of contractual minimum commitments in the current month.

ARR is independent of historical revenue, unearned revenue, remaining performance obligations or any other accounting principles generally accepted in the United States of America, ("GAAP"), financial measure over any period. It should be considered in addition to, not as a substitute for, nor superior to or in isolation from, these measures and other measures prepared in accordance with GAAP. We believe ARR-based metrics provides insight into the performance of our recurring revenue business model while mitigating fluctuations in billing and contract terms.

The following table provides our ARR for the periods presented:

	April 30,		Variance	
	2025	2024	Dollars	Percent
(in thousands)				
Direct Customers[1]	$ 371,851	$ 312,060	$ 59,791	19 %
Third-Party Reseller Customers	74,618	75,218	(600)	(1) %
Total Annual Recurring Revenue	$ 446,469	$ 387,278	$ 59,191	15 %

(1) ARR as of April 30, 2025, is inclusive of Hearsay's results.

Dollar-Based Net Retention Rate

We believe that our ability to retain our customers and expand the ARR they generate for us over time is an important component of our growth strategy and reflects the long term value of our customer relationships. We assess our performance in this area using a metric we refer to as our dollar-based net retention rate, which compares the ARR from a set of subscription customers across comparable periods.

This metric is calculated first by determining the ARR generated 12 months prior to the end of the current period for a cohort of customers who had active contracts at that time. We then calculate ARR from the same cohort of customers at the end of the current period, which includes customer expansion, contraction and churn. The current period ARR is then divided by the prior period ARR to arrive at our dollar-based net retention rate. Any ARR obtained through merger and acquisition transactions does not affect the dollar-based net retention rate until one year from the date on which the transaction closed. The cohorts of customers that we present dollar-based net retention rate for include direct, third-party reseller, and total customers. Direct customers include enterprise, mid-size and small business customers.

The following table provides our dollar-based net retention rate for the periods presented:

	April 30,	
	2025	2024
Direct Customers	95%	91%
Third-Party Reseller Customers	96%	92%
Total Customers	95%	91%

Dollar-Based Gross Retention Rate

We also evaluate our ability to retain customers and the ARR they generate for us over time, excluding the impact of expansion. We assess our performance in this area using a metric we refer to as dollar-based gross retention rate. We believe this metric provides insight into the stability of our customer base and our ability to deliver sustained value to customers independent of growth through expansion.

This metric is calculated by first determining the ARR generated 12 months prior to the end of the current period for a cohort of customers who had active contracts at that time. We then calculate ARR from the same cohort of customers at the end of the current period, which includes customer contraction and churn, and excludes customer expansion. The current period ARR is then divided by the prior period ARR to arrive at our dollar-based gross retention rate.

The following table provides our dollar-based gross retention rate for the periods presented:

	April 30,	
	2025	2024
Direct Customers	87%	83%
Third-Party Reseller Customers	88%	86%
Total Customers	87%	83%

Components of Results of Operations

Revenue

We derive our revenue primarily from subscription and associated support to our platform. Our contracts are typically one year in length, but may be up to three years or longer in length. Revenue is a function of the number of customers, the number of licenses or capacity purchased by each customer, the package to which each customer subscribes, the price of the package and renewal rates. Revenue is generally recognized ratably over the contract term beginning on the commencement date of each contract, which is the date our platform is made available to customers. At the beginning of each subscription term we invoice our customers, typically in annual installments, but also monthly, quarterly, and semi-annually. Amounts that have been invoiced for non-cancelable contracts are recorded in accounts receivable and unearned revenue. Unearned revenue is subsequently recognized as revenue when transfer of control to a customer has occurred.

Cost of Revenue

Cost of revenue consists primarily of employee-related costs, including personnel-related costs, which mainly consist of salaries and wages, and stock-based compensation expense. Cost of revenue also includes fees associated with our Publisher Network application provider arrangements, the nature of which may be unpaid, fixed, or variable, and are unpaid with many of our larger providers, as well as the costs associated with our data centers. In addition, cost of revenue includes depreciation expense, which includes amounts allocated based on employee headcount, as well as amounts related to certain capitalized software development costs incurred in connection with additional functionality to our platform. Cost of revenue also includes amortization expense, which includes amounts related to intangible assets arising from acquisitions and lease expenses associated with our office spaces, which are allocated based on employee headcount. In addition, cost of revenue includes professional related costs and software expense, which relates to licenses, professional services, and other costs associated with software for use in the operations of our business, which is also allocated based on employee headcount.

Operating Expenses

Sales and marketing expenses. Sales and marketing expenses consist primarily of employee-related costs which are comprised of personnel-related costs and stock-based compensation expense. Personnel-related costs mainly consist of salaries and wages and costs of obtaining revenue contracts. Sales and marketing expenses also include lease expenses associated with our office spaces, as well as software expense, each of which are allocated based on employee headcount. In addition, sales and marketing expenses include amortization expense, which includes amounts related to intangible assets arising from acquisitions, as well as costs related to advertising and conferences and brand awareness events.

Research and development expenses. Research and development expenses consist primarily of employee-related costs which are comprised of personnel-related costs and stock-based compensation expense. Personnel-related costs mainly consist of salaries and wages. Capitalized software development costs related to additional functionality to our platform are excluded from research and development expenses as they are capitalized as a component of property and equipment, net and depreciated to cost of revenue over the term of their useful life. Research and development expenses also include data centers costs associated with pre-production costs for testing and quality assurance, as well as lease expenses associated with our office spaces, and software expense, each of which are allocated based on employee headcount.

General and administrative expenses. General and administrative expenses consist primarily of employee-related costs which are comprised of personnel-related costs and stock-based compensation expense for our finance and accounting, human resources, information technology and legal support departments. Personnel-related costs mainly consist of salaries and wages. General and administrative expenses also include lease expenses associated with our office spaces, as well as software expense, each of which are allocated based on employee headcount. In addition, general and administrative expenses include other professional related costs which include acquisition-related costs, as well as fair value adjustments related to contingent consideration.

Results of Operations

The following table sets forth selected condensed consolidated statement of operations data for each of the periods indicated:

(in thousands)	Three months ended April 30, 2025	Three months ended April 30, 2024
Revenue	$ 109,483	$ 95,990
Cost of revenue[1]	27,105	21,546
Gross profit	82,378	74,444
Operating expenses:		
Sales and marketing[1]	36,209	43,254
Research and development[1]	21,896	17,059
General and administrative[1]	23,155	19,557
Total operating expenses	81,260	79,870
Income (loss) from operations	1,118	(5,426)
Interest income	632	2,360
Interest expense	(642)	(392)
Other expense, net	(355)	(138)
Income (loss) from operations before income taxes	753	(3,596)
Benefit from (provision for) income taxes	17	(221)
Net income (loss)	$ 770	$ (3,817)

[1] See Note 10 "Stock-Based Compensation", to the condensed consolidated financial statements for amounts included.

The following table sets forth selected condensed consolidated statements of operations data for each of the periods indicated as a percentage of total revenue:

	Three months ended April 30, 2025	Three months ended April 30, 2024
Revenue	100 %	100 %
Cost of revenue	25	22
Gross profit	75.2	77.6
Operating expenses:		
Sales and marketing	33	45
Research and development	20	18
General and administrative	21	20
Total operating expenses	74	83
Income (loss) from operations	1	(6)
Interest income	1	2
Interest expense	(1)	—
Other expense, net	—	—
Income (loss) from operations before income taxes	1	(4)
Benefit from (provision for) income taxes	—	—
Net income (loss)	1 %	(4)%

Note: Numbers rounded for presentation purposes and may not sum.

Three Months Ended April 30, 2025 Compared to Three Months Ended April 30, 2024

Revenue

	Three months ended April 30,		Variance	
(in thousands)	**2025**	**2024**	**Dollars**	**Percent**
Revenue	$ 109,483	$ 95,990	$ 13,493	14 %
Cost of revenue	27,105	21,546	5,559	26 %
Gross profit	$ 82,378	$ 74,444	$ 7,934	11 %
Gross margin	75.2 %	77.6 %		

Total revenue was $109.5 million for the three months ended April 30, 2025, compared to $96.0 million for the three months ended April 30, 2024, an increase of $13.5 million or 14%. The increase was entirely driven by the inclusion of Hearsay's revenue as a result of the acquisition which was completed on August 1, 2024. For both the three months ended April 30, 2025 and 2024, revenue recognized from subscription and associated support to our platform was 93%, while revenue recognized from professional services was 7%.

Revenue for the three months ended April 30, 2025, included a positive impact from foreign currency exchange rates of approximately $0.5 million, using a constant currency basis. We calculate constant currency by translating our current period results for entities reporting in currencies other than U.S. Dollars ("USD") into USD at the average monthly exchange rates in effect during the comparative period, as opposed to the average monthly exchange rates in effect during the current period.

The following table summarizes our revenue by sales channel for the periods presented:

	Three months ended April 30,		Variance	
	2025	**2024**	**Dollars**	**Percent**
(in thousands)				
Direct Customers	$ 91,433	$ 77,435	$ 13,998	18 %
Third-Party Reseller Customers	18,050	18,555	(505)	(3) %
Total Revenue	$ 109,483	$ 95,990	$ 13,493	14 %

Revenue attributable to direct customers was $91.4 million for the three months ended April 30, 2025, compared to $77.4 million for the three months ended April 30, 2024, an increase of $14.0 million, or 18%. The increase was entirely driven by the inclusion of Hearsay's revenue as a result of the acquisition which was completed on August 1, 2024. Revenue attributable to third-party reseller customers was $18.1 million for the three months ended April 30, 2025, compared to $18.6 million for the three months ended April 30, 2024, a decrease of $0.5 million or 3%, primarily due to customer attrition.

Cost of Revenue and Gross Margin

Cost of revenue was $27.1 million for the three months ended April 30, 2025, compared to $21.5 million for the three months ended April 30, 2024, an increase of $5.6 million or 26%. The increase was primarily driven by a $2.4 million increase in amortization expense from acquired intangible assets largely related to the acquisition of Hearsay, as well as a $0.8 million increase in royalties and integration fees. In addition, personnel-related costs increased $0.9 million and professional related costs increased $0.4 million.

Gross margin was 75.2% for the three months ended April 30, 2025, compared to 77.6% for the three months ended April 30, 2024 as reflected in the discussion above.

Operating Expenses

	Three months ended April 30,		Variance	
(in thousands)	**2025**	**2024**	**Dollars**	**Percent**
Sales and marketing	$ 36,209	$ 43,254	$ (7,045)	(16) %
Research and development	$ 21,896	$ 17,059	$ 4,837	28 %
General and administrative	$ 23,155	$ 19,557	$ 3,598	18 %

Sales and marketing expense was $36.2 million for the three months ended April 30, 2025, compared to $43.3 million for the three months ended April 30, 2024, a decrease of $7.0 million or 16%. The decrease was primarily driven by personnel-related costs which decreased $4.1 million, reflecting lower headcount. In addition, conferences and events decreased $1.5 million, and advertising costs decreased $0.7 million. These decreases were offset by a $1.7 million increase in amortization expense related to acquired intangible assets primarily from the Hearsay acquisition.

Research and development expense was $21.9 million for the three months ended April 30, 2025, compared to $17.1 million for the three months ended April 30, 2024, an increase of $4.8 million or 28%. The increase was primarily driven by employee-related costs as personnel-related costs increased $3.2 million, reflecting higher headcount, and stock-based compensation expense increased $0.4 million.

General and administrative expense was $23.2 million for the three months ended April 30, 2025, compared to $19.6 million for the three months ended April 30, 2024, an increase of $3.6 million or 18%. The increase was primarily driven by changes in the fair value of contingent consideration pertaining to the Hearsay acquisition of $1.8 million recognized during the three months ended April 30, 2025. In addition, professional related costs increased $1.1 million and stock-based compensation expense increased $0.6 million mainly due to performance-based restricted stock units granted in fiscal year 2025.

See Note 12" Income Taxes" to our condensed consolidated financial statements for additional information on our benefit from (provision for) income taxes.

Net Income (Loss)

Net income was $0.8 million and net loss was $3.8 million for the three months ended April 30, 2025 and 2024, respectively.

Non-GAAP Financial Measures

In addition to our financial results determined in accordance with GAAP, we believe that certain non-GAAP financial measures are useful in evaluating our operating performance and our business.

Non-GAAP net income (loss) is a financial measure that is not calculated in accordance with GAAP. We define non-GAAP net income (loss) as our GAAP net income (loss) as adjusted to exclude the effects of stock-based compensation expense, acquisition-related costs, amortization of acquired intangibles, and the related income tax effect of these adjustments. Acquisition-related costs include transaction and related costs, subsequent fair value movements in contingent consideration, and compensation arrangements. We believe non-GAAP net income (loss) provides investors and other users of our financial information consistency and comparability with our past financial performance and facilitates period-to-period comparisons of our results of operations. We also believe non-GAAP net income (loss) is useful in evaluating our operating performance compared to that of other companies in our industry, as it eliminates the effects of stock-based compensation, acquisition-related costs, and amortization of acquired intangibles, which may vary for reasons unrelated to overall operating performance.

Beginning in fiscal year 2026, we utilize a projected tax rate of 23.5% in our computation of the non-GAAP income tax provision, which was updated from 25% in fiscal year 2025. Our estimated tax rate on non-GAAP income is determined annually and may be adjusted during the year to take into account events or trends that we believe materially impact the estimated annual rate including, but not limited to, significant changes resulting from tax legislation, material changes in the geographic mix of revenue and expenses and other significant events. Our estimated tax rate on non-GAAP income may differ from our GAAP tax rate and from our actual tax liabilities.

We use non-GAAP net income (loss) in conjunction with traditional GAAP net income (loss) as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, and to evaluate the effectiveness of our business strategies.

Adjusted EBITDA is a non-GAAP financial measure that we believe offers a useful view of overall operations used to assess the performance of core business operations and for planning purposes. We define Adjusted EBITDA as GAAP net income (loss) before (1) interest income (expense), net, (2) (provision for) benefit from income taxes, (3) depreciation and amortization, (4) other income (expense), net, (5) stock-based compensation expense, and (6) acquisition-related costs. The most directly comparable GAAP financial measure to Adjusted EBITDA is GAAP net income (loss). Users should consider the limitations of using Adjusted EBITDA, including the fact that this measure does not provide a complete measure of our operating performance. Adjusted EBITDA is not intended to purport to be an alternate to GAAP net income (loss) as a measure of operating performance.

The definitions of our non-GAAP financial measures may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish this or similar metrics. Thus, our non-GAAP financial measures should be considered in addition to, not as a substitute for, nor superior to or in isolation from, measures prepared in accordance with GAAP.

Our non-GAAP financial measures may be limited in their usefulness because they do not present the full economic effect of the expenses mentioned above. We compensate for these limitations by providing a reconciliation of our non-GAAP financial measures to the most closely related GAAP financial measures. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view non-GAAP net income (loss) and Adjusted EBITDA in conjunction with GAAP net income (loss).

Recent Changes in Non-GAAP Metrics

Beginning with the three months ended July 31, 2024, we revised our definitions of Non-GAAP net income (loss) and Adjusted EBITDA to adjust for the effects of certain acquisition-related costs prompted by our recent acquisition of Hearsay. We believe these changes provide investors with a view of continuing core operations without the effects of unusual activity specific to acquisition-related accounting. These adjustments do not omit or adjust for the inclusion of ongoing operations of acquisitions.

We have recast our results on the same basis for the prior comparative periods presented, although the effects in those periods remain unchanged notwithstanding as no such acquisition-related activity had occurred. The following table reconciles our GAAP net income (loss) to non-GAAP net income (loss):

	Three months ended April 30,	
(in thousands)	**2025**	**2024**
GAAP net income (loss)	$ 770	$ (3,817)
Plus: Stock-based compensation expense	12,659	12,065
Plus: Acquisition-related costs	4,048	—
Plus: Amortization of acquired intangibles	4,141	—
Less: Tax adjustment[(1)]	(5,093)	(1,896)
Non-GAAP net income	$ 16,525	$ 6,352

(1) For fiscal year 2026, we utilize a projected tax rate of 23.5% in our computation of the non-GAAP income tax provision.

The following table reconciles our GAAP net income (loss) to Adjusted EBITDA:

	Three months ended April 30,	
(in thousands)	**2025**	**2024**
GAAP net income (loss)	$ 770	$ (3,817)
Interest expense (income), net	10	(1,968)
(Benefit from) provision for income taxes	(17)	221
Depreciation and amortization	6,855	2,963
Other expense (income), net	355	138
Stock-based compensation expense	12,659	12,065
Acquisition-related costs	4,048	—
Adjusted EBITDA	$ 24,680	$ 9,602

Constant Currency

We provide revenue, including year-over-year growth rates, adjusted to remove the impact of foreign currency rate fluctuations, which we refer to as constant currency. We believe providing revenue on a constant currency basis helps our investors to better understand our underlying performance, given the current macroeconomic environment. We calculate constant currency by using the current period results for entities reporting in currencies other than USD, which are then converted into USD at the average monthly exchange rates in effect during the comparative period, as opposed to the average monthly exchange rates in effect during the current period. Our definition may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Thus, our revenue on a constant currency basis should be considered in addition to, not as a substitute for, nor superior to or in isolation from, measures prepared in accordance with GAAP. We provide a reconciliation of revenue on a constant currency basis to the most closely related GAAP financial measure. We encourage investors and others to review our financial information in its entirety and to view revenue on a constant currency basis in conjunction with revenue on a GAAP basis.

The following table provides a reconciliation of revenue on a GAAP basis to revenue on a constant currency basis:

	Three months ended April 30,		
(in thousands)	**2025**	**2024**	**Growth Rates**
Revenue (GAAP)	$ 109,483	$ 95,990	14 %
Effects of foreign currency rate fluctuations	(533)		
Revenue on a constant currency basis (Non-GAAP)	$ 108,950		14 %

Free Cash Flow

We also provide free cash flow, which is a non-GAAP measure defined as net cash provided by (used in) operating activities, less cash used for purchases of capital expenditures, inclusive of capitalized software development costs. Free cash flow margin is calculated as free cash flow divided by total revenue. We believe this is meaningful to investors because it is a measure of liquidity that provides useful information in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business.

The following table provides a reconciliation of GAAP Cash flow provided by (used in) operating activities to free cash flow:

	Three months ended April 30,	
(in thousands)	**2025**	**2024**
Net cash provided by operating activities	$ 37,725	$ 38,309
Less: Capital expenditures inclusive of capitalized software development costs	(562)	(647)
Free cash flow	$ 37,163	$ 37,662
Operating cash flow margin	34 %	40 %
Free cash flow margin	34 %	39 %

Liquidity and Capital Resources

As of April 30, 2025, our principal sources of liquidity were cash and cash equivalents of $115.0 million. We believe our existing cash and cash equivalents, will be sufficient to meet our projected operating requirements for at least the next 12 months. Our cash flows, including net cash used in or provided by operating activities, may vary significantly from quarter to quarter, due to the timing of billings, cash collections and lease payments, significant marketing events and related expenses, acquisitions, and other factors.

Our future capital requirements will depend on many factors, including those set forth under "Risk Factors". We may in the future enter into arrangements to acquire or invest in complementary businesses, services, technologies, and intellectual property rights. In addition, we may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results and financial condition would be adversely affected.

Credit Arrangements

Silicon Valley Bank

On March 11, 2020, we entered into a credit agreement (the “Credit Agreement”) with Silicon Valley Bank (“SVB”). In January 2021, we amended the Credit Agreement which modified the conditions pursuant to which subsidiaries are required to become guarantors. On December 22, 2022, we entered into a second amendment (“Amendment No. 2”) to the Credit Agreement, dated March 11, 2020, and on July 26, 2024, we entered into a third amendment ("Amendment No. 3") to the Credit Agreement, collectively referred to as the Credit Facility. No significant debt issuance costs were incurred in association with Amendment No.2 and Amendment No.3.

Amendment No. 2 amended the Credit Facility to, among other things (i) extend the maturity date of the Credit Facility to December 22, 2025, (ii) amend the interest rate provisions to replace LIBOR with SOFR as the interest rate benchmark, and (iii) amend the recurring revenue growth rate financial covenant.

Amendment No. 3 amended the Credit Facility to, among other things (i) amend the interest rate applicable to loans under the Credit Facility, and (ii) replace the consolidated quick ratio and recurring revenue growth rate financial covenants with consolidated total leverage ratio and minimum liquidity financial covenants.

The Credit Facility provides for a senior secured revolving loan facility of up to $50.0 million that matures on December 22, 2025, with the right subject to certain conditions to add an incremental revolving loan facility of up to $50.0 million in the aggregate. The revolving loan facility provides for borrowings up to the amount of the facility with sub-limits of up to (i) $30.0 million to be available for the issuance of letters of credit and (ii) $10.0 million to be available for swingline loans.

As amended, the revolving loans bear interest, at our election, at an annual rate based on SOFR or a base rate. Loans based on SOFR shall bear interest at a rate between SOFR plus 1.75% and SOFR plus 2.25%, depending on our consolidated total leverage ratio and subject to a SOFR floor of 1.00%. Loans based on the base rate shall bear interest at a rate between the base rate minus 1.25% and the base rate minus 0.75%, depending on our consolidated total leverage ratio. We are also obligated to pay a commitment fee on the unused portion of the facility at a rate of 0.25% per annum.

The obligations under the Credit Facility are secured by a lien on substantially all of our tangible and intangible property and by a pledge of all of our equity interests of material direct and indirect domestic subsidiaries and 66% of each class of capital stock of any material first-tier foreign subsidiaries, subject to limited exceptions.

The Credit Facility contains customary affirmative and negative covenants and restrictions, as well as financial covenants that require us to maintain minimum liquidity of $35.0 million at all times and a consolidated total leverage ratio of no greater than 3.00 to 1.00, tested on a quarterly basis.

As of April 30, 2025, we were in compliance with all debt covenants. As of such date, the $50.0 million revolving loan facility had $36.8 million available and $13.2 million in letters of credit allocated as security in connection with office space.

BlackRock

On May 15, 2025 we entered into the May 2025 Credit Agreement which provides for (i) a senior secured initial term loan facility (the "Initial Term Loan Facility") in an aggregate principal amount of up to $100,000,000, (ii) a secured delayed draw term loan facility in an aggregate principal amount of up to $50,000,000 (the "Delayed Draw Term Loan Facility"), and (iii) an uncommitted secured discretionary delayed draw term loan facility in an aggregate principal amount of up to $50,000,000 (the "Discretionary Delayed Draw Term Loan Facility", and together with the Initial Term Loan Facility and the Delayed Draw Term Loan Facility, the "Term Loan Facilities"). The Term Loan Facilities mature on May 15, 2030. We will use the proceeds of the term loans made under the Initial Term Loan Facility (the "Initial Term Loans") to repay existing debt and related fees and expenses associated with Term Loan Facilities, with the remainder available for general corporate purposes. The proceeds of the term loans made under the Delayed Draw Term Loan Facility (the "Delayed Draw Term Loans") may be used for general corporate purposes. We borrowed $100,000,000 of Initial Term Loans on the Closing Date. The Delayed Draw Term Loans may be borrowed by us, subject to the satisfaction of certain conditions, during the period from the Closing Date through November 15, 2026.

Under the May 2025 Credit Agreement, the Term Loan Facilities bear interest, at our option, at an annual rate based on an adjusted term SOFR rate or a base rate. Term Loans based on the adjusted term SOFR rate shall bear interest at a per annum rate equal to term SOFR plus 5.25% (subject to a 1.00% floor). Term Loans based on the base rate shall bear interest at a per annum rate equal to the greatest of (i) the prime rate then in effect, (ii) the greater of the federal funds effective rate then in effect, plus 0.50% per annum, (iii) an adjusted term SOFR rate determined on the basis of a one-month interest period, plus 1.00% per annum, and (iv) 2.00%, in each case, plus a margin of 4.25%. Interest is due and payable in arrears quarterly for Term Loans bearing interest at the base rate and at the end of an interest period (or quarterly, in the case of any interest period longer than 3 months) in the case of Term Loans bearing interest at the adjusted term SOFR rate.

The obligations under the May 2025 Credit Agreement are guaranteed by certain subsidiaries and secured by a lien on substantially all of our property and certain subsidiary guarantors.

The May 2025 Credit Agreement contains customary affirmative and negative covenants and restrictions typical for a financing of this type that, among other things, restricts our and our subsidiaries' ability to incur additional debt, pay dividends and make distributions, make certain investments and acquisitions, repurchase its stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of its business, enter into sale-leaseback transactions, transfer and sell material assets and merge or consolidate. The May 2025 Credit Agreement also contains financial covenants that require us to maintain minimum qualified cash of at least $35,000,000 at all times and minimum consolidated EBITDA for relevant test periods, tested on a quarterly basis. The May 2025 Credit Agreement contains customary events of default relating to, among other things, payment defaults, breach of covenants, cross acceleration to material indebtedness, bankruptcy-related defaults, judgment defaults, and the occurrence of certain change of control events. Non-compliance with one or more of the covenants and restrictions or the occurrence of an event of default could result in the full or partial principal balance of the May 2025 Credit Agreement becoming immediately due and payable and termination of the commitments.

In addition, the Term Loans are subject to certain mandatory prepayment events, including an excess cash flow sweep of up to 30% for excess cash flow periods in which our annualized recurring revenue is less than $350,000,000.

Termination of SVB Credit Facility

On May 15, 2025, in connection with entry into the May 2025 Credit Agreement, we used a portion of the proceeds of the Initial Term Loans under the May 2025 Credit Agreement to pay all outstanding principal, interest and other amounts owing under our existing Credit Facility which was then terminated.

Share Repurchase Program

In March 2022, our Board of Directors authorized a $100.0 million share repurchase program of our common stock which was increased by an additional $50.0 million in September 2023 and an additional $50.0 million in March 2025. During the three months ended April 30, 2025, 4,473,633 shares were purchased and as of April 30, 2025, approximately $54.2 million remains available for future purchases, exclusive of commissions paid on the repurchase of shares.

Cash Flows

The following table summarizes our cash flows:

(in thousands)	Three months ended April 30, 2025	2024
Net cash provided by operating activities	$ 37,725	$ 38,309
Net cash used in investing activities	$ (19,363)	$ (647)
Net cash used in financing activities	$ (29,023)	$ (1,174)

Operating Activities

Net cash provided by operating activities of $37.7 million for the three months ended April 30, 2025 reflected our net income of $0.8 million, adjusted by non-cash charges including stock-based compensation expense of $12.7 million, depreciation and amortization expense of $6.9 million, including $4.1 million related to the amortization of acquired intangibles, as well as $2.3 million related to the amortization of operating lease right-of-use assets and $1.8 million related to adjustments in contingent consideration. In addition, there were positive adjustments resulting from changes in accounts receivable of $43.1 million, mainly due to the timing of billing and cash collections during the period, as well as changes in other long term assets of $5.9 million, costs to obtain revenue contracts of $3.2 million and $0.8 million in accounts payable, accrued expenses and other current liabilities. These increases were offset by changes in unearned revenue of $21.7 million, other long term liabilities of $10.3 million, prepaid expenses and other current assets of $5.0 million and operating lease liabilities of $3.5 million.

Net cash provided by operating activities of $38.3 million for the three months ended April 30, 2024 reflected our net loss of $3.8 million, adjusted by non-cash charges including stock-based compensation expense of $12.1 million, depreciation and amortization expense of $3.0 million, and amortization of operating lease right-of-use assets of $2.1 million. In addition, there were positive adjustments resulting from changes in accounts receivable of $54.3 million, mainly due to the timing of billing and cash collections during the period, as well as changes in costs to obtain revenue contracts of $4.3 million. These increases were offset by changes in unearned revenue of $26.7 million, as well as changes in accounts payable, accrued expenses and other current liabilities of $4.0 million, and operating lease liabilities of $2.8 million.

Investing Activities

Net cash used in investing activities of $19.4 million for the three months ended April 30, 2025 reflected cash outflows of $18.8 million related to cash paid, net of cash acquired, in the acquisition of Places Scout, as well as capital expenditures of $0.6 million.

Net cash used in investing activities of $0.6 million for the three months ended April 30, 2024 reflected capital expenditures.

Financing Activities

Net cash used in financing activities of $29.0 million for the three months ended April 30, 2025 was primarily related to cash outflows of $27.6 million associated with repurchases of common stock as part of our share repurchase program, as well as $2.1 million associated with payments for taxes related to the net share settlement of stock-based compensation awards.

Net cash used in financing activities of $1.2 million for the three months ended April 30, 2024 was primarily related to $2.0 million in cash outflows associated with payments for taxes related to the net share settlement of stock-based compensation awards. This was offset by net proceeds from employee stock purchase plan withholdings of $0.9 million.

Contractual Obligations

See Note 13 "Commitments and Contingencies", to our condensed consolidated financial statements for further discussion on contractual obligations.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about items that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except as described in Note 2 "Summary of Significant Accounting Policies- Recent Accounting Pronouncements", to the condensed consolidated financial statements, there have been no material changes to our critical accounting policies and estimates as compared to those disclosed in our Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 2 "Summary of Significant Accounting Policies- Recent Accounting Pronouncements", to the condensed consolidated financial statements for our discussion about adopted and pending recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may affect our financial position due to adverse changes in financial market prices and rates. We are exposed to market risks related to foreign currency exchange rates, inflation and interest rates.

Foreign Currency Risk

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where the local currency is the functional currency, are translated from foreign currencies into U.S. dollars using month-end rates of exchange for assets and liabilities, and average rates for the period for revenue, costs and expenses. We record translation gains and losses in accumulated other comprehensive (loss) income as a component of stockholders' equity. We reflect net foreign exchange transaction gains and losses resulting from the conversion of the transaction currency to functional currency as a component of foreign currency exchange losses in other expense, net. Based on the size of our international operations and the amount of our expenses denominated in foreign currencies, we would not expect a 10% change in the value of the U.S. dollar from rates on April 30, 2025 to have a material effect on our financial position or results of operations. These exposures may change over time as business practices evolve and economic conditions change, including recent foreign currency impacts due to the macroeconomic environment.

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.

Interest Rate Risk

As of April 30, 2025, we had cash and cash equivalents of $115.0 million. The primary objective of our investments is the preservation of capital to fulfill liquidity needs. We do not enter into investments for trading or speculative purposes.

We do not believe our cash equivalents have significant risk of default or illiquidity. While we believe our cash equivalents do not contain excessive risk, we cannot assure you that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits and are exposed to counterparty risk. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Financial Institution Risk

While we seek to minimize our exposure to third-party losses of our cash and cash equivalents, we hold our balances in a number of large financial institutions. Notwithstanding, those institutions are subject to risk of failure and our balances may be uninsured in certain cases.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company’s reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of April 30, 2025.

Changes in Internal Control over Financial Reporting

Following the acquisition of Hearsay in August 2024, we are in the process of reviewing the internal control structure of Hearsay and, if necessary, will make appropriate changes as we continue to integrate Hearsay into our overall internal control over financial reporting process. There were no other 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 that occurred during the three months ended April 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. 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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any legal proceedings that we believe are material to our business or financial condition. From time to time, we are and may become party to various litigation matters and subject to claims that arise in the ordinary course of business.

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect our business. If any of the following risks occur, our business, financial condition, operating results and prospects could be materially harmed. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risk Factor Summary

This risk factor summary contains a high-level summary of risks associated with our business, but does not address all of the risks that we face. Additional discussion of the risks summarized below, and other risks that we face, may be found immediately following this summary.

Risks Related to Our Business and Industry

- Our revenue has slowed and even contracted in recent periods.
- We have a history of losses and may not achieve profitability in the future.
- Adverse economic conditions including inflation, trade disputes, or reduced technology spending may adversely impact our business.
- We have and may continue to expand our business through acquisitions, which may result in unexpected risks and challenges to complete and integrate.
- Because we recognize revenue from subscriptions for our platform over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results.
- Our business has evolved, which makes it difficult to predict our future operating results.
- We have experienced significant changes to our organization and structure and may not be able to effectively manage such changes.
- Failure to adequately manage our sales force will impede our growth.
- We have significant international operations, which exposes us to risk.
- Our growth depends in part on the success of our strategic relationships with existing and prospective Publisher Network application providers.
- Changes to our pricing models could adversely affect our operating results.
- Our success depends on a fragmented internet environment for finding information, particularly information about businesses.
- Our platform faces competition in the marketplace. If we are unable to compete effectively, our operating results could be adversely affected.
- Business and professional service providers may not widely adopt our platform to manage their information or as an important part of their marketing strategy, which would limit our ability to grow our business.
- If customers do not renew their subscriptions for our platform or if they reduce their subscriptions at the time of renewal, our revenue will decline and our business will suffer.
- If we are unable to attract new customers, our revenue growth could be slower than we expect and our business may be harmed.
- If we fail to integrate our platform with a variety of third-party technologies, our platform may become less marketable and less competitive or obsolete and our operating results would be harmed.
- If we are unable to successfully develop and market new features, make enhancements to our existing features, or expand our offerings into new markets, our business, results of operations and competitive position may suffer.
- If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards and changing customer needs or requirements, our platform may become less competitive.
- If customers do not expand their use of our platform beyond their current subscriptions and licenses, our ability to grow our business and operating results may be adversely affected.
- Because our platform is sold to enterprises that often have complex operating environments, we may encounter long and unpredictable sales cycles, which could adversely affect our operating results in any given period.
- A portion of our revenue is dependent on a few customers.
- A significant portion of our revenue is dependent on third-party reseller customers, the efforts of which we do not control.

- We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all.

Risks Related to Information Technology, Intellectual Property, and Data Security

- A security breach, network attack or security incident could delay or interrupt service to our customers, result in the unauthorized access to, or use, modification or publishing of customer content or other information, harm our reputation or subject us to significant liability.
- Assertions by third parties of infringement or other violations by us of their intellectual property rights could result in significant costs and harm our business and operating results.
- We could incur substantial costs in protecting or defending our intellectual property rights, and any failure to protect our intellectual property could adversely affect our business, results of operations and financial condition.
- Our platform utilizes open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.
- We employ third-party licensed software for use in or with our platform, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which could adversely affect our business.
- The reliability of our network and support infrastructure will be critical to our success. Sustained failures or outages could lead to significant costs and service disruptions, which could negatively affect our business, financial results and reputation.
- Real or perceived errors, failures or bugs in our software, or in the software or systems of our third-party application providers and partners, could materially and adversely affect our operating results and growth prospects.
- We are incorporating generative artificial intelligence ("AI"), into some of our products. This technology is new and developing and may present both compliance risks and reputational risks.

Risks Related to Laws, Regulation and Taxation

- We are subject to governmental regulation and other legal obligations, including those related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. Compliance with such laws and obligations could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.
- Regulatory and legislative developments related to the use of AI could adversely affect our use of such technologies in our products, services, and business.

Risks Related to Ownership of Our Common Stock and Our Status as a Public Company

- Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.
- The market price of our common stock has been and may continue to be volatile and may decline. Market volatility may affect the value of an investment in our common stock and could subject us to litigation.

Risks Related to Our Business and Industry

Our revenue growth has slowed and even contracted in recent periods.

We experienced declines in our revenue growth in recent years, including revenue growth rates of 3% from the fiscal year ended January 31, 2022 to the fiscal year ended January 31, 2023, 1% from the fiscal year ended January 31, 2023 to the fiscal year ended January 31, 2024, and 4% from the fiscal year ended January 31, 2024 to the fiscal year ended January 31, 2025. While total revenue increased by 14% from the three months ended April 30, 2024 to the three months ended April 30, 2025, this increase was inorganic due to our acquisition of Hearsay, and without this acquisition, our revenue would have otherwise slightly declined year-over-year in the same period. While our historical revenue growth rates are not indicative of future growth, we may not achieve revenue growth in future periods, or our growth rates may slow further or contract in future periods, despite any increase in revenue as a result of acquisitions. We may also not be successful integrating acquisitions, which could lead to further erosion of revenue growth if we cannot retain the customers acquired.

You should not rely on our revenue for any prior quarterly or annual periods as an indication of our future revenue or revenue growth. While our recent decline in growth rate was largely attributable to the departure of a large customer, we may continue to experience declines as a result of a number of factors, including our ability to execute on our business strategy, our ability to compete effectively for customers and business partners, the impact of public health emergencies, such as the COVID-19 pandemic, geopolitical events and shifts such as regional conflicts that influence overall business activity, and other macroeconomic factors on our business, and other factors that are outside of our control. As we adjust our strategies to reflect the recent changes in our business, including transitioning a portion of our services business to various third-party service providers, this has and may continue to negatively impact our revenue growth rates. In addition, in June 2024, we initiated a substantial cost-cutting plan to reduce costs and increase our profitability, which could further limit our ability to grow organically and may even result in contraction of our revenue. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it could be difficult to achieve or maintain profitability.

We have a history of losses and may not achieve profitability in the future.

While we generated net income of $0.8 million for the three months ended April 30, 2025, we generated net losses of $27.9 million, $2.6 million, and $65.9 million for the fiscal years ended January 31, 2025, 2024 and 2023, respectively. As of April 30, 2025, we had an accumulated deficit of $706.4 million, reflecting our losses recognized historically on a GAAP basis. While we have historically recognized losses on a GAAP basis, we may be deemed to be profitable for tax purposes. See “Risks Related to Laws, Regulation and Taxation” for further discussion. We will need to generate and sustain increased revenue levels and reduced expenses in future periods to become profitable, and, even if we do, we may not be able to maintain or increase our level of profitability. As a result, we may continue to experience operating losses for the indefinite future. Further, while we have recently reduced operating expenses, we expect our operating expenses may increase in the coming years as we hire additional personnel, expand our distribution channels, develop our technology and new features, acquire new businesses, face increased compliance costs associated with our growth and entry into new markets and geographies and adopt new systems to scale and automate our operations. If our revenue does not increase to offset these and other potential increases in operating expenses, we may not be profitable in future periods. If we are unable to achieve and sustain profitability, the market price of our common stock may significantly decrease.

Adverse economic conditions, including inflation or reduced technology spending may adversely impact our business.

Our business depends on the overall demand for technology and on the economic performance of our current and prospective customers. In general, worldwide economic conditions such as inflation, interest rates and currency exchange rates may remain unstable, and these conditions would make it difficult for our customers, prospective customers and us to forecast and plan future business activities accurately, and they could cause our customers or prospective customers to reevaluate their decision to purchase our features. Weak global economic conditions, changes in consumer behavior or a reduction in technology spending even if economic conditions stabilize, could adversely impact our business and results of operations in a number of ways, including longer sales cycles, lower demand or prices for our platform, fewer subscriptions and lower or no growth.

In addition, the economies of certain countries or regions around the world may experience weakness or uncertainty, which may lead to negative impacts on our business in those areas. For example, the U.S. government is undergoing a period of rapid change as to spending and fiscal policy, which may have a considerable impact on the macroeconomic environment and behavior of our customers and end consumers.

We may acquire other companies or technologies, which could divert our management’s attention, result in additional dilution to our stockholders and otherwise disrupt our operations and adversely affect our operating results.

We have in the past acquired and may in the future seek to acquire or invest in businesses, features or technologies that we believe could complement or expand our platform, enhance our technical capabilities or otherwise offer growth opportunities. For example, on August 1, 2024, we completed our acquisition of Hearsay, and on February 7, 2025, we completed the acquisition of KabanaSoft, LLC d/b/a Places Scout. We are currently in the process of integrating each business into Yext. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

In addition, the accounting for purchases can be complicated. For example, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. If an acquired business fails to meet our expectations, our business, operating results and financial condition may suffer.

We may be unable to fully capture the expected value from strategic acquisitions.

Although we have previously acquired businesses, we have limited acquisition experience. As part of our business strategy, we have in the past acquired, and may continue to acquire, other businesses and technologies. Our acquisitions may require substantial integration and management efforts. Successfully realizing the benefits of these acquisitions involves a number of risks, including:

- unanticipated liabilities associated with the acquisition or the acquired business;
- difficulty incorporating acquired technology and rights into our platform and of maintaining quality and security standards consistent with our brand;
- inability to generate sufficient revenue to offset acquisition or investment costs;
- incurrence of acquisition-related costs;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business into our customers;

- diversion of our management’s attention from other business concerns;
- adverse effects to our existing business relationships as a result of the acquisition;
- potential loss of key employees;
- use of resources that are needed in other parts of our business; and
- use of substantial portions of our available cash to consummate the acquisition.

As a result of these and other risks, we may not realize the anticipated benefits from our acquisitions, divestitures, and other strategic transactions. Any failure to achieve these benefits or failure to successfully integrate acquired businesses and technologies or disaggregate divested businesses and technologies could seriously harm our business.

Because we recognize revenue from subscriptions for our platform over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results.

We generally recognize revenue from customers ratably over the terms of their agreements, which are typically one year in length but may be up to three years or longer in length. As a result, most of the revenue we report in each quarter is the result of subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be reflected in our revenue results for that quarter. Any such decline, however, will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our products or a decline in our retention rate, may not be fully apparent or reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

Our business has evolved, which makes it difficult to predict our future operating results.

As a result of changes to our platform and our sales model, including as a result of our recent strategic acquisitions, our ability to forecast our future operating results is limited and subject to a number of uncertainties, including our ability to plan for and model our future growth. The dynamic nature of our business and our industry may make it difficult to evaluate our current business and future prospects, and as a result our historical performance should not be considered indicative of our future performance. We have encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. In addition, the duration and extent of the impact of volatile macroeconomic conditions on our business and industry are uncertain and introduce additional uncertainty to our forecasts of future operating results. If our assumptions regarding these risks and uncertainties are incorrect or change due to changes in our industry, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

We have experienced significant changes to our organization and structure and may not be able to effectively manage those changes.

Our management, headcount and operations have grown substantially since Yext went public in 2017, growing to approximately 1,150 as of January 31, 2025. After years of growth, our overall headcount experienced a reduction in the fiscal year ended January 31, 2023. In addition, a reduction in force was initiated in late January of 2023, resulting in additional terminations of approximately eight percent (8%) of overall headcount that took effect in the three months ended April 30, 2023. On June 4, 2024, we initiated a restructuring plan resulting in the reduction of our workforce by approximately twelve percent (12%) of overall headcount as compared to our headcount as of January 31, 2024, which we substantially completed in the three months ended July 31, 2024.

Our overall headcount may fluctuate in the near term as we adjust our strategies to reflect the recent changes in our business. In addition, we have experienced significant leadership changes in recent years. While we believe these will be of long-term value to our stockholders, the resulting changes and related disruption have and may continue to have near-term effects on our business, growth and profitability.

We believe that our corporate culture has been a critical component of our success. We have invested substantial time and resources in building our team and nurturing our culture. As we change our business, we may find it difficult to maintain our corporate culture. Any failure to manage organizational changes in a manner that preserves the key aspects of our culture could hurt our chance for future success, including our ability to recruit and retain personnel and effectively focus on and pursue our corporate objectives. Furthermore, our corporate culture may be more difficult to maintain as many employees work remotely.

In addition, we will need to continue to improve our information technology infrastructure and our operational, financial and management systems and procedures. We have implemented many of these systems and procedures only recently, and they may not work as we expect or at all. If we grow in the future, including as a result of any acquisitions, additional headcount and capital investments will increase our costs, which will make it more difficult for us to address any future revenue shortfalls by reducing expenses in the short term. However, to the extent we cannot scale our information technology infrastructure, we will continue to rely on manual processes that are costly, inefficient and subject to error.

Finally, our organizational structure has become more complex. We have added personnel and may need to continue to scale and adapt our operational, financial and management controls, as well as our reporting systems and procedures. Changes to our systems and infrastructure may require us to commit additional financial, operational and management resources before our revenue increases and without any assurances that our revenue will increase. If we fail to successfully manage this organizational complexity, we likely will be unable to successfully execute our business strategy, which could have a negative impact on our business, operating results and financial condition.

Failure to adequately manage our sales force will impede our growth.

Our revenue growth is substantially reliant on our sales force. Much of our sales process is relationship-driven, which requires a significant sales force. We have historically had difficulty recruiting and retaining a sufficient number of sales personnel, and this difficulty was heightened during the COVID-19 pandemic beginning in later 2019 and continuing for several years thereafter. If we are unable to adequately recruit for and retain our sales force, we will not be able to reach our market potential and execute our business plan. In addition, we may change our strategy from time to time in how we go to market. As a result, we may change the size of our sales force to reflect strategic realignment in how we go to market, which recently has resulted in a net decrease in sales personnel in the near term before potentially growing headcount again.

Identifying and recruiting qualified sales personnel and training them on our products requires significant time, expense and attention. Our financial results will suffer if our efforts to recruit for, train and retain our sales force do not generate a corresponding increase in revenue. We have hired a significant number of sales personnel in recent years. If new sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if we are unable to retain and develop talented sales personnel, we may not be able to realize the expected benefits of this investment or increase our revenue.

We have significant international operations, which exposes us to risk.

In 2014, we opened our first office outside the United States, and we have expanded our operations abroad, including as a result of acquisitions. Our international expansion has created and will create significant challenges for our management, administrative, operational and financial infrastructure. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks in addition to those we already face in the United States. Because of our limited experience with international operations and developing and managing sales in international markets, our international expansion efforts may not be successful.

Some of the specific risks we will face in conducting business internationally that could adversely affect our business include:

- the difficulty of recruiting and managing international operations and the increased operations, travel, infrastructure and legal compliance costs associated with numerous international locations;
- our ability to effectively price our multi-tiered subscriptions in competitive international markets;
- our ability to identify and manage sales partners;
- new and different sources of competition in each country or region;
- potentially greater difficulty collecting accounts receivable and longer payment cycles;
- the need to adapt and localize our products for specific countries, including differences in the location attributes and formats used in each country and differences in languages, for example in the case of our search product, which relies on natural language processing;
- the need to develop integrations with new third-party applications used by international customers;
- the need to offer customer support in various languages;
- fluctuations in currency exchange rates, which could increase the price of our products outside of the United States, increase the expenses of our international operations, or have a negative impact on our revenue and expose us to foreign currency exchange rate risk;
- difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions;
- compliance with U.S. laws and regulations for foreign operations, including, without limitation, the Foreign Corrupt Practices Act, or FCPA, the U.K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell in certain foreign markets, and the risks and costs of non-compliance;
- compliance with international laws and regulations, including without limitation, those governing privacy, data security and data transfer, such as the General Data Protection Regulation ("GDPR"), which may impair our ability to grow our business or offer our service in some locations, may subject us to liability for non-compliance or may require us to change our business practices;

- expanded demands on, and distraction of, senior management;
- difficulties with differing technical and environmental standards, data privacy and telecommunications regulations and certification requirements outside the United States;
- varying levels of internet technology adoption and infrastructure;
- tariffs and other non-tariff barriers, such as quotas and local content rules;
- more limited protection for intellectual property rights in some countries;
- adverse tax consequences;
- currency control regulations, which might restrict or prohibit our conversion of other currencies into U.S. dollars;
- restrictions on the transfer of funds, including the repatriation of cash;
- deterioration of political relations between the United States and other countries;
- natural disasters, pandemics, acts of terrorism, war (including the ongoing military conflicts between Russia and Ukraine and in the Middle East, and resulting sanctions imposed by the United States and other countries), and other events beyond our control; and
- political or social unrest or economic instability in a specific country or region in which we operate, which could have an adverse impact on our operations in that location.

Also, our network service provider fees outside of the United States are generally higher than domestic rates, and our gross margin may be affected and may fluctuate as we expand our operations and customer base worldwide.

Our failure to manage any of these risks successfully could harm our international operations, and adversely affect our overall business, operating results and financial condition.

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

Our growth depends in part on the success of our strategic relationships with existing and prospective Publisher Network application providers.

We have established strategic relationships with over 200 third-party service and application providers that comprise our Publisher Network, including Amazon Alexa, Apple, Bing, Facebook, Google Business Profile, and Yelp and many others. These application providers provide us with direct access to update content on their websites and applications. This direct access enables our customers to control their business listings on the Publisher Network application providers' websites and applications and to push real-time or nearly real-time updates to those business listings. In order to maintain relationships with application providers, we may need to modify our products or strategies in a way that may be adverse to our business and financial results. Furthermore, if we were to lose access to these applications, either in whole or in part, our Publisher Network would not be as efficient, accurate or competitive. Our customers may also place a significant value on particular application providers such as Google such that the termination or impairment of our relationship with one or a limited number of application providers could lead to a loss of a significant number of customers.

In order to grow our business, we anticipate that we will need to continue to maintain and potentially expand these relationships. We may be unsuccessful in renegotiating our agreements with these third-party application providers or third-party application providers may insist on fees to access their applications. Additionally, our contracts with these third-party application providers may be canceled after a notice period or may not be renewed, and we could lose access to these resources without having sufficient time to replace them. We believe we will also need to establish new relationships with third-party application providers, including third-party application providers in new geographic markets that we enter, and third-party application providers that may emerge in the future as leading sources of information about businesses for end consumers. Identifying potential third-party application providers, and negotiating and documenting relationships with them, requires significant time and resources. Our competitors may be more effective than we are in providing incentives to application providers to favor their products or services or to prevent or reduce subscriptions to our products. In addition, the acquisition of a competitor by one of our third-party application providers could result in the termination of our relationship with that third-party application provider, which, in turn, could lead to decreased customer subscriptions. If we are unsuccessful in establishing or maintaining our relationships with third-party application providers, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results could suffer.

Changes to our pricing models could adversely affect our operating results.

Any changes we make to our pricing models could adversely affect our operating results. For example, we recently began offering capacity-based pricing for our Pages and Search products. There is no assurance that this new pricing and distribution model will be successful thus could adversely affect our financial results. Furthermore, as the markets for our features grow, as new competitors introduce new products or services that compete with ours or reduce their prices, or as we enter into new international markets, we may be unable to attract new customers or retain existing customers at the same price. Moreover, large customers, which have historically been the focus of our sales efforts, may demand greater price discounts.

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

Our success depends on a fragmented environment for finding information, particularly information about businesses.

We believe that our platform offers value to our customers in part because of the difficulty for a customer to update information about their business across many websites and apps, many of which are owned or controlled by different entities and receive information from a variety of sources. Industry consolidation or technological advancements could result in a small number of websites or applications emerging as the predominant sources of information about businesses, thereby creating a less fragmented internet environment for purposes of end consumer searches about businesses. Additionally, we may enter new geographies with less fragmented internet environments. If most end consumers relied on a few websites or applications for this information, or if reliably accurate information across the most used websites and applications were generated from a single source, the need to synchronize information about a business and for our platform could decline significantly. In particular, if larger providers of internet services were able to consolidate or control key websites and apps from which end consumers seek information about businesses, including regarding physical locations, other entities and attributes, our platform may become less necessary or attractive to our customers, and our revenue would suffer accordingly.

Our platform faces competition in the marketplace. If we are unable to compete effectively, our operating results could be adversely affected.

The market for our platform is competitive, rapidly evolving and fragmented, and is subject to changing technology and shifting customer needs. Many companies develop and market products and services that compete to varying extents with ours, and we expect competition in our market to intensify.

As we develop our platform, we will introduce products and features that compete in new markets and as a result we will face new competitors. For example, in October 2019 we launched our search product, and as a result we face competition from established companies in enterprise search. We believe that our ability to compete depends upon many factors both within and beyond our control, including product capabilities, such as speed, scale, and relevance, with which to power search experiences; ease of deployment and ease of use; adoption of our products by many types of users such as developers, IT professionals, and organizational leaders; and low total cost of ownership. Our competitors in enterprise search may have greater experience in these areas as well as greater name recognition, more established relationships with current and potential customers and larger customer bases. As a result, potential customers may be unwilling to use or switch to our product.

We also face many other competitors with a variety of product offerings. These companies have developed, or are developing, products that currently, or in the future are likely to, compete with some or all of ours. A number of potential new competitors, such as application providers, that enter our markets through acquisitions or otherwise, may decide to create or acquire products that compete with our platform or we may develop products that compete with their existing platforms. Moreover, industry consolidation may increase competition. Some of these current and potential competitors may have longer operating histories, greater name recognition, more established relationships with current and potential customers, larger customer bases or significantly greater financial, technical, marketing and other resources than we do. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. We could lose customers if our competitors introduce new competitive products, add new features to existing competitive products, acquire competitive products, reduce prices, form strategic alliances with other companies or are acquired by third parties with greater available resources. If our competitors' products, services or technologies become more accepted than our features, if they are successful in bringing their products or services to market earlier than we bring our features to market, or if their products or services are more technologically capable than our features, then our revenue growth could be adversely affected. Certain of our existing and new competitors have or may develop technologies and services that compete with specific products or features in our platform seeking to be best-in-class. To the extent our customers or potential customers choose to work with several of these vendors rather than implement our platform, our revenue growth could be adversely affected. In addition, some of our competitors offer their products and services at a lower price. If we are unable to achieve our target pricing levels, our margins and operating results could be negatively affected.

Business and professional service providers may not widely adopt our platform to manage their information or as an important part of their marketing strategy, which would limit our ability to grow our business.

Our ability to grow our business and increase revenue depends on our success in educating businesses and professional service providers about the potential benefits of our cloud-based platform. Cloud applications for organizing and managing information about a business, particularly for their locations, entities and attributes, have not previously been widely adopted. Concerns about cost, security, reliability and other issues may cause businesses and professional service providers not to adopt our platform. Moreover, businesses and professional service providers who have already invested substantial resources in other marketing strategies and data management systems or methods may be reluctant to adopt a new approach like ours to supplement or replace existing systems or methods. If businesses and professional service providers do not widely adopt software such as ours, our ability to grow our business will be limited.

If customers do not renew their subscriptions for our platform or if they reduce their subscriptions at the time of renewal, our revenue will decline and our business will suffer.

Our customers have no obligation to renew their subscriptions for our platform after the expiration of their subscription periods. In the normal course of business, some customers have elected not to renew their subscriptions with us. Our customers may seek to renew their subscriptions for fewer features, at renegotiated rates, or for shorter contract lengths, all of which could reduce the amount of the subscription. Our renewal rates may decline or fluctuate as a result of a number of factors, including limited customer resources, changes in our pricing and subscription models, customer satisfaction with our platform and/or our services, the acquisition of our customers by other companies and deteriorating or uncertain general economic conditions. For example, as a result of the COVID-19 pandemic certain customers reduced their subscriptions, elected not to renew their subscriptions, reduced length of contracts, requested extended billing and payment terms or sought more favorable rates, and certain of these trends contributed to a general decline in our retention rate. The follow-on effects of inflation and disruption following the COVID-19 pandemic, coupled with additional geopolitical uncertainty, has meant that not all customers have returned or will return to our offerings. Challenging macroeconomic conditions may also contribute to similar results. If our customers do not renew their subscriptions for our platform or decrease the amounts they spend with us, our revenue will decline and our business will suffer. If our renewal rates fall significantly below the expectations of the public market, equity research analysts or investors, the price of our common stock could also be harmed.

If we are unable to attract new customers, our revenue growth could be slower than we expect and our business may be harmed.

To increase our revenue, we must add new customers. If competitors introduce lower cost or differentiated products or services that are perceived to compete with our features, our ability to sell our features based on factors such as pricing, technology and functionality could be impaired. As a result, we may be unable to attract new customers at rates or on terms that would be favorable or comparable to prior periods, which could negatively affect the growth of our revenue. Our marketing efforts may not be successful and we may not attract as many new customers as we have historically, which could harm our future revenue and revenue growth.

If we fail to integrate our platform with a variety of third-party technologies, our platform may become less marketable and less competitive or obsolete and our operating results would be harmed.

Our platform must integrate with a variety of third-party technologies, and we need to continuously modify and enhance our platform to adapt to changes in cloud-enabled hardware, software, networking, mobile, browser and database technologies. Any failure of our platform to operate effectively with future technologies could reduce the demand for our platform, resulting in customer dissatisfaction and harm to our business. If we are unable to respond to these changes in a cost-effective and timely manner, our platform may become less marketable and less competitive or obsolete and our operating results may be negatively affected. In addition, an increasing number of customers are utilizing mobile devices to access the internet and conduct business. If we cannot continue to effectively make our platform available on these mobile devices and offer the information, services and functionality required by enterprises that widely use mobile devices, we may experience difficulty attracting and retaining customers, which could negatively affect our revenue.

If we are unable to successfully develop and market new features, make enhancements to our existing features, or expand our offerings into new markets, our business, results of operations and competitive position may suffer.

The software industry is subject to rapid technological change and evolving standards and practices, as well as changing customer needs, requirements and preferences. Our ability to attract new customers and increase revenue from existing customers depends, in part, on our ability to enhance and improve our existing features, increase adoption and usage of our platform and introduce new products and features. We expend significant resources on research and development to enhance our platform and to incorporate additional features, improve functionality or add other enhancements in order to meet our customers' rapidly evolving demands. The success of any enhancements or new features depends on several factors, including timely completion, adequate quality testing, actual performance quality, market-accepted pricing levels and overall market acceptance. We may not be successful in these efforts, which could result in significant expenditures that could impact our revenue or distract management's attention from current offerings.

Increased emphasis on the sale and development of new features could distract us from other parts of the business and the development and sale of our core platform, negatively affecting our overall sales. We have invested and expect to continue to invest in new businesses, products, features, services, and technologies. Such endeavors may involve significant risks and uncertainties, including insufficient revenue from such investments to offset any new liabilities assumed and expenses associated with these new investments, inadequate return of capital on our investments, distraction of management from current operations, failure to adequately develop and enhance existing products and unidentified issues not discovered in our due diligence of such strategies and offerings that could cause us to fail to realize the anticipated benefits of such investments and incur unanticipated liabilities. Because these new strategies and offerings are inherently risky, no assurance can be given that they will be successful.

As we enhance our platform and develop or acquire new features, our platform has also become increasingly sophisticated requiring additional technology, sales, customer support and professional services resources. In order for our customers to understand and derive value from these new products and features, we will need to devote additional resources to train our sales personnel and provide higher-quality customer support and professional services. In addition, as our software becomes more complex, we may fail to detect errors, bugs or vulnerabilities. As we continue to develop or acquire new products and features, including those that offer legal or regulatory compliance, we may be exposed to additional unforeseen risk.

Even if we are successful in these endeavors, diversifying our platform offerings will bring us more directly into competition with other providers that may be better established or have greater resources than we have. Our new features or enhancements could fail to attain sufficient market acceptance for many reasons, including:

- delays in introducing new, enhanced or modified features;
- failure to accurately predict market demand or end consumer preferences;
- defects, errors or failures in any of our features or our platform;
- introduction of competing products;
- poor business conditions for our customers or poor general macroeconomic conditions;
- changes in legal or regulatory requirements, or increased legal or regulatory scrutiny, adversely affecting our platform;
- failure of our brand promotion activities or negative publicity about the performance or effectiveness of our existing features; and
- disruptions or delays in the availability and delivery of our platform.

There is no assurance that we will successfully identify new opportunities or develop and bring new features to market on a timely basis, or that products and technologies developed by others will not render our platform obsolete or noncompetitive, any of which could materially and adversely affect our business and operating results and compromise our ability to generate revenue. If our new features or enhancements do not achieve adequate acceptance in the market, or if our new features do not result in increased sales or subscriptions, our brand and competitive position will be impaired, our anticipated revenue growth may not be achieved and the negative impact on our operating results may be particularly acute because of the upfront technology and development, marketing, advertising and other expenses we may incur in connection with the new feature or enhancement.

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

Our future success depends on our ability to adapt and be innovative. To attract new customers and increase revenue from existing customers, we need to continue to enhance and improve our offerings to meet customer needs at prices that our customers are willing to pay. Such efforts will require adding new functionality and responding to technological advancements, which will increase our research and development costs. If we are unable to develop new features that address our customers' needs, or to enhance and improve our platform in a timely manner, we may not be able to maintain or increase market acceptance of our platform. Our ability to grow is also subject to the risk of future disruptive technologies. Access and use of our platform is provided via the cloud, which, itself, was disruptive to the previous enterprise software model. If new technologies emerge that are able to deliver software and related applications at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect our ability to compete.

If customers do not expand their use of our platform beyond their current subscriptions and licenses, our ability to grow our business and operating results may be adversely affected.

Our ability to grow our business depends in part on our ability to encourage current and future customers to subscribe to our higher priced packages with more extensive features or to purchase greater capacity. If we fail to achieve market acceptance of new features, or if a competitor establishes a more widely adopted platform, our revenue and operating results will be harmed. In addition, customers may initially purchase licenses for only a portion of the locations or entities that comprise their business or a limited amount of capacity. If these customers do not expand the number of licenses managed with our platform or purchase additional capacity, our revenue and operating results will be harmed.

Because our platform is sold to enterprises that often have complex operating environments, we may encounter long and unpredictable sales cycles, which could adversely affect our operating results in any given period.

Our ability to increase revenue and achieve profitability depends, in large part, on widespread acceptance of our platform by enterprises. As we target our sales efforts at these customers, we face greater costs, longer sales cycles and less predictability in completing some of our sales. As a result of the variability and length of the sales cycle, we have only a limited ability to forecast the timing of sales. A delay in or failure to complete sales could harm our business and financial results, and could cause our financial results to vary from period to period. Our sales cycle varies widely, reflecting differences in potential customers' decision-making processes, procurement requirements and budget cycles, and is subject to significant risks over which we have little or no control, including:

- customers' budgetary constraints and priorities;
- the timing of customers' budget cycles;
- the need by some customers for lengthy evaluations prior to purchasing products; and
- the length and timing of customers' approval processes.

Our typical sales cycles for more substantial enterprise customers can often be long, and we expect that this lengthy sales cycle may continue or could even increase, particularly during times of uncertain or volatile macroeconomic conditions. In the large enterprise market, the customer's decision to use our platform may be an enterprise-wide decision or may require the approval of senior management, which may not only lengthen the sales cycle but also reduce the likelihood of completing a sale. Delayed and more complex sales cycles could cause our operating results and financial condition to suffer in a given period. If we cannot adequately expand and scale our sales force, we will experience further delays in signing new customers, which could slow our revenue growth.

A portion of our revenue is dependent on a few customers.

For the fiscal years ended January 31, 2025, 2024 and 2023, the aggregate of our top five customers accounted for approximately 8%, 8% and 9%, respectively, of our revenue. During the three months ended January 31, 2024, we experienced the attrition of one of these top five customers, and the corresponding absence of revenue from this customer has since been realized primarily in our quarterly results for the fiscal year ending January 31, 2025. We anticipate that sales of our platform to a relatively small number of customers will continue to account for a significant portion of our revenue in future periods. If we were to lose any more of our large customers, our revenue could decline and our business and results of operations could be materially and adversely affected. These negative effects could be exacerbated by customer consolidation, changes in technologies or solutions used by customers, changes in demand for our features, selection of suppliers other than us, customer bankruptcies or customer departures from their respective industries, pricing competition or deviation from marketing and sales methods away from physical location retailing, any one of which may result in even fewer customers accounting for a high percentage of our revenue and reduced demand from any single large customer.

In addition, some of our customers have used, and may in the future use, the size and relative importance of their purchases to our business to require that we enter into agreements with more favorable terms than we would otherwise agree to, to obtain price concessions, or to otherwise restrict our business.

A significant portion of our revenue is dependent on third-party reseller customers, the efforts of which we do not control.

Third-party reseller customers comprise a significant portion of our revenue. In transactions with third-party reseller customers, we are only party to the transaction with the reseller and are not a party to the reseller's transaction with its customer, and we do not control the efforts of these resellers. Such resellers may elect not to renew their subscriptions with us or may elect to purchase significantly fewer licenses, which would materially adversely affect our operating results and financial condition. In addition, our third-party reseller customers, which often sell to small and midsized organizations that can have liquidity and expense limitations, are also susceptible to global economic weakness and uncertainty. See also "—If customers do not renew their subscriptions for our platform or if they reduce their subscriptions at the time of renewal, our revenue will decline and our business will suffer." Lower demand from certain of our reseller customers has and may continue to result in them not renewing their subscriptions with us, purchasing fewer licenses, attempting to renegotiate contracts to obtain concessions and requesting extended billing and payment terms. Such an adverse effect on our financial condition and operating results would not be fully reflected in our results of operations until future periods. In addition, if third-party reseller customers merge or consolidate with other businesses, declare bankruptcy or depart from their respective industries, our business could be harmed. For example, consolidation among our third-party reseller customers may require us to renegotiate agreements on less favorable terms, including longer payment periods, or may lead to a termination of our agreements with these resellers. We may expend significant resources managing these relationships. Further, in some international markets, we grant certain reseller customers the exclusive right to sell our features. If those reseller customers to whom we have granted exclusive rights elect not to renew their subscriptions or to purchase significantly fewer licenses, then we may be unable to adequately address sales opportunities in that territory. If we are unable to maintain or replace our contractual relationships with our existing reseller customers, efficiently manage our relationships with them or establish new contractual relationships with other third parties, we may fail to retain customers or acquire potential new customers and may experience delays and increased costs in adding or replacing customers that were lost, any of which could materially adversely affect our business, operating results and financial condition.

We previously identified material weaknesses in our internal control over financial reporting. We may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal control over financial reporting, and as a result, investor confidence in us and the value of our common stock could be materially and adversely affected.

As a public company, we are required to establish and maintain internal control over financial reporting. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting. Under standards established by the United States Public Company Accounting Oversight Board, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

As of January 31, 2021, we had identified a material weakness in our internal control over financial reporting associated with processes to calculate, record and account for sales commissions. In fiscal year 2022, we remediated the previously identified deficiencies in internal control over financial reporting and concluded that as of January 31, 2022, and thereafter, we maintained effective internal control over financial reporting.

If we are unable to maintain an effective system of internal control over financial reporting, the reliability of our financial reporting, investor confidence in us and the value of our common stock could be materially and adversely affected. In addition, we may discover other control deficiencies in the future, and we cannot assure you that we will not have a material weakness in future periods.

Additionally, the process of designing, implementing and maintaining internal control over financial reporting required to comply with Section 404 is time consuming, costly and complicated. Effective internal control over financial reporting is necessary for us to provide reliable and timely financial reports and, together with adequate disclosure controls and procedures, are designed to reasonably detect and prevent fraud. Any failure to implement required, new or improved controls, or difficulties encountered in their implementation and maintenance could cause us to fail to meet our reporting obligations. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation. Deficiencies in our internal control over financial reporting that are identified in such assessments may be deemed to be material weaknesses or may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement.

Natural disasters and other events beyond our control could adversely affect us.

Natural disasters or other catastrophic events may cause damage or disruption to our operations and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, civil unrest, pandemics, acts of terrorism and other events beyond our control. While we maintain crisis management and disaster response plans, natural disasters and other events could also make it difficult or impossible for us to continue operations, and could decrease demand for our platform.

In addition, our data centers are located in New Jersey and Texas and our cloud computing providers operate from facilities in northern Virginia, Oregon, Frankfurt, Germany, Tokyo, Japan, Amsterdam, Netherlands, Warsaw, Poland and Mons, Belgium, making our business particularly susceptible to natural disasters and other catastrophic events in those areas. Any natural disaster or other event affecting our data centers could have an adverse effect on our financial condition and operating results.

We depend on our senior management team, and the loss of one or more of our executive officers or key employees could adversely affect our business.

Our success depends largely upon the continued services of our key executive officers. We also rely on our leadership team in the areas of research and development, marketing, sales, services and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. For example, in March 2022, we changed our Chief Executive Officer, Chief Financial Officer and broader leadership team and the change of key executives may disrupt strategic initiatives of these functions for a period of time. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees could have a serious adverse effect on our business.

The failure to attract and retain additional qualified personnel could prevent us from executing our business strategy.

To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other companies for software developers with high levels of experience in designing, developing and managing cloud-based software and search software, as well as for skilled information technology, sales, marketing, legal and accounting professionals, and we may not be successful in attracting and retaining the professionals we need. In the future, we may experience difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Recent decreases in our stock price may also decrease retention. We face intense competition for qualified individuals from numerous software and other technology companies. For example, we may not be successful in attracting and retaining software developers with search expertise, as our competitors have greater experience and name recognition in this area. Competition for qualified personnel is particularly intense in metropolitan areas where we have offices including the New York area. We may incur significant costs to attract and retain qualified personnel, and we may lose new employees to our competitors or other technology companies before we capitalize the benefit of our investment in recruiting and training them. We also employ a number of foreign nationals on work visas, primarily under the H-1B visa. Current and future restrictions on the availability of visas or delays in the issuance of visas could impair our ability to employ skilled professionals. If we are unable to hire and retain highly qualified personnel, our rate of growth and business will be adversely affected.

In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines, does not appreciate or experiences significant volatility, our ability to attract or retain key employees will be adversely affected. Also, as employee equity awards vest, we may have difficulty retaining key employees or may be required to grant larger equity awards from our equity plans, which would cause dilution. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

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

High-quality customer support and professional services are important for the successful retention of existing customers. Providing support and services, including education, training, data cleansing and processing, ongoing support as well as custom development services, requires that our personnel have specific knowledge and expertise of our platform, making it more difficult for us to hire qualified personnel and to scale up these operations. The importance of high-quality customer support and professional services and the difficulty of hiring qualified personnel will increase as we expand our business and pursue new customers and as our platform becomes more complex with the development more features and capabilities. If we do not provide effective and timely ongoing customer support and professional services, our ability to sell additional features to, or to retain, existing customers may suffer, and our reputation with existing or potential customers may be harmed.

In addition, certain aspects of our customer support, for example data cleansing, are conducted manually and are subject to error. While there are processes designed to verify the accuracy of data, if information is not updated or matched correctly, our reputation may be harmed and we may be subject to liability.

While we have historically delivered the majority of our professional services to our customers, we plan to transition a portion of our services business to various third-party service providers. In transactions with third-party service providers, we are not a party to the transaction with the customer, and we do not control the efforts or quality of services provided by these third-parties. In addition, if we do not manage this transition effectively our ability to sell additional features to, or to retain, existing customers may suffer, and our reputation with existing or potential customers may be harmed. Furthermore, as we transition our services business to various third-party service providers, this may negatively impact our revenue growth rates.

If we fail to continue to develop our brand, our business may suffer.

We believe that continuing to develop and maintain awareness of our brand is critical to achieving widespread acceptance of our platform and is an important element in attracting and retaining customers. Efforts to build our brand may involve significant expense and may not generate customer awareness or increase revenue at all, or in an amount sufficient to offset expenses we incur in building our brand. In addition, we sell our features to companies in a number of industries, including healthcare, hospitality, food services, retail and financial services. If we are not successful in building our brand, we may become identified with a single industry, which could make it more difficult for us to penetrate other industries.

Promotion and enhancement of our brand will depend largely on our success in being able to provide high quality, reliable and cost-effective features. We may also, from time to time, adopt different strategies on how to position and/or market our platform and its features. If customers do not perceive our platform as meeting their needs, or if we fail to market our platform effectively, we will likely be unsuccessful in creating the brand awareness that is critical for broad customer adoption of our platform.

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

Generally accepted accounting principles in the United States, or U.S. GAAP, are subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

Our estimates of market opportunity, market size and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves our forecasted growth, our business could fail to grow at similar rates, if at all.

Market opportunity and size estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. We had historically analyzed the size of our estimated total addressable market, solely with respect to locations, using data published by third parties as well as internally generated data and assumptions regarding our ability to generate revenue from those locations. We have not independently verified the estimate of locations published by third parties and cannot assure you of its accuracy or completeness. In addition, our estimated market size for location-related data was based on an assumed annual revenue per location.

As we continue to develop new features, the methodology and assumptions used to estimate new market opportunities may differ materially from methodologies and assumptions previously used to estimate total addressable market with respect to locations. With the addition of new products and features including our search product, we are targeting and positioning our platform towards new markets. To estimate the size of these new markets and their growth rates, we have relied on historical estimates and forecasts provided by industry publications and other third-party sources, including Gartner. We have not independently verified these estimates published by third parties and cannot assure you of their accuracy or completeness. The target markets in which we operate are also subject to a high degree of uncertainty and risk. Our customers as well as analysts, market participants, and others may disagree with our assessment of our target markets and we may never successfully compete in these markets. In addition, third parties may have different assessments of the size of the markets in which our products compete.

These estimates of total addressable market and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Even if the market in which we compete meets the size estimates and growth we forecast, our business could fail to grow at similar rates, if at all.

Certain members of our management team have limited experience managing a public company.

Our chief executive officer and chief financial officer have limited experience managing a public company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. While certain other executives have such experience, our management team, as a whole, may not successfully or efficiently manage the significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors to which a public company is subject. These obligations and constituents require significant attention from our senior management, particularly from our chief executive officer and chief financial officer, and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, operating results and financial condition.

We are exposed to fluctuations in currency exchange rates.

We face exposure to movements in currency exchange rates, which may cause our revenue and operating results to differ materially from expectations. Our operating results could be negatively affected depending on the amount of expense and intercompany transactions including loans denominated in foreign currencies. As exchange rates vary, revenue, cost of revenue, operating expenses and other operating results, when re-measured, may differ materially from expectations. For example, a significant portion of our international revenue is derived from Europe including the United Kingdom. Our revenues and cash flows from these regions may be adversely affected as a result of weakness in the Euro or British Pound. Recent trade disputes and policy announcements have resulted in increased volatility in foreign exchange rates. In addition, our operating results are subject to fluctuation if our mix of U.S. and foreign currency denominated transactions and expenses changes in the future. Although in the future we may apply certain strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications. Additionally, as we anticipate growing our business further outside of the United States, the effects of movements in currency exchange rates will increase as our transaction volume outside of the United States increases.

Our credit agreement may limit our operating flexibility or otherwise adversely affect our business.

Our credit agreement contains restrictive covenants that, among other things, limit our ability to transfer or dispose of assets, acquire other companies or consummate certain changes of control, pay dividends or repurchase Yext stock, incur additional indebtedness and liens and enter into new businesses. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the required lenders and administrative agent under the credit agreement or terminate the credit agreement. Our inability to engage in such actions could limit our operating flexibility and prohibit us from taking certain actions that might be beneficial to our business. In addition, our obligations under the credit agreement are secured by substantially all of our assets and guaranteed by certain of our subsidiaries. Our credit agreement also requires us to satisfy certain financial covenants. There is no guarantee that we will be able to generate sufficient cash flow or sales to comply with these financial covenants or pay the principal and interest on any such debt. Furthermore, there is no guarantee that future working capital, borrowings or equity financing will be available to repay or refinance any such debt. Any inability to make scheduled payments or comply with the covenants in our credit agreement could result in the acceleration of the obligations thereunder and could adversely affect our business.

Our cash and cash equivalents may be exposed to failure of our banking institutions.

While we seek to minimize our exposure to third-party losses of our cash and cash equivalents, we hold our balances in a number of large financial institutions. Notwithstanding, those institutions are subject to risk of failure. For example, on March 10, 2023, SVB was unable to continue their operations and the FDIC was appointed as receiver for SVB. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In addition, on May 1, 2023, the FDIC seized First Republic

Bank and sold its assets to JPMorgan Chase & Co. We do not expect further developments with such banks to have a material impact on our cash and cash equivalents balance, expected results of operations, or financial performance for the foreseeable future. However, if further failures in financial institutions occur where we hold deposits, we could experience additional risk. Any such loss or limitation on our cash and cash equivalents would adversely affect our business.

We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business and may require additional funds. In particular, we may seek additional funds to develop new features and enhance our existing features, expand our operations, including our sales and marketing organizations and our presence outside of the United States, expand office space including into new facilities, improve our infrastructure or acquire complementary businesses, technologies, services, features and other assets. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all, particularly if interest rates continue to rise. In addition, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop feature enhancements and respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

Risks Related to Information Technology, Intellectual Property, and Data Security

A security breach, network attack or security incident could delay or interrupt service to our customers, result in the unauthorized access to, or use, modification or publishing of customer content or other information, harm our reputation or subject us to significant liability.

We are vulnerable to computer viruses, break-ins, phishing attacks, ransomware, supply chain attacks, attempts to overload our servers with denial-of-service or other attacks and similar disruptions from unauthorized use of our computer systems. Any such attack, or any security incident from any other source affecting us or our service providers, including, for example, through employee error or misconduct or additional vulnerabilities introduced by remote work arrangements, third-party integrations or other sources, could lead to interruptions, delays, website or application shutdowns, loss of data or unauthorized access to, or use or acquisition of, personal information, confidential information or other data that we or our service providers process or maintain.

If we experience compromises to our security that result in performance or availability problems, the complete shutdown of our platform or the actual or perceived loss of, or unauthorized access to, unavailability of, or unauthorized use, disclosure, destruction, or other unauthorized processing of, personal information or other types of confidential information, our customers or application providers may assert claims against us for credits, refunds or other damages, and may lose trust and confidence in our platform. Additionally, security breaches and incidents or other unauthorized access to, unavailability of, or unauthorized use, disclosure, destruction, acquisition, or other processing of, personal information or other types of confidential information that we or our service providers maintain, or the perception that any of these have occurred, could result in claims against us for identity theft or other similar fraud claims, breach of contract or indemnity, governmental enforcement actions, litigation, fines and penalties or adverse publicity, or other claims and litigation, and could cause our customers and partners to lose trust in us, any of which could have an adverse effect on our business, reputation, operating results and financial condition. Our existing insurance coverage may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims related to a security breach. An insurer may also deny coverage as to a future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies could have a material adverse effect on our business. We could also be required to incur significant costs for remediation or expend significant capital and other resources to address a security breach. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, often are not recognized until launched against a target and may originate from less regulated countries, we may be unable to proactively address these techniques or to implement adequate preventative measures.

In addition, customers' and application providers' accounts and listing pages hosted on our platform could be accessed by unauthorized persons for the purpose of placing illegal, abusive or otherwise unauthorized content on their respective websites and applications. If an unauthorized person obtained access to a customer's account or our platform, such person could update the customer's business information with abusive content or create and disseminate false responses to reviews. This type of unauthorized activity could negatively affect our ability to attract new customers and application providers, deter current customers and application providers from using our platform, subject us to third-party lawsuits, regulatory fines, indemnification requests or additional liability under customer contracts, or other action or liability, any of which could materially harm our business, operating results and financial condition.

Assertions by third parties of infringement or other violations by us of their intellectual property rights could result in significant costs and harm our business and operating results.

Patent and other intellectual property disputes are common in our industry. Some companies, including some of our competitors, own large numbers of patents, copyrights and trademarks, which they may use to assert claims against us. In addition, because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more of our features.

Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. If asserted, we cannot assure you that an infringement claim will be successfully defended. Certain third parties have substantially greater resources than we have and may be able to sustain the costs of intellectual property litigation for longer periods of time than we can. A successful claim against us could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our platform, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

We could incur substantial costs in protecting or defending our intellectual property rights, and any failure to protect our intellectual property could adversely affect our business, results of operations and financial condition.

Our success depends, in part, on our ability to protect our proprietary methods and technologies. There can be no assurance that the particular forms of intellectual property protection that we seek, including business decisions about when to file trademark applications and patent applications, will be adequate to protect our business. We intend to continue to file and prosecute patent applications when appropriate to attempt to protect our rights in our proprietary technologies. However, there can be no assurance that our patent applications will be approved, that any patents issued will adequately protect our intellectual property, that the scope of the claims in our issued patents will be sufficient or have the coverage originally sought, that our issued patents will provide us with any competitive advantages, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable.

We could be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights, determine the validity and scope of our proprietary rights or those of others, or defend against claims of infringement or invalidity. Such litigation may fail, and even if successful, could be costly, time-consuming and distracting to management and could result in a diversion of significant resources. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringe the counterclaimant's own intellectual property. An adverse determination of any litigation or defense proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related pending patent applications at risk of not being issued. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. During the course of litigation there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Any of our patents, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative processes or litigation. Furthermore, there can be no guarantee that others will not independently develop similar products, duplicate any of our products or design around our patents.

We also rely, in part, on confidentiality agreements with our employees, consultants, advisors, customers and others in our efforts to protect our proprietary technology, processes and methods. These agreements may not effectively prevent disclosure of our confidential information, and it may be possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without our having an adequate remedy for unauthorized use or disclosure of our confidential information. In addition, others may independently discover our trade secrets and proprietary information, and in these cases, we would not be able to assert any trade secret rights against those parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

In addition, the laws of some countries do not protect intellectual property and other proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying, transfer and use of our proprietary technology or information may increase. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property.

We cannot be certain that our means of protecting our intellectual property and proprietary rights will be adequate or that our competitors will not independently develop similar technology. If we fail to meaningfully protect our intellectual property and proprietary rights, our business, operating results and financial condition could be adversely affected.

Our platform utilizes open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Our platform utilizes software governed by open source licenses. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our platform. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a specified manner. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, or to re-engineer all or a portion of software, each of which could reduce or eliminate the value of our platform. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business.

We employ third-party licensed software for use in or with our platform, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which could adversely affect our business.

Our platform incorporates certain third-party software obtained under licenses from other companies, including companies that sell products that compete with our platform. We anticipate that we will continue to rely on such third-party software and development tools in the future. There is no assurance that we will be able to renew licenses for third-party software that we use. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or the software we currently license may be difficult or costly to replace. In addition, integration of the software used in our platform with new third-party software may require significant work and require substantial investment of our time and resources. Also, to the extent that our platform depends upon the successful operation of third-party software in conjunction with our software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of our platform, delay new feature introductions, result in a failure of our platform and injure our reputation. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties.

The reliability of our network and support infrastructure will be critical to our success. Sustained failures or outages could lead to significant costs and service disruptions, which could negatively affect our business, financial results and reputation.

Our reputation and ability to attract, retain, and serve our customers and application providers are dependent upon the reliable performance of our platform and our underlying technical and network infrastructure. Our customers access our platform through our website and related technologies. We rely on internal systems and third-party service providers, including data center, cloud computing, bandwidth and telecommunications equipment providers, to maintain the availability of our platform. If any service provider fails to provide sufficient capacity to support our platform, experiences service outages, reduces or suspends service due to a natural disaster or pandemic, or otherwise ceases to do business, such failure could interrupt our customers' access to our services. For example, we currently serve our customers from third-party data center hosting facilities and cloud computing providers located in the United States, Germany, Japan, the Netherlands, Poland and Belgium. We operate infrastructure in two colocation data center facilities in New Jersey and Texas. If these data centers or cloud computing services become unavailable to us without sufficient advance notice, if we are unable to renew our agreements with these providers or if a provider is acquired or ceases business, we would likely experience delays in delivering our platform until we could migrate to an alternate provider. Our disaster recovery program contemplates transitioning our platform to our backup center in the event of a catastrophe and our platform may be unavailable, in whole or in part, during any transition procedure.

We have experienced, and will in the future experience, interruptions, outages and other performance problems. Such disruptions may be due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of customers and partners accessing our platform simultaneously and inadequate design. For example, in July 2023, one of the data centers hosting our platform experienced a fire that forced shutdown of the facility. While we were able to failover to a backup data center with minimal disruption to our consumer serving services, some customers experienced an outage of our administrative services. We do not expect the effects of this disruption to be material, but we may experience reputational harm from impacted customers. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time.

If we do not accurately predict our infrastructure requirements, our existing customers may experience performance degradation or service outages, which may subject us to financial penalties, financial liabilities and customer losses. For example, to support the international growth of our business, we have expanded and may need to continue to expand capacity outside the United States, but we may not be able to address future capacity constraints, either through existing or alternative providers, in a cost-effective and timely manner, if at all. When we add capacity, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our services, which may damage our business.

Real or perceived errors, failures or bugs in our software, or in the software or systems of our third-party application providers and partners, could materially and adversely affect our operating results and growth prospects.

Our features are highly technical and complex. Our software has previously contained, and may now or in the future contain, undetected errors, bugs, or vulnerabilities. Some errors in our software may only be discovered after the software has been deployed. Any errors, bugs, or vulnerabilities discovered in our software after it has been deployed could result in damage to our reputation, loss of customers, partners or application providers, loss of revenue or liability for damages.

In addition, the proper functioning of our platform is dependent on the ability of our Publisher Network application providers and partners to maintain the availability and proper functioning of their software integrations with our systems and also is dependent on the ability of our third-party application providers to maintain the availability and proper functioning of their websites and applications on which business listing information is published for customers. For example, a number of our Publisher Network application providers provide us with an Application Program Interface, or API, on which our ability to interface with that provider is based. Furthermore, in a rapidly changing business environment, our Publisher Network application providers may experience limitations and delays, which could limit the functionality of our platform. If the functionality of the software, APIs or websites of our third-party application providers is impaired, our customers may attribute such limitations to us and our platform thus damaging our reputation and customer relationships. If our Publisher Network application providers do not maintain the availability and proper functioning of their software, APIs, websites and applications, our business, operating results and financial condition could be materially affected.

We are incorporating generative artificial intelligence ("AI"), into some of our products. This technology is new and developing and may present both compliance risks and reputational risks.

We have incorporated a number of generative AI features into our products. This technology, which is a new and emerging technology that is in its early stages of commercial use, presents a number of risks inherent in its use. The AI algorithms we use in our products are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes. We have implemented measures to address algorithmic bias, such as testing our algorithms and regularly reviewing our data sources. However, there is a risk that our algorithms could produce discriminatory or unexpected results or behaviors (e.g., hallucinatory behavior) that could harm our reputation, business, customers, or stakeholders. Accordingly, while AI-powered applications may help provide more tailored or personalized learner experiences, if the content, analyses, answers or recommendations that AI-powered applications assist in producing on our platform are, or are perceived to be, deficient, inaccurate, biased, unethical or otherwise flawed, our reputation, competitive position and business may be materially and adversely affected.

There are a limited number of AI service providers from which we license the use of their large language models, or LLMs, that are sufficient for use in our AI-powered applications. If our agreements with these AI service providers terminate or cannot be renewed on favorable terms, it may affect our ability to develop our AI-powered platform innovations and features. Any of the foregoing and any similar issues, whether actual or perceived, could negatively impact our users' experience and diminish the perceived quality and value of our offerings. This in turn could damage our brand, reputation, competitive position and business.

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

Furthermore, any content created by us using generative AI tools may not be subject to copyright protection which may adversely affect our intellectual property rights in, or ability to commercialize or use, any such content, and certain content collected, used in, or accessed via AI tools may be subject to third-party usage restrictions that could impede our ability to use such content or AI tools or otherwise lead to liability. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other concerns, the outcome of any one of which may, amongst other things, require us to limit the ways in which we use AI in our business and may affect our ability to develop our AI-powered platform innovations and features. While AI-related lawsuits to date have generally focused on the AI service providers themselves, the collection and use of content for AI tools or our use of any output produced by any generative AI tools may expose us to claims, increasing our risks of liability. For example, the output produced by generative AI tools may include information subject to certain rights of publicity or privacy laws or constitute an unauthorized derivative work of the copyrighted material used in training the underlying AI model, any of which could also create a risk of liability for us, or adversely affect our business or operations. In addition, the use of AI has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal data of users of AI-powered applications. To the extent that we do not have sufficient rights to use the data or other material or content used in or produced by the generative AI tools used in 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, 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.

As the utilization of AI becomes more prevalent, we anticipate that it will continue to present new or unanticipated ethical, reputational, technical, operational, legal, competitive and regulatory issues, among others. We expect that our incorporation of AI in our business will require additional resources, including the incurrence of additional costs, to develop and maintain our platform offerings, services, and features to minimize potentially harmful or unintended consequences, to comply with applicable and emerging laws and regulations, to maintain or extend our competitive position and to address any ethical, reputational, technical, operational, legal, competitive or regulatory issues which may arise as a result of any of the foregoing. As a result, the challenges presented with our use of AI could adversely affect our business, financial condition and results of operations.

Risks Related to Laws, Regulation and Taxation

We are subject to general litigation that may materially adversely affect us.

From time to time, we are and may be involved in legal proceedings, disputes or regulatory inquiries that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes or employment claims made by our current or former employees. We expect that the number and significance of potential disputes may increase as our business expands and our company grows larger. While our agreements with customers limit our liability for damages arising from our platform, we cannot assure you that these contractual provisions will protect us from liability for damages in the event we are sued or a dispute arises. Although we carry general liability insurance coverage, our insurance may not cover all potential claims to which we are exposed or may not be adequate to indemnify us for all liability that may be imposed. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation or dispute resolution, require significant amounts of management time, and result in the diversion of significant operational resources. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, operating results or financial condition.

We are subject to governmental regulation and other legal obligations, including those related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. Compliance with such laws and obligations could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.

We receive, store and process various types of data, including personal data, from and about customers, including third-party reseller customers, partners, end users of our services, and in limited cases, end consumers, as well as data from and about our personnel and service providers. In connection with future feature offerings, we may receive, store and process additional types of data, including personal data. Our processing of data is subject to a variety of laws and regulations, including regulation by various government agencies, such as the U.S. Federal Trade Commission, or FTC, and various state, local and foreign agencies. Our data processing is also subject to contractual obligations and industry standards.

The U.S. federal and various state governments have adopted requirements related to the collection, distribution, use, storage, and security of personal data, including unique online identifiers. For example, the California Consumer Privacy Act of 2018, or CCPA, originally became effective January 1, 2020 and an amended version became effective on January 1, 2023. The amended CCPA requires covered businesses to, among other things, make new disclosures to consumers about their data collection, use, and sharing practices, and allows consumers to opt out of certain data sharing with third parties. Under the amended CCPA, consumers include individuals that interact with us in a professional or employment capacity. The CCPA provides a limited private cause of action for certain data breaches. Numerous other states have proposed, and in many cases, enacted, privacy legislation. The effects of such state privacy laws are potentially significant and may require us to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation. We expect additional states may continue to enact data protection legislation that may be similar to or different from the state privacy laws already adopted.

Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the collection, use, dissemination, and security of personal data. We may be required to incur costs and expenses to stay in compliance with these interpretations, and if we were found to have violated consumer protection laws, we may face enforcement actions which could adversely affect our business. We also may be subject to laws and rules implemented and enforced by the FTC, the Federal Communications Commission, or FCC, and potentially other federal agencies, as well as state, local or international laws and regulations related to marketing, advertising, commercial electronic mail and other messages. Compliance with these requirements may limit our ability to engage in certain marketing and advertising activities. If we were found to have violated such requirements, we may face enforcement actions and/or face civil penalties, either of which could adversely affect our business.

Several foreign countries and governmental bodies, including the European Union, Switzerland and the United Kingdom have laws and regulations dealing with the processing of personal data obtained about their residents, which in certain cases are more restrictive than those in the United States. We expect that additional jurisdictions may enact similar requirements. Laws and regulations in these jurisdictions can apply broadly to the collection, use, storage, disclosure and security of various types of data, including personal data, such as names, email addresses and in some jurisdictions, unique online identifiers like Internet Protocol, or IP, addresses.

In particular, in the European Union, the GDPR became effective in May 2018. The GDPR includes stringent operational requirements for processors and controllers of personal data and imposes significant penalties for non-compliance. The United Kingdom has implemented data protection laws that substantially align with requirements under the GDPR and provide for similar penalties. The United Kingdom's decision to adopt a separate data protection regime after its exit from the European Union, known as Brexit, has created uncertainty and the potential for differing regulations as compared to the European Union, which in turn may delay or deter transactions with customers that transfer personal data to and from the United Kingdom.

In addition, there remains uncertainty regarding transfers of certain personal data from the European Economic Area, Switzerland, and the United Kingdom following Brexit as well as the invalidation of both the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield. While alternative transfer mechanisms, such as Standard Contractual Clauses, are available to Yext and its customers for such transfers, the use of these transfer mechanisms, in addition to related developments and uncertainty, could require us to implement additional contractual and technical safeguards for personal data transferred out of the European Economic Area, Switzerland, and the United Kingdom, which may increase compliance and related costs and risks, lead to increased regulatory scrutiny or liability, necessitate additional contractual negotiations, and adversely impact our business, operating results and financial condition. Customers and potential customers may hesitate or refuse to purchase and use our products and services due to the potential risk associated with cross-border data transfers or may view alternative data transfer mechanisms as being too costly, burdensome or uncertain. Our ability to attract and retain customers may therefore be impaired. In addition, other mechanisms that we use or may use in the future in an effort to legitimize cross-border data transfers may be challenged or invalidated or may evolve such that they do not function as appropriate means for us to transfer certain personal data from the European Economic Area, Switzerland, and the United Kingdom to the United States.

These domestic and foreign laws and regulations relating to privacy and information security are evolving, can be subject to significant change and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Interpretation of certain requirements remains unclear and may evolve, in particular for laws and regulations that have recently been enacted. Application of laws and regulations may be inconsistent or may conflict among jurisdictions resulting in additional complexity and increased legal risk. In addition, these requirements have increased our compliance costs and may impair our ability to grow our business or offer our service in some locations, may subject us to liability for non-compliance, may require us to modify our data processing and transferring practices and policies and may strain our technical capabilities. In addition as we, our customers and potential customers evaluate the impact of new laws and regulations, sales cycles have lengthened and transaction costs have increased as customers conduct additional diligence and as contractual obligations under the new regulations are negotiated.

To protect the personal data that we process, including payment card information, we have implemented technical and organizational measures in an effort to preserve and protect our data and our customers' data against loss, misuse, corruption, destruction, or misappropriation caused by systems failures, unauthorized access or other misuse. Notwithstanding these measures, we could experience security incidents, fail to handle personal data correctly or be subject to liability claims relating to information security by individuals and customers whose data resides in our databases. We are also required to comply with applicable industry standards with respect to our handling of payment card information. If we fail to meet appropriate compliance levels for payment card data specifically, this could negatively impact our ability to utilize payment cards as a method of payment, and/or collect and store payment card information, which could disrupt our business.

As our products are applied to new uses and in new verticals, we may become subject to additional regulations or legal risks. For example, we have begun selling our platform to government entities. Risks associated with sales to government entities include adherence to complex procurement regulations and other government-specific contractual requirements. We may be subject to audits and investigations relating to our government contracts and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, payment of fines, and suspension or debarment from future government business, as well as harm to our reputation and financial results. Sales to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully complete a sale. As another example, in order to offer our products to certain customers in the health care industry we have implemented certain security and privacy measures and related procedures to comply with the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and the Health Information Technology for Economic and Clinical Health Act, or HITECH. We may execute HIPAA business associate agreements, or BAAs, with certain customers that are "covered entities" under HIPAA, which would subject us to additional liabilities, penalties and fines in the event we fail to comply with the terms of such agreements. The storage of such information may require us to modify and enhance our platform at a significant cost.

Any failure or perceived failure by us to comply with laws, regulations, policies, legal or contractual obligations, industry standards, or regulatory guidance relating to privacy or information security may result in governmental investigations and enforcement actions, litigation, fines and penalties, consumer actions, and/or adverse publicity, and could cause our customers and partners to lose trust in us, which could have an adverse effect on our reputation and business. This could materially affect our business, operating results, and financial condition. Furthermore, our third-party reseller customers, over which we have more limited control, may not comply with the laws, regulations, and policies described above, which may damage our reputation or subject us to costly legal or regulatory inquiries and liability or to contractual liability.

We expect that there will continue to be new proposed laws, regulations and industry standards relating to privacy, data protection, marketing, advertising communications, information security and cross-border data transfer in the United States, the European Union and other jurisdictions, and we cannot determine the impact such future laws, regulations and standards may have on our business. Future laws, regulations, standards and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new features and maintain and grow our customer base and increase revenue. Future restrictions on the collection, use, sharing or disclosure of data or additional requirements placed upon us, our customers, partners or end consumers in connection with the use and disclosure of such information could require us to incur additional costs or modify our platform or other aspects of our products and services, possibly in a material manner, and could increase the complexity and cost of developing and deploying new products or limit our ability to develop new products and features altogether.

Regulatory and legislative developments related to the use of AI could adversely affect our use of such technologies in our products, services, and business.

We use AI, including machine learning and generative AI, throughout our business. As the regulatory framework for machine learning technology, generative AI and automated decision making evolves, our business, financial condition and results of operations may be adversely affected. The regulatory framework for AI and similar technologies, and automated decision making, is changing rapidly. It is possible that new laws and regulations will be adopted in the United States and in non-U.S. jurisdictions, or that existing laws and regulations may be interpreted in ways that would affect the operation of our learning platforms and data analytics and the way in which we use AI and similar technologies. We may not be able to adequately anticipate or respond to these evolving laws and regulations, and we may need to expend additional resources to adjust our offerings in certain jurisdictions if applicable legal frameworks are inconsistent across jurisdictions. In addition, because these technologies are themselves highly complex and rapidly developing, it is not possible to predict all of the legal or regulatory risks that may arise relating to our use of such technologies. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

For example, the European Union has enacted legislation, the AI Act, which entered into force on August 1, 2024. The AI Act establishes a risk-based governance framework for regulating high-risk AI systems operating in the EU market. This framework categorizes AI systems based on the risks associated with such AI systems' intended purposes as creating "unacceptable", "high" or "limited" risks. There is a risk that our current or future AI-powered software or applications may obligate us to comply with the applicable requirements of the AI Act, which may impose additional costs on us, increase our risk of liability, or adversely affect our business. For example, "high" risk AI systems are required, amongst other things, to implement and maintain certain risk and quality management systems, conduct certain conformity and risk assessments, use appropriate data governance and management practices, including in development and training, and meet certain standards related to testing, technical robustness, transparency, human oversight, and cybersecurity. Even if our AI systems are not categorized as "high" or "unacceptable" risk we may be subject to additional transparency and other obligations for "low" risk AI system providers. The AI Act sets forth certain penalties, including fines of the greater of EUR 35 million or 7% of worldwide annual turnover (as defined in the AI Act) for the prior year for violations related to offering prohibited AI-systems or data governance, fines of the greater of EUR 15 million or 3% of worldwide annual turnover for the prior year for violations related to the requirements for "high" risk AI systems, and fines of the greater of EUR 7.5 million or 1.5% of worldwide annual turnover for the prior year for violations related to supplying incorrect, incomplete or misleading information to the European Union and member state authorities. This regulatory framework is expected to have a material impact on AI regulation in the European Union, and together with developing guidance and/or decisions in this area, may affect our use of AI and our ability to provide and to improve our services, require additional compliance measures and changes to our operations and processes, result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, financial condition and results of operations. Additionally, several U.S. states have proposed, and in certain cases have enacted, legislation covering the deployment and regulation of AI technology, or otherwise imposing obligations in connection with the use of AI.

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

We are subject to anti-corruption and anti-bribery and similar laws, such as the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the U.K. Bribery Act 2010, and possibly other anti-corruption and anti-bribery laws and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years, are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making, offering, soliciting or accepting improper payments or other benefits to or from government officials and others in the private sector. As we increase our international sales and business, particularly in countries with a low score on the Corruptions Perceptions Index by Transparency International, and increase our use of third-party business partners such as sales agents, distributors, resellers, or consultants, our risks under these laws may increase. We can be held liable for the corrupt or other illegal activities of our employees, representatives, contractors, business partners, resellers, agents and third-party intermediaries, even if we do not explicitly authorize, control or have actual knowledge of such activities. While we have policies and procedures in this area, we cannot guarantee that none of our employees, agents, representatives, business partners or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any allegations concerning or violations of these laws could subject us to investigations, sanctions, settlements, prosecution, enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension or debarment from government contracting, the loss of export privileges, whistleblower complaints, reputational harm, adverse media coverage, and other collateral consequences, all of which could have an adverse effect on our business, results of operations, prospects and financial condition. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees.

We are subject to governmental export and import controls and economic sanctions laws and regulations that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws.

Our business activities are subject to various restrictions under U.S. export and import controls and trade and economic sanctions laws and regulations, including U.S. customs regulations, the U.S. Commerce Department's Export Administration Regulations and economic and trade sanctions regulations maintained by the U.S. Treasury Departments Office of Foreign Assets Control. U.S. export control and U.S. economic sanctions laws and regulations include prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, their governments, and prohibited or restricted persons and entities and also require authorization for the export of certain items including encryption items. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws and regulations that could limit our ability to distribute our services or could limit our customers' ability to implement our services in those countries. Although we take precautions to prevent our platform from being provided in violation of such laws, our platform may have been in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. Additionally, although we take precautions to prevent transactions with U.S. sanction targets, we could inadvertently provide our platform to persons prohibited by U.S. sanctions. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export or import privileges, monetary penalties, and, in extreme cases, imprisonment of responsible employees for knowing and willful violations of these laws. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. In addition, changes in our platform or changes in applicable export or import laws and regulations may create delays in the introduction and sale of our products in international markets, prevent our customers with international operations from deploying our products or, in some cases, prevent the export or import of our products to certain countries, governments or persons altogether. Any change in export or import regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products or in our decreased ability to export or sell our products to existing or potential customers with international operations. For example, in February 2022, following Russia's invasion of Ukraine, the United States and other countries announced economic sanctions against Russia, and the United States and other countries have continued to impose wider sanctions. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business. Violations of export and import laws and regulations and economic sanctions could result in negative consequences to us, including government investigations, penalties and reputational harm.

Changes in laws and regulations related to the internet or changes in internet infrastructure itself may diminish the demand for our platform and could adversely affect our business and results of operations.

The future success of our business depends upon the continued use of the internet. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees or other charges for accessing the internet, generally. These laws or charges could limit the use of the internet or decrease the demand for internet-based solutions. In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool has been adversely affected by "viruses", "worms" and similar malicious programs. If the use of the internet is reduced as a result of these or other issues, then demand for our platform could decline, which could adversely affect our business, operating results and financial condition.

Unanticipated changes in our effective tax rate may impact our financial results.

We are subject to income taxes in the United States and various jurisdictions outside of the United States. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates, changes in non-deductible expenses, expiration or non-utilization of net operating losses, changes in excess tax benefits related to exercises and vesting of stock options and awards compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and changes in accounting principles and tax laws in jurisdictions where we operate. While we regularly evaluate new information that may change our judgment resulting in recognition, derecognition or change in measurement of a tax position taken, there can be no assurance that the final determination of any examinations will not have an adverse effect on our business, operating results or financial condition.

Beginning in fiscal year 2023, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures currently and requires taxpayers to amortize such costs over a period of five or fifteen years. Such provision may accelerate our cash taxes and increase our effective tax rate, resulting in an adverse effect on our overall results of operations and financial condition.

In addition, global tax developments applicable to multinational businesses continue to evolve and create uncertainty to us. For example, the United States has enacted an alternative minimum tax for companies with modified GAAP net income in excess of $1 billion. The Organization for Economic Cooperation and Development (the "OECD") also has proposals regarding the implementation of global minimum tax. Although these rules are not currently applicable to us, we operate in participating countries that have implemented or are expected to implement these rules. We continue to evaluate the impact of these tax developments as new guidance and regulations are published and such becomes applicable.

We may have additional tax liabilities, which could harm our business, results of operations or financial condition.

Significant judgments and estimates are required in determining the provision for income taxes and other tax liabilities. We generally conduct our international operations through wholly-owned subsidiaries and report our taxable income based upon our business operations in those jurisdictions. The amount of taxes we pay may depend on the application of the tax laws of various jurisdictions, including the United States, to our business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements.

In determining the adequacy of income taxes, we assess the likelihood of adverse outcomes that could result if our tax positions were challenged by the Internal Revenue Service, or IRS, and other tax authorities. The tax authorities in the United States and other countries where we do business may examine our income and other tax returns. The ultimate outcome of these examinations cannot be predicted with certainty. Should the IRS or other tax authorities assess additional taxes as a result of examinations, we may be required to record charges that would adversely affect our results of operations and financial condition.

We may also be subject to additional tax liabilities and penalties due to changes in non-income based taxes resulting from tax examinations in federal, state, city or international jurisdictions, settlements or judicial decisions, changes in taxing jurisdictions' tax laws and administrative interpretations, or changes in accounting principles. Any resulting increase in our tax obligation or cash taxes paid could adversely affect our results of operations and financial condition.

The United States enacted the Inflation Reduction Act August 2022 which introduced several tax provisions including a 1% excise tax on certain stock repurchases made after December 31, 2022. We may be subject to this new excise tax which could increase the cost of such repurchases.

Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could increase our costs and adversely affect our business.

The application of federal, state, local and international tax laws to services provided electronically is evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, possibly with retroactive effect, and could be applied solely or disproportionately to services provided over the internet. These enactments could adversely affect our sales activity due to the inherent cost increase the taxes would represent and ultimately result in a negative impact on our operating results and cash flows.

Existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us, possibly with retroactive effect, which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines or penalties and interest for past amounts. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs.

Certain jurisdictions in which we do not collect sales and use, value added or similar taxes may assert that such taxes are applicable, which has resulted or could result in tax assessments, penalties and interest, to us or our customers for past amounts, and we may be required to collect such taxes in the future. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs. Such tax assessments, penalties and interest, or future requirements may adversely affect our operating results and financial condition.

Our ability to use our tax attributes to offset future income tax liabilities may be subject to certain limitations.

As of January 31, 2025, we had significant tax attributes due to U.S. federal and state net operating loss carryforwards, and U.S. federal research and development tax credit carryforwards. In general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an ownership change, which is generally defined as a greater than 50-percentage-point cumulative change by value in the equity ownership of certain stockholders over a rolling three-year period, is subject to limitations on its ability to utilize its pre-change tax attributes to offset income tax liabilities arising from post-change taxable income. Our existing tax attributes may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change our ability to utilize these tax attributes could be further limited by Sections 382 and 383 of the Code and similar state provisions. Future changes in our stock ownership, some of which may be outside of our control, could result in an ownership change under Sections 382 and 383 of the Code. Furthermore, our ability to utilize tax attributes of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of tax attributes, or other unforeseen reasons, our existing tax attributes could expire, decrease in value or otherwise be unavailable to offset future income tax liabilities.

Risks Related to Ownership of Our Common Stock and Our Status as a Public Company

Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations, including the levels of our revenue, gross margin and profitability, as well as our cash flows and unearned revenue balances, may vary significantly in the future, and period-to-period comparisons of our operating results and key metrics may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results and metrics may fluctuate as a result of a variety of factors, many of which are outside of our control and, as a result, may not fully reflect the underlying performance of our business. These fluctuations may negatively affect the value of our common stock. Factors that may cause fluctuations in our quarterly results include:

- our ability to attract and retain new and existing customers;
- our ability to execute on our business strategy;
- the launch of significant new products and features;
- the addition or loss of large customers, including third-party reseller customers, including through acquisitions or consolidations;
- the timing of recognition of revenue;
- a change in accounting principles;
- the timing of billing and cash collections;
- the timing of significant marketing events and related expenses;
- the amount and timing of operating expenses;
- network outages and security breaches and incidents;
- natural disasters, pandemics including the COVID-19 pandemic, acts of terrorism, geopolitical conflict and other events beyond our control;
- general economic, industry and market conditions;
- customer renewal rates;
- pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- the timing and success of new feature introductions by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or application providers;
- our ability to adequately scale our sales force and retain key employees;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies; and
- unforeseen litigation.

If securities or industry analysts do not continue to publish research or reports about us, our business or our market, or if they cease publishing research or change their recommendations regarding our stock adversely, or if our actual results differ significantly from our guidance or analysts' expectations, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. Some analysts have ceased covering us, and current coverage by analysts may be more limited than prior periods. If additional analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. In addition, if one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our common stock would likely decline.

In addition, from time to time, we may release earnings guidance or other forward-looking statements in our earnings releases, earnings conference calls or otherwise regarding our future performance that represent our management's estimates as of the date of release. Some or all of the assumptions of any future guidance that we furnish may not materialize or may vary significantly from actual future results. Furthermore, the adoption of new accounting standards may require us to modify our earnings guidance, and such modifications though solely attributed to changes in accounting standards, may be perceived unfavorably. Any failure to meet guidance or analysts' expectations could have a material adverse effect on the trading price or trading volume of our common stock.

The market price of our common stock has been and may continue to be volatile and may decline. Market volatility may affect the value of an investment in our common stock and could subject us to litigation.

Technology stocks have historically experienced high levels of volatility, and have heavily declined recently. The market price of our common stock has been and may continue to be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- changes in projected operational and financial results;
- addition or loss of significant customers;
- addition or loss of significant strategic relationships with application providers in the Publisher Network;
- changes in laws or regulations applicable to our platform;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements of technological innovations or new offerings by us or our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital-raising activities or commitments;
- additions or departures of key personnel;
- changes in our financial guidance or securities analysts' estimates of our financial performance;
- discussion of us or our stock price by the financial press and in online investor communities;
- reaction to our press releases and filings with the SEC;
- changes in accounting principles;
- announcements related to litigation, regulation or disputes;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our common stock by us or our stockholders;
- effects of inflation and increased interest rates;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- natural disasters, pandemics, acts of terrorism and other events beyond our control; and
- general economic and market conditions and overall market slowdowns.

Furthermore, in recent years, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, and technology companies in particular. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. If the market price of our common stock declines, you may not realize any return on your investment in us and may lose some or all of your investment.

In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could also harm our business.

Future sales and issuances of our capital stock or rights to purchase capital stock could result in dilution of the percentage ownership of our stockholders and could cause our stock price to decline.

We may issue additional securities. Our certificate of incorporation authorizes us to issue up to 500,000,000 shares of common stock and up to 50,000,000 shares of preferred stock. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, the ownership of existing stockholders will be diluted, possibly materially. New investors in subsequent transactions could also gain rights, preferences and privileges senior to those of existing holders of our common stock. In addition, substantial blocks of our total outstanding shares are eligible to be sold into the market, although shares held by directors, executive officers and other affiliates are subject to volume limitations under Rule 144 under the Securities Act

The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, or if there is a large number of shares of our common stock available for sale and the market perceives that sales will occur.

In addition, equity compensation comprises a significant component of our compensation strategy. We have granted and expect to grant equity awards from our equity incentive plan and under the terms of such plan, shares of our common stock reserved for future issuance will be subject to annual increases, which would cause dilution. We have and may in the future file registration statements registering the issuance of shares of common stock subject to outstanding options under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans. Shares registered on the Form S-8 registration statement would be eligible for sale to the public, subject to certain legal limitations. The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares.

Additionally, certain holders of our common stock may negotiate to obtain rights, subject to specified conditions, to require us to file one or more registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. If we were to register the resale of such shares, they could be freely sold in the public market. If such additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could be adversely affected.

We do not intend to pay dividends for the foreseeable future.

We may not declare or pay cash dividends on our capital stock in the near future. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. In addition, our ability to pay dividends may be limited by our credit agreement. Consequently, stockholders must rely on sales of their common stock after price appreciation as the only way to realize any future gains on their investment.

Share repurchases could affect our stock price and increase its volatility and will diminish our cash reserves.

In March 2022, we announced a program to repurchase up to $100.0 million of our common stock, which was increased by an additional $50.0 million in September 2023 and an additional $50.0 million in March 2025. Such repurchases may be made from time to time subject to pre-determined price and volume guidelines. As of April 30, 2025, we repurchased 23,986,081 shares for $145.8 million. Repurchases pursuant to our share repurchase program could affect our stock price and increase its volatility and will reduce the market liquidity for our stock. These activities may have the effect of maintaining the market price of our common stock or slow down a decline in the market price of the common stock, and, as a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. Additionally, these repurchases will diminish our cash reserves, which could impact our ability to pursue possible future strategic opportunities and acquisitions and result in lower overall returns on our cash balances.

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

Our status as a Delaware corporation may discourage, delay or prevent a change in control, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board of Directors;
- a prohibition on cumulative voting in the election of our directors;
- the requirement that our directors may only be removed for cause;
- the ability of our Board of Directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the right of our Board of Directors to elect a director to fill a vacancy created by the expansion of our Board of Directors or the resignation, death or removal of a director;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the Board pursuant to a resolution adopted by a majority of the Board, the chairman of the Board of Directors, our chief executive officer, or our president (in the

absence of a chief executive officer), which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;

- the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of our voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the management of our business or our amended and restated bylaws, which may inhibit the ability of an acquirer to affect such amendments to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. The provisions of Section 203 may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for three years after achieving that ownership threshold. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board of Directors or initiate actions that are opposed by our then-current Board of Directors, including delaying or impeding a merger, tender offer, or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth issuer purchases of equity securities related to the share repurchase program for the three months ended April 30, 2025:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet to be purchased under the program (in millions)
February 1, 2025 - February 28, 2025	575,658	$ 6.59	575,658	$28.2
March 1, 2025 - March 31, 2025	1,405,917	$ 6.29	1,405,917	$69.3
April 1, 2025 - April 30, 2025	2,492,058	$ 6.06	2,492,058	$54.2
Total	4,473,633		4,473,633	

As part of the share repurchase program, shares may be purchased in open market transactions or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The timing, manner, price and amount of any repurchases will be determined at our discretion, and the share repurchase program may be suspended, terminated or modified at any time for any reason. The repurchase program does not obligate us to acquire any specific number of shares, and all open market repurchases will be made in accordance with Exchange Act Rule 10b-18, which sets certain restrictions on the method, timing, price and volume of open market stock repurchases. Amounts reflected in the above table exclude commissions paid on the repurchase of shares.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

During the three months ended April 30, 2025, no director or officer, as defined in Rule 16a-1(f),adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

Item 6. Exhibits

		Incorporated by Reference				
Number	**Exhibit Title**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
2.1*	Agreement and Plan of Merger among Yext, Merger Sub, Hearsay, and the Stockholder Representative, dated as of June 10, 2024.	8-K	001-38056	2.1	6/10/2024	
3.1	Amended and Restated Certificate of Incorporation	S-1/A	333-216642	3.2	3/17/2017	
3.2	Amended and Restated Bylaws	S-1/A	333-216642	3.4	3/17/2017	
4.1	Form of Common Stock Certificate	S-1/A	333-216642	4.1	3/28/2017	
10.1*	Unit Purchase Agreement among Yext, Inc., KabanaSoft, LLC, the Sellers and the Seller Representative, dated as of February 7, 2025.	8-K	001-38056	10.1	2/10/2025	
10.2*	Credit Agreement, dated May 15, 2025, by and among the Yext, Inc., a Delaware corporation, the lenders from time to time party thereto and Acquiom Agency Services LLC, as Administrative Agent.	8-K	001-38056	10.1	5/21/2025	
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					x
31.2	Certification of Principal Financial Officer 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
101	Interactive Data Files Pursuant to Rule 405 of Regulation S-T formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of April 30, 2025 and January 31, 2025, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended April 30, 2025 and 2024, (iii) Condensed Consolidated Statements of Stockholders' Equity for the three months ended April 30, 2025 and 2024, (iv) Condensed Consolidated Statements of Cash Flows for the three months ended April 30, 2025 and 2024 and (v) Notes to Condensed Consolidated Financial Statements.					
104	The cover page from the Company's Quarterly Report on Form 10-Q for the three months ended April 30, 2025, formatted in Inline XBRL (included in Exhibit 101).					

* The registrant has omitted certain immaterial schedules and exhibits to this exhibit pursuant to the provisions of Regulation S-K, Item 601(b)(2). The schedule of exhibits omitted is included with such agreement. The registrant shall supplementally furnish a copy of any of the omitted schedules to the Securities and Exchange Commission upon request.

** These exhibits are furnished with this Quarterly Report on Form 10-Q and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of Yext, 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 hereof and irrespective of any general incorporation language contained in such filings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 9, 2025	Yext, Inc.	
	By:	/s/ Darryl Bond
		Darryl Bond
		Chief Financial Officer **(Principal Financial Officer)**

Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Walrath, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Yext, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

[SIGNATURE PAGE FOLLOWS]

Date: June 9, 2025

/s/ Michael Walrath

Name: Michael Walrath

Title: Chief Executive Officer

Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Darryl Bond, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Yext, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

[SIGNATURE PAGE FOLLOWS]

Date: June 9, 2025

/s/ Darryl Bond

Name: Darryl Bond

Title: Chief Financial Officer

Certification of the Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Michael Walrath, the Chief Executive Officer of Yext, Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The quarterly report on Form 10-Q for the period ended April 30, 2025 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

[signature page follows]

Date: June 9, 2025

/s/ Michael Walrath

Name: Michael Walrath

Title: Chief Executive Officer

Certification of the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Darryl Bond, the Chief Financial Officer of Yext, Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The quarterly report on Form 10-Q for the period ended April 30, 2025 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

[signature page follows]

Date: June 9, 2025

/s/ Darryl Bond

Name: Darryl Bond
Title: Chief Financial Officer